


# Some Retailers Aren't Sure How IoT Will Transform the Industry

## Article



**M**any believe that the internet of things will transform the retail industry, but fewer are certain in which ways—and how—this will affect their business.

A new forecast from [Juniper Research](#) projects that revenues generated by IoT retail platforms worldwide will rise to at least \$4.3 billion by 2023, up from 2018 estimates of \$890



million. The thinking behind these figures is that IoT platform implementation will enable retailers to become more efficient, **especially in the supply chain.**

However, according to an October 2018 **RSR Research** study, US retailers aren't exactly sure how they should use IoT. When asked about one key issue that is driving interest in IoT projects, no single answer was cited by more than one-quarter of respondents, indicating a lack of consensus. The need for greater inventory accuracy to sell from all channels was the top response (24%).

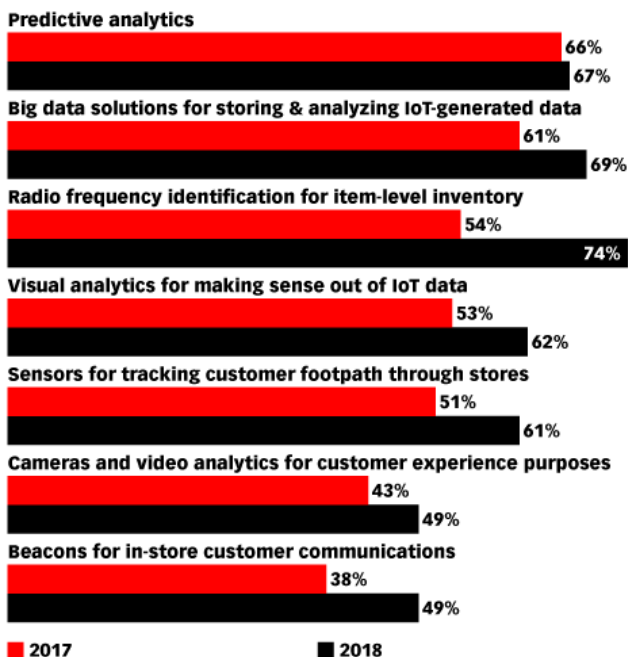
The number of retailers that strongly agreed that IoT will drastically change how companies do business in the next three years jumped from 53% in 2017 to 69% this year. But not all are sure how this will impact their business; 21% of general merchandise retailers surveyed said they had "no idea" how IoT would affect them in the near future. This sentiment was even stronger (42%) for fast-moving consumer goods (FMCG) retailers.

Both retail winners (those with over 4.5% growth in annual revenue) and the rest felt that IoT will have the most impact on store operations (90% vs. 78%). Winners also foresee supply chain opportunities for IoT (76%), which reinforces the Juniper study, while average retailers and laggards cited marketing (70%) second.

As for specific IoT technologies, retailers thought radio frequency identification (RFID) for item-level inventory had the most potential this year (74%) jumping from 54% who thought so in 2017. Tech related to analytics—big data storage, predictive and visual—also held potential.

## Which Areas Do US\* Retailers See as Having Potential Value for Certain Internet of Things (IoT) Technologies?

% of respondents, 2017 & 2018



Note: \*88% of retailers had headquarters in the US  
Source: Retail Systems Research (RSR) "Customers Use IoT, Why Can't Retailers?" sponsored by SAS, Oct 18, 2018

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Juniper also predicts that RFID, which has fallen in and out of favor over the years, will have the biggest future impact on retail. The sensors aren't just helpful for back-end logistics and warehousing but also **inventory tracking in-store** and a key part of customer-facing **Amazon Go-type shopping experiences**.

The top two retail capabilities cited in the RSR study spoke to all of the above. Enterprise-wide inventory management (93%) and improving wait times at checkout (84%) were deemed most important in 2018.