Retail technology trends 2024

Unleashing the promise of technology

RetailAnalysis from **IGD**

Our technology trends for 2024

The ever-evolving landscape of retail technology, including AI, retail media, robotics, automated checkout, and traditional platforms is a significant driver of change in our industry.

We've identified five retail technology trends for the year ahead and considered their impact on retailers and suppliers.

     Source: IGD Research

from **IGD**

Last year our analysts tracked 1,000s of innovations globally. Through our unrivalled industry access, we identified the implications of these developments and their potential impact on grocery retailing.

We identified four key takeaways

Retailers are optimising technologies to streamline and simplify how they operate.

Expect to see retailers invest more in core technology platforms and the infrastructure that powers their operations.

A pragmatic approach is increasingly being taken to technology investments.

Retailers are focused on technologies that are future-proofed and deliver a clear ROI.

The scaled deployment of in-store retail media will make stores feel more tech-led for shoppers.

However, retailers must maintain a balance between monetisation and enhancing the store environment in a customer-centric way.

There is no end to this project

There is a need to keep up-to-date with global innovations to understand what could be coming to your market, channel, or category in the future.

    Source: IGD Research

Let's inspire you with our five technology trends for 2024

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The technologies influencing our trends

This table shows the role of 12 key retail technologies within our five trends for 2024. AI's impact can be seen given it is the only technology impacting all five. Most retailers should be working with or scoping the role of these technologies.

Technology	Reducing shrink	Streamlining operations	Making stores more sustainable	Driving engagement	Managing data governance
Artificial Intelligence (AI)	✓	✓	✓	✓	✓
Computer vision	✓	✓	✓	✓	
Digital screens				✓	
Mobile and contactless tech	✓			✓	
Biometrics	✓			✓	✓
Electronic Shelf Edge Labels	✓	✓	✓	✓	
Internet of Things (IOT)	✓	✓	✓		✓
Robotics and automation		✓			✓
Voice and conversational comm		✓		✓	
Smart shelves	✓	✓	✓	✓	
Drones and automated delivery	✓	✓	✓		
Augmented Reality/Virtual Reality		✓		✓	

from IGD

Optimising technology for shrink

Addressing shrink is a critical concern for retailers. Technology can play a pivotal role in implementing better inventory management systems, surveillance, and anti-theft measures to minimise losses.

Losses dent profit margins and erode confidence, while potentially driving shoppers elsewhere.

We anticipate a surge in the adoption of data analysis, advanced video surveillance, and AI technologies by retailers.

These tools:

- Offer insights
- Help to detect patterns
- Enhance security measures

     Source: IGD Research

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Streamlining operations

Technology is a key enabler in helping retailers drive productivity and reduce costs.

Key focus areas include ESLs, computer vision, automation, robotics and AI.

For the latter, while it is still early days for its broad use, companies are on a path towards a more data-driven, adaptive operating environment.

Unifying diverse tech components and platforms will be central to unlocking the promise of technology moving ahead.

This will enable them to redirect resources towards vital aspects like pricing, service enhancements, and infrastructure investments.

     Source: IGD Research

from IGD

Making stores more sustainable

2023's energy crisis in Europe shone a light on the need to be more prudent with energy usage.

Implementing technology for energy-efficient store designs, resource monitoring, smart lighting, and waste reduction can contribute to both sustainability and cost savings.

Smart grids and IoT-enabled systems are enabling real-time monitoring, allowing retailers to make informed decisions for further optimisation.

Looking ahead, we expect to see the emergence of fully connected smart stores that use real-time data, IoT devices, and AI algorithms to dynamically adjust energy usage, optimise resources and minimise waste in response to changing conditions.

    Source: IGD Research

from IGD

Driving in-store engagement

A pivotal aspect of the transformation of stores into dynamic and immersive spaces is the integration of retail media.

2024 will see an accelerated roll-out of digital retail media screens in multiple locations.

Retailers will have to ensure that this is seen as more than a money grab from suppliers. This will require retailers to provide robust data on the solutions' impact.

Future developments will include personalised and interactive content, delivered in real-time.

Retailers may also integrate social media engagement directly into these screens, creating a seamless online-offline brand experience.

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Managing data governance/AI reputation/authenticity

Tightened regulations, evolving privacy laws, and shifts in cookie policies are reshaping data management. Adapting is crucial as this is an integral element of fully optimising the available technology.

Companies must ensure that data practices align with the changing regulatory landscape and business expectations.

As consumers become more discerning about how their data is handled, there's a dual responsibility for businesses: not only complying with legal frameworks but also proactively addressing privacy concerns.

Looking ahead, companies must anticipate further tightening of regulations and continued evolution of privacy laws, necessitating ongoing adaptation in data governance practices.

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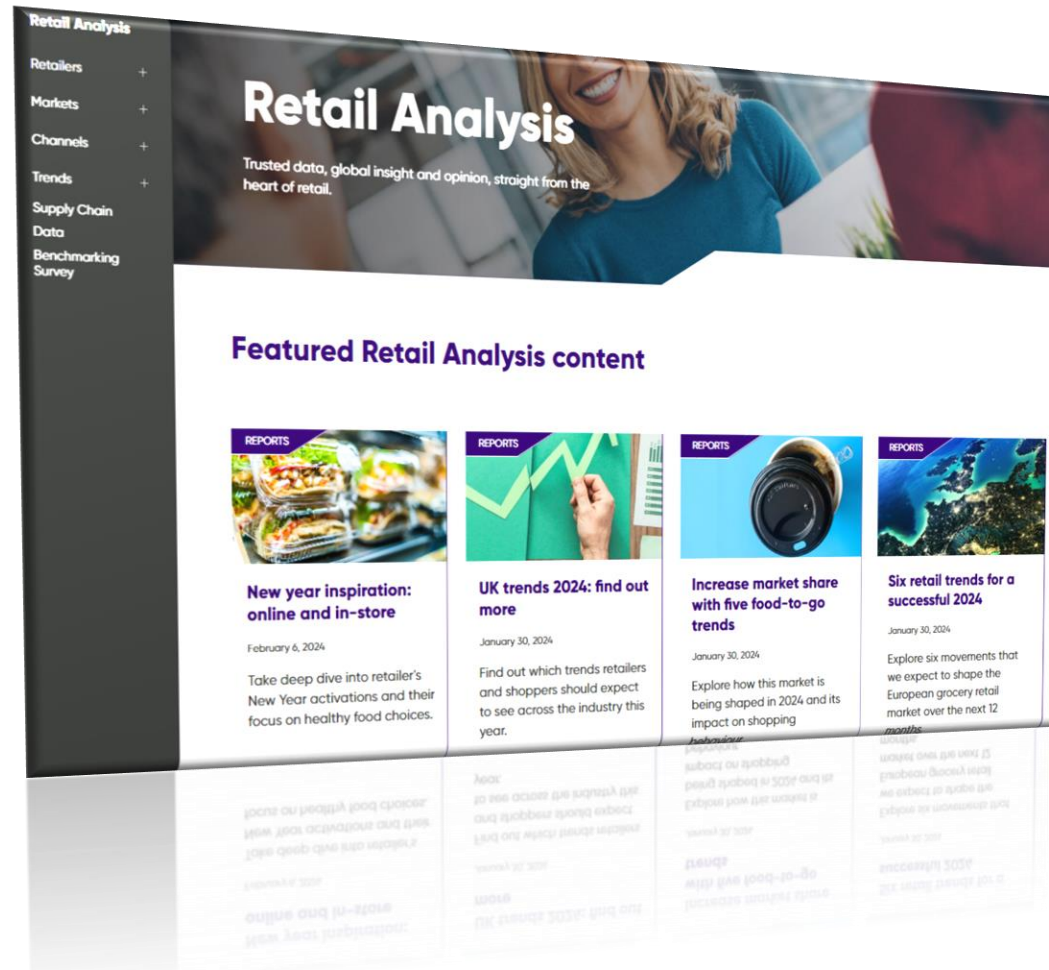
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