

# Fewer Retailers Are Increasing Tech Budgets

## But digital transformation efforts are a major focus

### ARTICLE |

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**A**cross all industries digital transformation is the order of the day, and tech investments are one method to bolster this.

An [RIS News](#) and [Gartner](#) survey conducted in February found that 69% of retailers are planning to increase their IT budgets in 2018. That is actually down from last year (88%) but those that are upping budgets are doing so by a healthy margin. Around one-third plan to increase spending 1%-5% and roughly one-quarter by 5%-10%.

More retailers are putting digital transformation plans into action. Last year, 15% characterized the stage they were in as “desiring” compared to 12% in 2018, and the number of those “designing” jumped to 36% in 2018 vs. 27% in 2017. Some retailers have actually implemented such plans, but just 6% say they are at the point of harvesting results.

Personalization is an overarching theme for 2018, [the study](#) found. Close to half (47%) of retailers cited personalization/CRM as a top technology for this year, the leading response.

## Top 10 Technologies for 2018 vs. 2020 According to US Retailers

% of respondents

2018		2020	
1. CRM/personalization	47%	1. Multichannel customer behavioral segmentation	42%
2. Mobile devices for associates/manager	40%	2. Location-based sensing for marketing/communication	39%
3. In-store pickup/return	40%	3. CRM/personalization	37%
4. Mobile point of sale	38%	4. Mobile devices for associates/manager	36%
5. Promotion optimization	38%	5. Mobile point of sale	36%
6. Multichannel frequent shopper tracking	37%	6. Multichannel frequent shopper tracking	36%
7. Ecommerce platform	37%	7. Clienteling/guided selling	36%
8. Point-of-sale software	36%	8. Price optimization	35%
9. Real-time inventory visibility	36%	9. Split tickets (omnistore)	35%
10. Campaign analytics and forecasting	35%	10. Digital devices (signage, magic mirrors, etc.)	33%

Source: RIS News and Gartner, "2018 RIS/Gartner Retail Technology Study," March 23, 2018

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This mirrors January research from Boston Retail Partners that reported the top customer engagement priority for 2018 was personalizing customer experience

In the RIS/Gartner survey, retailers expect CRM/personalization to decline as a priority two year from now, and they foresee going a step further with multi-channel behavioral segmentation (42%).

Digital transformation isn't purely reliant on technology, however. For retailers, it requires merging channels and utilizing physical stores, as well as focusing on internal issues. Around one-third of retailers in the RIS study saw internal resistance to change (34%) and slow organizational response (33%) as the top obstacles over the next year and a half.