AWS small and medium business

AMAZON WEB SERVICES

Cloud Solutions for Retail

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Delivering compelling retail customer experiences and data solutions in the cloud

Among the industries most impacted by the digital disruption is retail. A recent study found that more than 60 percent of consumers have changed the way they shop due to ecommerce.[1] Customers are extremely knowledgeable about their buying options and price competition, want access to a variety of relevant products on their own terms, and expect exceptional customer service and unique in-store and online experiences.

For retail companies of all sizes, business as usual is now about interacting with customers in new ways and understanding their changing needs. It's a time of turbulence, with innovations like curbside pickup, home delivery, mobile apps, live chat, and artificial intelligence artificial intelligence-driven bots proliferating.

Yet within many retail businesses, legacy technologies, inefficient organizational structures, and culture inertia have become barriers to innovation and business agility. A fragmented IT landscape and operational silos are other barriers to change. But there is a renewed focus on the role of technology, with IT spending in U.S. growing as a percentage of revenue by as much as 40 percent since 2019.[2]

[1] "Perspectives on retail and consumer goods," **McKinsey & Company**, August 2020
[2] "Once-in-a-generation increase: How winning retailers are racing ahead in IT innovation," **IHL Group**, February 2022.
[3] "Neiman Marcus Increases New Application Speed to Market by 50% on AWS, Improves Digital Selling for Associates," **AWS customer case study**, 2021.

"Using AWS Amplify on a serverless architecture cost us 90 percent less than if we had built the app using a more traditional method. This is a huge win for us."

– Hemanth Jayaraman
Senior Director of Cloud Engineering,
Neiman Marcus[3]

"Using Amazon Connect, we were able to get every single person in the contact center working from home within a day."

—Nicola Constantinou,
   Head of Customer Experience, Morrison's[4]

Challenges facing today's retail industry

Customers want multiple channels of engagement—phone, text, mail, website, and social media. Among U.S. consumers polled in 2020, 42 percent said they expect live online chat on retailer web sites, up from 27 percent in 2019.[5] The move to omnichannel marketing and sales in retail has shifted the focus of even small retailers to enhancing the experience of customers through ease of use, personalization, and simplicity.

Yet many small and medium-sized retailers are stuck maintaining legacy data centers and on-premises technology in stores, distribution centers, and offices. The costs are making a big dent in IT budgets, leaving less money and staff to respond to evolving changes in the retail market.

Knowing you need to modernize your company using data and digital solutions is one thing, doing it is quite another. Small and medium-sized retailers usually lack the technology expertise required to move forward with new digital initiatives. Digital steps forward in the industry require sophisticated technologies and expertise in such areas as personalization, digital commerce, artificial intelligence and machine learning, and intelligent supply chain.

[4] "Morrison's Delivers a Self-Service Contact Center in 8 Weeks on Amazon Connect, **AWS customer case study**, 2020.
[5] "The State of Chat in Retail 2021," **Forrester Research**, January 2021.

Why cloud delivers for retailers

Retail has become a technology-intensive business. Store technologies like point of sale (PoS) and warehouse systems must be managed remotely. Retail companies are spending more money on data solutions to better understand and serve customers. All of this requires significant investment in hardware, software, and staff.

By contrast, using subscription and usage-based services in the cloud shifts costs from capital expenditures (CapEx) to operational expenditures (OpEx). There's no more need for long-term capital investments and over-provisioning. Deployment is fast, scalability up or down is immediate, and the richness of evolving cloud solutions for retail are available to businesses large and small.

"Once we started using the solution built on Amazon Lightsail, inventory management and report creation went from approximately four hours a week to less than 20 minutes."

– Lucia Albanell, CEO and cofounder, Gourmeat

Why Amazon Web Services

Born from retail and positioned to support retailers of all sizes around the world, Amazon Web Services (AWS) has built on 25+ years of innovation. Amazon's unique combination of direct retail experience and willingness to share that experience from a consulting and functional perspective is unlike any benefit retailers can gain from another cloud provider.

With a broad array of world-class cloud solutions, technologies, partners, and global reach, AWS is the choice of retailers of all varieties and sizes in 240 countries and territories. The AWS Cloud scales with demand, is agile and responsive, and quickly helps turn customer and business data into actionable insights, delivering the best experience for customers and the groundwork for business innovations.

[6] "Gourmeat Boosts Efficiency and Productivity by 40% on Amazon Lightsail," **AWS customer case study**, 2021.

Here are some of the other reasons why retailers choose AWS above other cloud providers:

- **A broad, deep, and constantly growing set of capabilities:** AWS provides the largest, most comprehensive set of services of any cloud provider, with the greatest number of instance types. This means you continuously gain new tools that enable you to store and protect your data, empower your workforce to collaborate securely from anywhere, build websites and applications, better serve customers throughout their lifecycle, and gain new insights from your data and more, without making your own investments in capital and talent.

- **Support through best-in-class partners, programs, and training:** You need to maximize IT performance with limited budgets and resources. With AWS, help is always close at hand. AWS Retail Competency Partners is the industry's largest retail partner ecosystem. Together with AWS, they help you plan, scope, and size your migration, as well as reduce risk and complexity by automating shifting workloads to the cloud. We also offer a free, comprehensive library of digital, self-paced training courses and a range of skill certifications, workshops, and immersion days for your team, while our thousands of certified partners and consultants are here to support and accelerate your cloud migration—at any budget. With more than 90 percent of Fortune 100 companies relying on AWS partner solutions and services, you can rest assured you're being guided by the best.

- **Capacity and scalability that grows as you need it:** AWS automatically adjusts cloud capacity to meet demand, while only charging for what you actually use, ensuring you have the space to grow without paying for more than you need.

- **Real savings you can see and measure:** Moving to the cloud provides the opportunity to reduce costs while increasing efficiency. Migrating with AWS leads to an average cost savings of 31 percent[7] and we offer free tools and calculators to assess your workload and costs and measure your migration ROI. AWS has reduced costs more than 100 times over the last decade, returning more than half a billion dollars to our customers.

- **The highest level of cloud security:** AWS security infrastructure is built to satisfy the highest requirements of the world's leading financial, educational institutions, and governmental institutions that rely on it—assuring you have the same level of security they do. Amazon customers report on average 43.4 percent fewer monthly security incidents, and 69 percent reduction in unplanned downtime.[8]

- **Built-in reliability and resiliency:** We have applied more effort than anyone else to ensure cloud resiliency because businesses like yours cannot afford a breakdown in IT availability. AWS provides the most reliable cloud with the least outages, resulting in customers achieving a 69 percent reduction in unplanned downtime. We have a track record for being the highest-availability cloud, a status built on our extensive investment in global availability zones and redundant networks, storage, and compute. In addition, we bring experience and frameworks to ensure business continuity, including dedicated teams and partners who can provide on-demand expertise and support.

[7] "Accelerating your AWS Journey: Migration & Modernization eBook., **Amazon**, 2021.
[8] Amazon internal research.

6

Get started with cloud at your own pace

Using the AWS Cloud isn't an all or nothing decision. Your company can move at your own pace based on the most pressing challenges and opportunities.

A good way to start might be with digital commerce. Digital commerce channels are exploding in size and complexity, but it's still hard for many retailers to seize the opportunity. With AWS, retailers gain access to the technology, experience, and services from the world leader in cloud, ecommerce, and retailing innovation. We help retailers migrate existing ecommerce systems to the cloud and take advantage of modern, cost-effective cloud services, advanced and agile ecommerce technologies and services, and innovative strategies for attracting new customers and driving sales.

AWS can help you unify and analyze vast amounts of customer data from different sources using machine learning to create a product or service prediction engine. The data can also be used in merchandising and planning to customize assortments, optimize demand forecasting and planning, and boost sales.

Next, you might include other business data into your centralized repository so it can be analyzed to improve store productivity and automate supply chains. AWS has two decades of experience developing retail-specific data solutions designed to return actionable insights fast. Fulfillment centers, stores, and digital platforms can be connected to provide complete visibility into inventory for better decision making, lower cost, and a higher bottom line.

A wide array of other AWS Cloud market-tested solutions for retail—from digital commerce to edge computing, mobile apps, automated logistics, and many more—from one of the largest and most successful retailers in the world, await.

The AWS advantage

Cloud services are an essential, competitive tool for retail. Benefits range from cost reduction to new ways of engaging customers. Cloud is proven and getting better all the time. It gives retailers of all types and sizes the opportunity to reconsider costly capital investments and internal expertise and instead move storage, computing, and networking to a cloud partner with ready-made or custom solutions. AWS enables retailers to accelerate innovation with proven, born-from-retail, built-for-retailer technologies so they can meet today's consumer expectations, optimize operations, and improve business insights. AWS Cloud services easily scale with your seasonal or promotional requirements. Our global expertise in retail and large and diverse partner network are available to support your company's cloud journey, wherever it begins.

To learn more, visit **AWS Retail** and the **AWS retail innovation zone**.