BAMBOO ROSE

The Retail Revolution 2024

6 Trailblazing Tech Trends Shaping Retail Supply Chains

bamboorose.com

Contents

Welcome to the frontier of retail dynamics! 3

Artificial intelligence and automation 5

Supply chain resiliency and transparency 8

Ethical and social responsibility 11

Sustainability and circular economy 14

Consumerization of enterprise software 17

Vendor and tool consolidation 20

Let’s wrap! 23

Welcome to the frontier of retail dynamics!

In the ever-evolving landscape of commerce, the pulse of success beats within the supply chain and sourcing strategies.

This report serves as your compass through the six pivotal technology trends shaping the future of retail operations.

Join us on this journey as we unravel the intricacies and opportunities driving the retail industry in 2024, and beyond!

1

Artificial intelligence and automation
drive productivity, boost innovation, and optimize processes

2

Supply chain resiliency and transparency
become critical for enhanced traceability and accountability

3

Ethical and social responsibility
imperatives aim to reduce ecological impact and curtail worker exploitation

4

Sustainability and circular economy
initiatives lead to responsible sourcing and environmentally friendly products

5

Consumerization of enterprise software
is critical to meet the needs of an increasingly tech-savvy workforce

6

Vendor and tool consolidation
gaining popularity to drive efficiencies and strengthen supplier relations

Artificial intelligence and automation

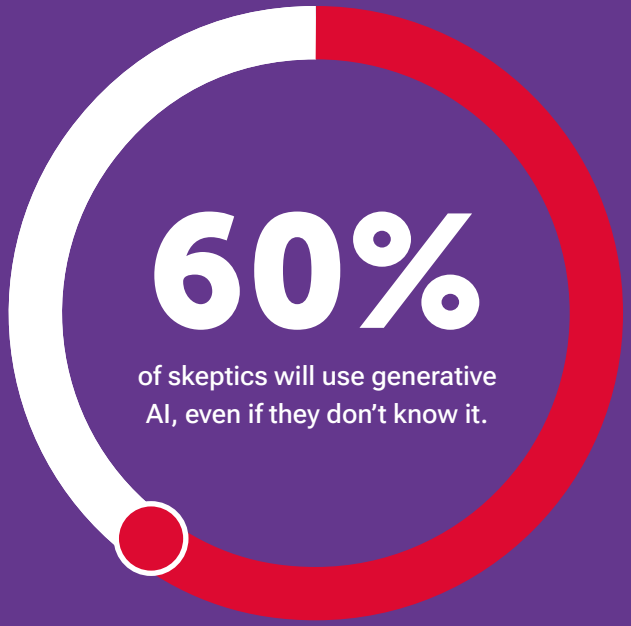
drive productivity, boost innovation,
and optimize processes

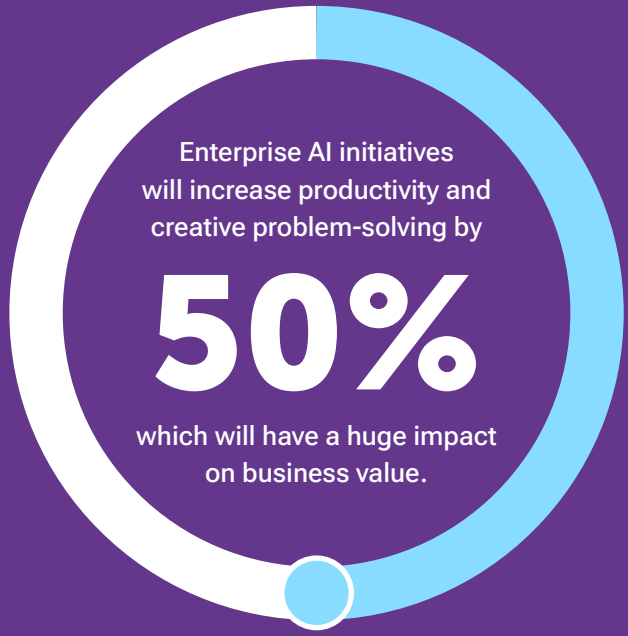
1

Trend: Artificial Intelligence Catalyzes Supply Chain Evolution

Artificial intelligence (AI) is emerging as the cornerstone of change in retail sourcing and supply chains. It's not merely a technological advancement but a transformative force reshaping operations. With substantial strides—up to 40% enhancements in software tasks—AI is transitioning from a novel concept to a strategic imperative.

Visionary tech leaders are harnessing its potential to unlock creative capacities across IT, fostering innovation, cross-functional collaboration, and alignment with overarching corporate strategies. This shift aims to liberate up to 50% of labor time, redirecting efforts towards intricate problem-solving in procurement and logistics.





Source: *Forrester Predictions 2024*

1

Keep in Mind:

Leveraging AI & automation transforms supply chains, requiring a strategic focus on AI adoption to optimize processes, liberate labor time, and navigate evolving regulatory complexities for sustained success and ethical operation.

Impact: AI's Revolution in Optimizing Supply Chains

AI's integration within inventory management, demand forecasting, and supplier selection streamlines supply chain operations. Systems like Bamboo Rose evolve into proactive, intelligent solutions capable of foreseeing and remedying issues. Within sourcing, AI becomes instrumental in refining bids, streamlining supplier management, and facilitating cost efficiencies. The ripple effect is clear: improved decision-making, streamlined processes, and heightened awareness of ethical and regulatory considerations.

Future: Navigating Complex Regulatory Terrain

As AI faces intensified regulatory scrutiny, the need for robust risk management escalates. Ongoing investigations and legal actions highlight privacy and compliance concerns. Companies, especially third-party app providers leveraging genAI, must proactively navigate these challenges. This involves identifying and mitigating risks while accounting for disparities in resources and expertise among various stakeholders. Navigating this evolving regulatory landscape calls for an agile and vigilant approach to third-party risk management to mitigate potential fines and liabilities effectively.

2

Supply chain resiliency and transparency

become critical for enhanced traceability and accountability

2

Trend: Supply Chain Resiliency and Digital Integration

Supply chain disruptions in recent years have spotlighted vulnerabilities, emphasizing the critical need for enhanced resilience. Advanced digital capabilities have emerged as key differentiators, enabling companies to outperform competitors in revenue and profitability. Bain & Company's Supply Chain Resiliency Index states 63% of companies surveyed across different industries rank supply chain resiliency as very important compared to other business objectives.

Additionally, IDC's insights underscore the benefits of digital B2B integration, showcasing improved supply chain performance metrics, cost reductions, and heightened customer satisfaction.

Source: *The Association for Supply Chain Management (ASCM), The Resilient Supply Chain Benchmark: Ready for Anything? Turbulence and the Resilience Imperative 2021*

2

Keep in Mind:

Elevate supply chain visibility & resilience by investing in advanced digital integration, fostering stronger supplier collaborations to navigate disruptions effectively and build trust through enhanced transparency and accountability.

Impact: Evolving Strategies and Challenges

Despite the obvious advantages, articulating the full business case for resiliency investments remains a challenge for many businesses. The pandemic catalyzed a reassessment of supply chains, prompting a transformation imperative. An ASCM report highlights the pivotal role of end-to-end visibility, a capability lacking in over half of benchmarked companies, hampering their ability to foresee disruptions. Addressing this visibility gap and aligning sustainability goals with actionable targets emerge as critical priorities.

Future: Collaborative Innovation and Supplier Engagement

The future of resilient supply chains rests on robust sustainability initiatives and collaborative relationships. Closing the gap between intention and action in reducing emissions and building resilient strategies is imperative. Emphasizing supplier engagement and management, companies recognize the necessity of forging stronger alliances. Retailers, acknowledging strengths in resiliency and agility, are eyeing improvements in collaboration, sustainability efforts, and supplier relationships within their supply chains. This evolving landscape will demand increased transparency, digital integration, and compliance measures for businesses to navigate ongoing disruptions effectively.

Ethical and social responsibility

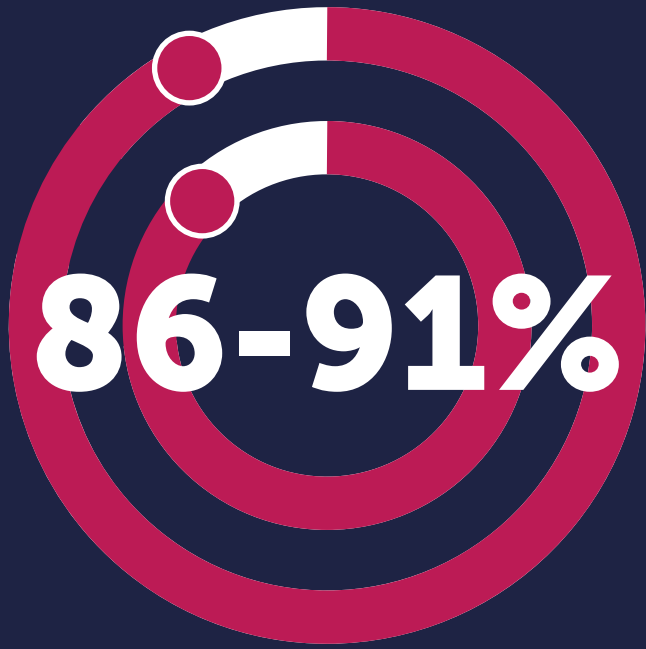
imperatives aim to reduce ecological impact and curtail worker exploitation

3

Trend: Reshaping Business through ESG Commitments

A defining trend in contemporary business orbits around ethical accountability and social obligation, particularly in curtailing ecological footprints and eradicating worker exploitation. This surge in attention towards Environmental, Social, and Governance (ESG) issues has gained substantial momentum.

Statistics from a PwC survey reveal an overwhelming 83% of consumers actively demanding companies shape ESG best practices, while a staggering 91% of business leaders acknowledge their responsibility to act on these critical matters. Simultaneously, an impressive 86% of employees show a preference for companies that mirror their values regarding ethical, social, and environmental concerns. These figures underscore the palpable shift unfolding within the business landscape.



of C-suite leaders report their organizations are greenlighting and boosting both industry and public-private ESG and sustainability collaborations.

Source: *Ernst & Young, C-suite Insights: Sustainability and ESG Trends Index 2023*

3

Keep in Mind:

Genuine commitment to ESG targets isn't just a trend; it's a fundamental shift that not only future-proofs operations but also expands the customer base by attracting ethical consumers seeking alignment with their values.

Impact: Consumer Power Surge - Loyalty Through Ethics

The impact of this trend resonates deeply across both consumer behavior and corporate strategies. No longer satisfied with mere regulatory compliance, consumers and employees actively seek out companies committed to fostering sustainable changes within the environment and society. The acceleration of this shift, further propelled by the COVID-19 crisis, has widened the conscientious consumer base, resulting in increased investments in products and brands aligned with ethical, social, and environmental values. Conversely, companies falling short of these evolving standards face severe repercussions, with 76% of consumers ready to sever ties with entities exhibiting poor treatment toward employees, communities, or the environment.

Future: ESG Imperatives Transform Retail Operations

Looking ahead, the trajectory of several industries, notably the retail sector, stands at the cusp of transformation, with ESG emerging as a defining theme. Sustainability, now a comprehensive umbrella term encompassing various issues, from social inequality to climate change, requires transparent and assertive action from corporations. The surge in e-commerce, accelerated by the pandemic, has emphasized the significance of sustainability in business strategies. Retailers, recognizing the significance of authentic commitment to ESG targets, aim not only to future-proof their operations but also to attract ethical consumers, thereby expanding their customer base. This sets the stage for a fundamental shift in business operations and strategies, altering how companies innovate and cater to evolving consumer demands and mitigating risks while accounting for disparities in resources and expertise among various stakeholders. Navigating this evolving regulatory landscape calls for an agile and vigilant approach to third-party risk management to mitigate potential fines and liabilities effectively.

4

Sustainability and circular economy

initiatives lead to responsible sourcing and environmentally friendly products

4

Trend: Embracing Circular Economy for Sustainability

The circular economy has surged into the spotlight as a transformative approach to sustainability. Rooted in extending the lifespan of goods and materials, this concept has rapidly become a focal point for businesses aiming to combat environmental challenges such as climate change, resource scarcity, and pollution.

A Newsweek Vantage report revealed that while 95% of executives recognized the potential of the circular economy, only 30% had begun adopting its practices. However, a staggering 77% anticipated aligning incentives around circularity targets within the next five years, indicating a substantial shift towards embracing these principles.

The global secondhand market is expected to nearly double by 2027, reaching

$350 billion.

Online resale is expected to reach

$38 billion.

by 2027, growing 2X faster than secondhand overall.

Source: *ThredUp, Resale Market and Consumer Trend Report 2023*

4

Keep in Mind:

The circular economy isn't just about sustainability—it's a strategic move that aligns with consumer values, drives cost savings through efficiency, and builds a competitive edge by prioritizing ethical, environmentally friendly practices.

Impact: Circular Economy a Win-Win for Retailers & Consumers

Retailers and brands embracing circularity experience cost savings through resource efficiency, waste reduction, and improved supply chain practices. Ethically produced goods not only open market opportunities but also enhance brand reputation. Technology adoption facilitates transparency and traceability in supply chains, empowering consumers to make informed choices. Legal obligations regarding disclosure of sourcing and production practices create a landscape where non-compliance bears legal consequences, further emphasizing the shift towards ethical and socially responsible operations.

Future: Commitment to Sustainability a Competitive Advantage

Corporations are increasingly honing their focus on the future by embracing sustainability and circularity as core principles. This shift involves a reimagining of their entire supply chain, from sourcing materials to product design, manufacturing, and end-of-life strategies. Many are investing in innovative technologies that enable transparency, traceability, and recycling, aligning their operations with eco-friendly practices. Embracing circular economy models allows them to reduce waste, optimize resources, and meet the rising consumer demand for ethically produced goods. Retailers and brands recognize that this commitment to sustainability not only aligns with their corporate responsibility but also offers a competitive edge in an evolving market where consumers increasingly prioritize environmentally conscious choices.

Consumerization of enterprise software

is critical to meet the needs of an increasingly tech-savvy workforce

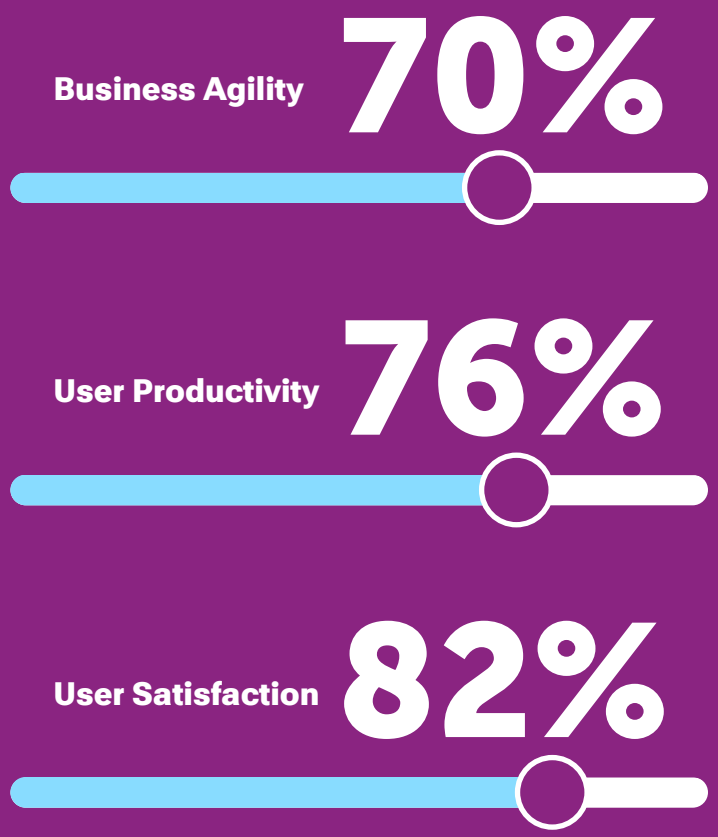
5

Trend: Tech-Savvy Workforce Demands Consumerization of Enterprise Software

The consumerization of enterprise software marks a significant shift, driven by a younger, more tech-savvy workforce. This trend fundamentally alters the landscape of corporate software, emphasizing user experience, simplicity, and personalization. Consumerization represents a response to the demand for intuitive, easy-to-use software within enterprises, mirroring the experiences individuals encounter with consumer-focused applications.

This transition is catalyzed by the realization that investment in design and user experience yields significant financial returns. Studies from the Design Management Institute show a direct correlation between user-centric design and enhanced stock performance, prompting corporations to adopt a strategic focus on creating software that aligns with consumer-grade experiences.

Consumerization of software within the enterprise has positive impacts on the organization, including:



Source: *IDG Enterprise Research*

5

Keep in Mind:

Embrace the consumerization of enterprise software by prioritizing user-centric design, simplicity, and personalization to meet the evolving expectations of a tech-savvy workforce, enhancing user satisfaction, productivity, and overall business agility.

Impact: Transforming User Expectations and Operations

The impact of consumerization within the enterprise is profound, affecting both the workforce and operational dynamics. As consumer expectations evolve, employees seek the same level of seamlessness, convenience, and accessibility in their work software as they experience in consumer applications. This shift prompts a demand for self-service, mobile-first enterprise applications that empower employees with real-time access and control over data. The demand for flexibility extends beyond conventional work hours, calling for software that operates 24/7 without downtime, aligning with the dynamic nature of modern businesses. Moreover, cloud technologies have revolutionized software adoption, eliminating traditional barriers to entry and enabling agile, consumption-based models that prioritize value delivery.

Future: Evolution Toward Intelligent, Adaptive Software

The future of enterprise software lies in the realm of intelligent, adaptive systems that transcend traditional user interfaces. Users anticipate software capable of leveraging data, analytics, and AI to not only respond to inquiries but also proactively predict trends, offer insights, and drive automated actions. This evolution heralds a departure from the conventional paradigm of human-query-based interactions towards AI-driven tools that anticipate and address business needs. Moreover, the expectation for interconnected ecosystems and seamless data sharing among diverse software platforms shapes the trajectory of enterprise software development. As the workforce, deeply rooted in digital experiences, continues to drive these expectations, the future of enterprise software will revolve around AI-driven, adaptable solutions tailored to modern user demands.

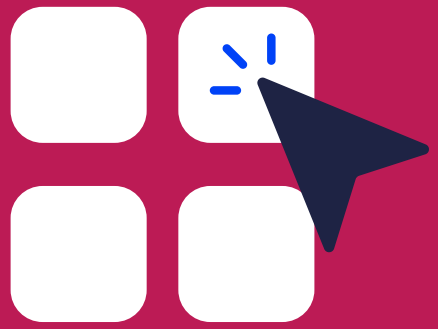
Vendor and tool consolidation

gaining popularity to drive efficiencies and strengthen supplier relations

6

Trend: Consolidation of Tooling

In response to the overwhelming complexity arising from a multitude of software vendors and data providers, businesses are steering away from extensive tool diversity. Economic uncertainty, heightened competition, and the widespread adoption of automation and AI technologies are further expected to drive consolidation in technology stacks. The trend of consolidating tooling in supply chain operations is gaining momentum as companies seek cost efficiencies and stronger vendor relationships by reducing the number of vendors they work with. The landscape is shifting from a scattered, niche-focused approach to a more integrated, streamlined framework.



The average knowledge worker switches between tools or applications around 1,200 times per day, with an average time cost of roughly two seconds per switch.

That "toggle tax" can add up to

4 hours per week

Source: *Harvard Business Review, How Much Time and Energy Do We Waste Toggling Between Applications?*

6

Keep in Mind:

Focus on selecting tools & platforms that not only integrate seamlessly with your existing systems but also offer scalability for future growth. Ensure that the consolidated tools support your current needs while being flexible enough to adapt as your business evolves.

Impact: Redefining Business Dynamics

The move towards tool consolidation is significantly impacting B2B SaaS interactions and altering the vendor-customer relationship landscape. As organizations prioritize a cohesive tech stack, they aim to mitigate the inefficiencies caused by frequent tool switching. This shift allows for better alignment between vendors and customers, fostering deeper integration and cooperation. However, it requires careful evaluation of trade-offs and an understanding of the profound effects it can have on operational agility and adaptability.

Future: Navigating Consolidation Challenges

As economic uncertainties persist and automation technologies advance, momentum towards tech-stack consolidation is expected to accelerate. Companies seeking greater efficiency will grapple with challenges such as gaining comprehensive visibility across their entire tech infrastructure and justifying investments amid tighter budgets. Future strategies will likely revolve around balancing the benefits of streamlined operations with the potential drawbacks of limited tool diversity, aiming to strike an optimal equilibrium between efficiency and specialization. While consolidation promises enhanced efficiency and vendor relationships, navigating its complexities will be crucial for retailers and brands aiming to thrive in a competitive landscape.

Let’s wrap!

In 2024 and beyond, sourcing and supply chain trends will redefine the retail landscape. These trends—sourcing optimization, resilient supply chains, and tech integration—forge a new era. They’re not just about efficiency; they redefine how retail operates, emphasizing agility, sustainability, and consumer focus.

Looking ahead, sourcing will become more adaptable, eco-conscious, and responsive to global shifts. This report isn’t just about trends; it’s a blueprint for those leading the charge in reshaping sourcing and supply chains, ensuring success in the evolving terrain of retail.

BAMBOO ROSE

ABOUT BAMBOO ROSE

Bamboo Rose is a global leader in enterprise retail technology solutions. With a focus on understanding customer challenges and delivering tailored solutions, Bamboo Rose empowers retailers to achieve positive business outcomes and drive success in the ever-evolving retail landscape.

Contact us

bamboorose.com