

Navigating the New Normal

Challenges and Priorities for SMB Retailers



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For small and midsize businesses (SMB) in retail, change is the constant. Remaining competitive means adapting quickly and flexibly to conditions that are continually shifting. But over the past two years, the COVID-19 pandemic has created disruption unlike any faced by these companies before.

Amid this “new normal,” what challenges are foremost for SMB retailers and what IT initiatives are they prioritizing to address them?

To find out, Jitterbit surveyed a sample of e-commerce, IT, marketing, and operations leaders in SMB retail companies located throughout Australia, Canada, the United Kingdom, and the United States. We created our quick, five-question survey to gain a better understanding of:

- ✔ The challenges SMB retailers currently consider most significant
- ✔ The **strategic efforts** they have undertaken or plan to undertake in the near future
- ✔ The use of **application programming interface (API) and electronic data interchange (EDI) technology**
- ✔ The role of **hyperautomation** in retail success

CHALLENGES AND CONCERNS

The Customer is Front and Center

Top Business Challenges

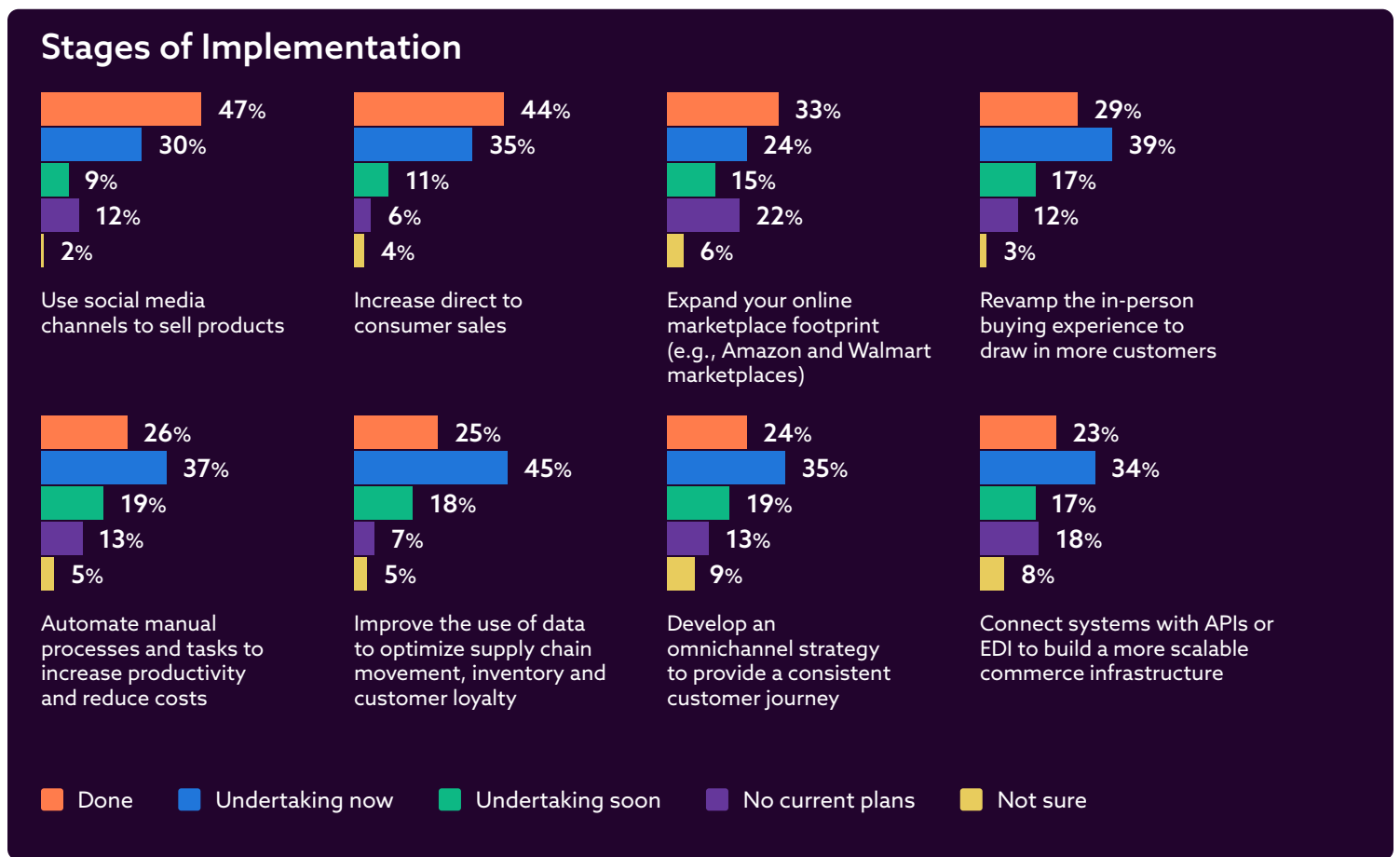


Among the many challenges our survey respondents are facing, customer-related concerns appear to be the most pressing. Respondents were asked to rank their most pressing concerns. Several issues appeared as the "top three" concerns: 46% of respondents put **keeping pace with shifting customer expectations** as their top three concerns while 43% of respondents put **maintaining customer loyalty** as their top three concerns.

A series of related challenges rank directly below these top items. Maintaining or growing margins came in third with 39%. **Establishing real-time supply chain and inventory visibility** (35%), **managing operations effectively across sales channels** (33%), and **creating an omnichannel sales experience** (28%) all point to the need for connectivity and transparency across SMB retail operations.

INITIATIVES AND STRATEGIC EFFORTS

An Exceptional Experience Across Channels is Key



SMB retailers know that they need to meet their customers where they are, providing an exceptional experience across channels, including online marketplaces, social media platforms, e-commerce websites, and retail locations.

It's no surprise that in addition to the nearly one-quarter of survey respondents with an **omnichannel strategy** already in place, another **54% have a strategy in the works or plan to tackle this soon.**

Revamping the In-store Experience is a Top Priority

While the pandemic has driven consumers online and accelerated digital transformation efforts among retailers, it has also created an appetite for shopping in brick-and-mortar retail locations. To keep pace with customer preferences, more than half of our survey respondents (56%) are revamping or have plans to revamp the in-store experience they provide. (And that's in addition to the 29% of participants that have already done so!)

Investments in D2C and Online Marketplace Channels Continue

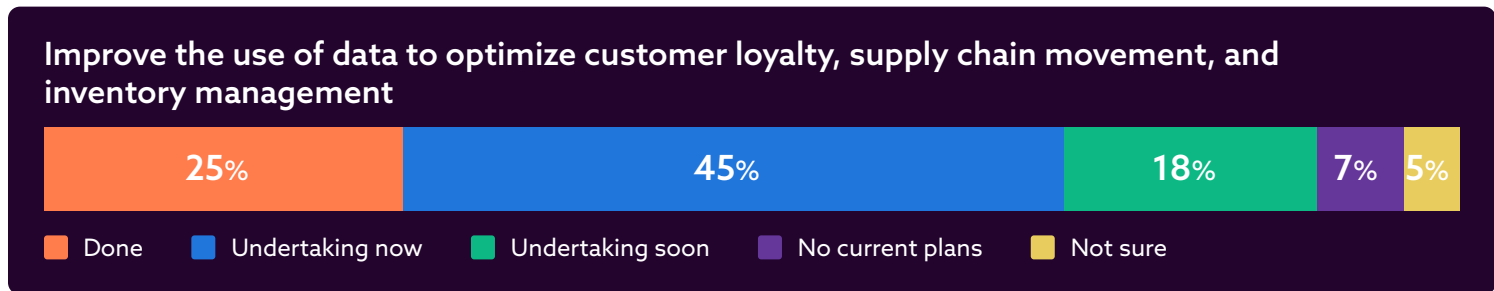
With the direct-to-consumer (D2C) market continuing to grow, 47% of survey respondents are investing in or planning to invest in boosting their D2C sales. And nearly 40% are expanding or have plans to expand

their footprints in the multi-seller online hubs (e.g., Amazon Marketplace or Walmart Marketplace) that also continue to thrive.

Data Use is a Critical Focus

Additionally, it's important to note that 63% of survey participants are focused on improving the use of business data in optimizing customer loyalty, inventory, and supply chain operations.

Now more than ever, SMB retailers understand the importance of a strong underlying data strategy in meeting marketplace demands. With centralized data that's easily accessible for business users, these companies can tap into key insight to boost brand loyalty, view inventory across locations, and work more efficiently with suppliers and trading partners.



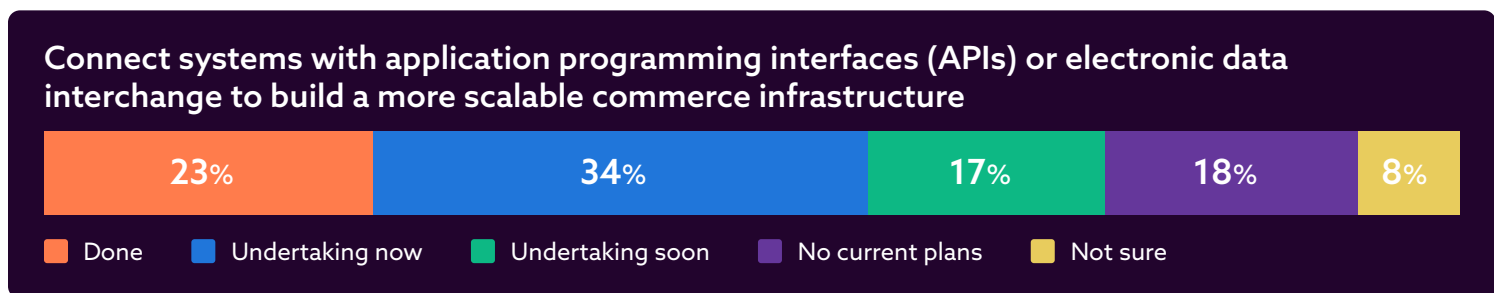
THE WAY FORWARD

Integration and Automation

Embracing API and EDI Solutions to Integrate Systems

Many SMB retailers implement API platforms to integrate their systems and EDI solutions to connect with trading partners.

More than half (51%) of our survey respondents indicated that their organizations are using or planning to use API or EDI systems. Among active users, 22% rely solely on API solutions and 34% employ both API and EDI technology.



Automating Processes for Speed and Efficiency

Integration is a key enabler of process automation, which allows retailers to operate far more quickly, efficiently, and cost-effectively. Gartner coined the term “hyperautomation” to describe the growing trend toward identifying and automating as many business and IT processes as possible.

Among our survey respondents, **56% are automating or have plans to automate manual processes.** And when asked if **hyperautomation is critical for retail success, nearly 70% agreed.**



Nearly 70% agree that hyperautomation is critical for retail success.

IN SUMMARY

Meeting the Moment with Fully Integrated IT Operations

The more things change, the more they stay the same. Despite the disruption thrust upon SMB retailers during the pandemic, unwavering focus on the customer is still key to survival.

However, delivering the experience today's retail customers demand is more complex than ever before. To remain competitive, retail companies need to provide seamless service across channels.

Our survey confirms that SMB retailers are accepting the challenge and actively implementing strategies and IT

initiatives to keep pace. In addition to making anticipated investments in digital channels, the companies are committed to optimizing the in-person experience for consumers eager to return to stores.

To achieve their objectives, SMB retailers are continuing to work toward fully integrated, fully automated IT operations. And to do so, a majority of **our participants are embracing connectivity solutions that include API and EDI technology.**

ABOUT THIS REPORT

Jitterbit received survey responses from 218 participants employed by retail companies in Australia, Canada, the United Kingdom, and the United States reporting total annual revenues between \$500,000 and \$250 million. Respondents included chief officers, directors, managers and vice presidents in analytics, IT, e-commerce, innovation, marketing, operations, product, and web development divisions. The report was conducted via a third-party, Centiment.

A Smarter Approach to Business Transformation

Jitterbit helps businesses make faster, more effective decisions by enabling them to unify and exploit data from all sources.

Using the Jitterbit API integration platform companies can rapidly connect SaaS, on-premises and cloud applications and instantly infuse artificial intelligence into any business process. Our intuitive API creation technology enables companies to reuse business-critical applications and data to bring new offerings to market in days, not months. Best of all, our team of industry experts work side by side with you to accelerate innovation beyond anything you previously thought possible.