

TECHNOLOGY AT THE TIPPING POINT

Retail's digital transformation



REALITY CHECK:

INNOVATION'S TRUE IMPACT ON RETAIL

The retail industry stands at a critical intersection of technological advancement and operational challenges. As organizations implement new digital solutions to enhance efficiency and improve the customer experience, they face increasingly complex decisions about balancing innovation with practical implementation.

DecisionPoint Technologies recently conducted a comprehensive survey to better understand the current state and future trends of retail technology adoption. This report presents key findings and insights that will help retailers navigate the complex intersection of technology, customer experience, and operational excellence.

FRONT LINE FOCUS:

BALANCING TECH AND TEAMS

Implementing new retail technology creates multilayered challenges that can intertwine and compound each other, driving up retail turnover by adding complexity to employees' jobs and negatively impacting their satisfaction. Introducing too much technology to entry-level positions can turn simple tasks, like using a mobile device to check inventory, into a stressful experience when the technology stack becomes overwhelming.



**TECHNOLOGY SHOULD SIMPLIFY AN ASSOCIATE'S WORK. IF IT
REQUIRES MORE TIME TROUBLESHOOTING THAN COMPLETING TASKS
MANUALLY, IT BECOMES A BURDEN RATHER THAN A HELP."**

Sam Gonzales

DIRECTOR, ENTERPRISE SOLUTION ARCHITECTURE

A single change—such as deploying a mobile inventory system—triggers cascading effects throughout an organization:

Technical integration

- Legacy systems must communicate with new platforms
- Cloud-based services require reliable connectivity
- Multiple databases need real-time synchronization
- Security protocols must be maintained across systems

Operational disruption

- Existing workflows require redesign
- Standard operating procedures need updates
- Peak business periods can't tolerate downtime
- Inventory accuracy must be maintained during transition

Human factors

- Different generations prefer varied learning styles
- Long-term employees may resist workflow changes
- New hires need integrated training programs
- Support systems require 24/7 availability

When these challenges aren't properly addressed, the consequences can be severe. In fact:

- Nearly all (92%) of our survey respondents acknowledged that employee enablement and customer experience technologies impact turnover
- 55% reported increased turnover linked to technology implementation
- **Companies with revenues over \$1 billion experience higher turnover rates** linked to technology implementation, suggesting that scale amplifies these challenges

The statistics point to a striking reality. If a new technology implementation increases turnover, it's worth reconsidering whether the technology is the right fit, or whether the user experience wasn't adequately prioritized in system design and implementation.



TECHNOLOGY IS OFTEN SOLD TO MANAGERS WHO PRIORITIZE DATA, FINANCE, OR OPERATIONS, BUT THE END USERS—THE ONES WHO INTERACT WITH THE TECHNOLOGY DAILY—OFTEN HAVE THEIR EXPERIENCE OVERLOOKED.”

Sam Gonzales

DIRECTOR, ENTERPRISE SOLUTION ARCHITECTURE

Skill-building in the digital age: the training imperative

In work environments subject to continuous daily change, like retail, effective training is the cornerstone of a productive workforce. Successful onboarding, training, and retention strategies:

- Address different learning styles and preferences
- Align incentives with performance goals
- Leverage supportive technologies with a strategic approach

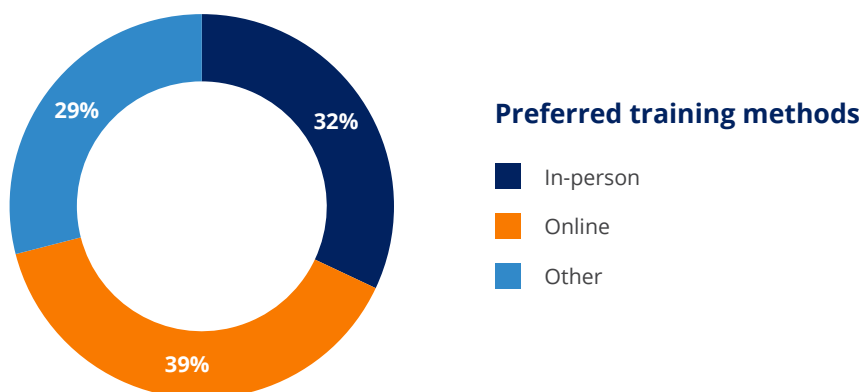
The biggest barriers to implementing new CX technology, cited by nearly one-third of respondents, are **employees' competency and skills**, indicating a clear need for improvement in employee training. Tailored approaches that accommodate a range of generational preferences and learning styles are essential to foster engagement and achieve clarity among diverse teams.



"TRAINING MUST ACCOMMODATE DIFFERENT GENERATIONAL LEARNING STYLES, WITH GEN Z FAVORING VIDEO-BASED INSTRUCTION AND GEN X PREFERING IN PERSON, STEP-BY-STEP DOCUMENTATION, ENSURING CLARITY AND ENGAGEMENT FOR ALL EMPLOYEES."

Ed Kennedy
VP OF END USER ENABLEMENT SALES

Today's training methods reveal a mix of traditional and digital approaches:



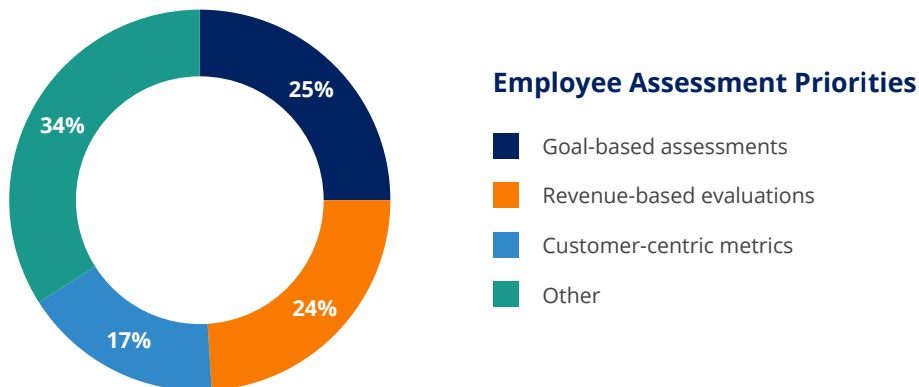
Top onboarding challenges

Organizations face several critical hurdles in their employee onboarding processes, with nearly a quarter citing difficulties in measuring training effectiveness as their primary challenge. Close behind, both skills gaps and employee resistance to change affect roughly one-fifth of companies, creating a complex landscape for HR and operations leaders.

Top Challenges in Retail Training



The measurement challenge has prompted organizations to develop diverse approaches to evaluating training impact. A quarter of companies have implemented goal-based assessments, while 24% rely on revenue-based evaluations. Interestingly, 17% have shifted toward customer-centric metrics, suggesting a growing recognition of training's direct impact on service quality.



"LARGE ORGANIZATIONS CAN ADDRESS HIGH TURNOVER BY LEVERAGING GAMIFICATION FOR REAL-TIME FEEDBACK AND ENSURING INTUITIVE ONBOARDING PROCESSES, PARTICULARLY FOR YOUNGER EMPLOYEES AND GIG WORKERS WHO VALUE INNOVATIVE SYSTEMS AND SEAMLESS INTEGRATION."

Ed Kennedy
VP OF END USER ENABLEMENT SALES

CRAFTING BETTER CUSTOMER EXPERIENCES:

THE TECHNOLOGY FACTOR

Exceptional customer experiences and strong brand loyalty are built on a foundation of operational efficiency. Accurate inventory management ensures product availability, while smooth interactions with staff create lasting impressions that encourage repeat visits.

While 43% of survey respondents identify product quality as the top driver of loyalty, that's often an area where retailers have limited direct control. In contrast, **24% highlight customer service responsiveness as a key influence**—a factor retailers can actively shape, and one that's particularly important to smaller businesses.

MEASURING THE INTANGIBLE

CSAT: Customer Satisfaction Score (used by 32% of respondents) measures customer satisfaction with a specific interaction, product, or service, typically expressed as a percentage based on survey responses.

CRR: Customer Retention Rate (used by 27% of respondents) calculates the percentage of customers a company retains over a given period, reflecting loyalty and long-term engagement.

Selecting the right technology support for an outstanding customer experience depends on many factors: the brand, product category, and customer persona among them. For example, self-checkout caters to shoppers who prioritize speed. On the other hand, interactive experiences—like fitting rooms enabled with radio frequency identification (RFID) solutions that recommend coordinating items to try—delight customers who like to linger and explore when shopping.

As artificial intelligence (AI) and emerging technologies move toward center stage, integrating them into human interactions becomes essential to balance efficiency, personalization, and empathy in every retail moment. Organizations that succeed will leverage the competitive advantage that comes with strong customer loyalty.

Touchpoint technology: measuring what matters

Modern retail technologies enable data capture at critical touchpoints for insights into the customer experience and more streamlined operations. From AI-driven personalization to IoT-enabled inventory management, these tools empower retailers to simultaneously delight customers and optimize backend processes by putting the data to work.

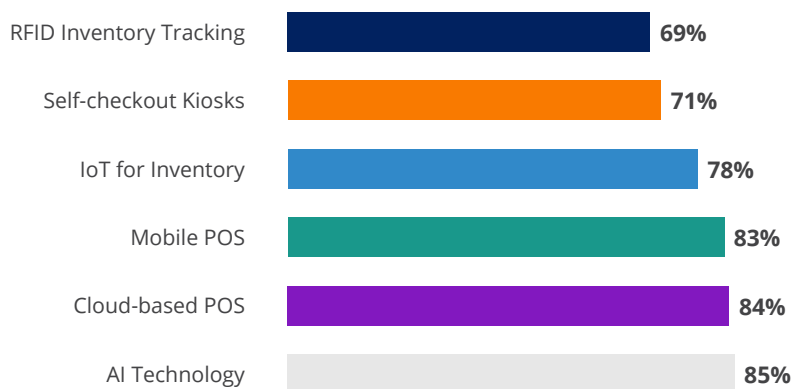


“OPERATIONAL EFFICIENCY AND CUSTOMER EXPERIENCE ARE NOT MUTUALLY EXCLUSIVE. A POSITIVE CUSTOMER EXPERIENCE RELIES ON OPERATIONAL EFFICIENCY. INACCURATE STOCK COUNTS LEAD TO DISSATISFIED CUSTOMERS, WHICH IMPACTS LONG-TERM BRAND LOYALTY AND RETENTION.”

JW Franz
DIRECTOR OF IOT AND AUTOMATION

These retail technologies show significant adoption rates, with survey respondents citing their impact on customer experience improvements:

Adoption rates of technologies



Notably, RFID is especially popular among larger companies, yet 18% of companies overall have not yet implemented the technology.

FUTURE-PROOFING RETAIL:

INVESTMENT PRIORITIES

Retailers are adopting AI and other emerging technologies for their potential to reduce costs, improve inventory management, and enhance customer experiences. But the costs and logistical challenges of implementation can be impediments to its transformational potential.

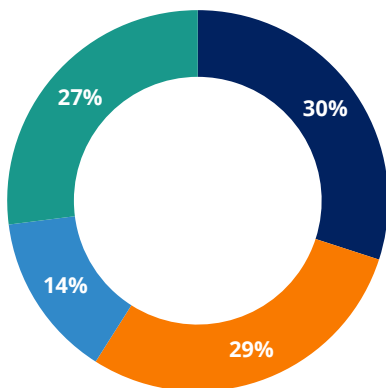
As retailers increasingly focus on operational efficiency and customer satisfaction over short-term revenue growth, success hinges on disciplined, strategic implementation for long-term sustainability.



"ADOPTION OF NEW TECHNOLOGIES OFTEN LAGS UNTIL REGULATORY MANDATES ARE ENFORCED. THIS IS ESPECIALLY TRUE IN INDUSTRIES LIKE FOOD, WHERE COMPLIANCE IS SLOW WITHOUT ENFORCEMENT."

JW Franz

DIRECTOR OF IOT AND AUTOMATION



Investment priorities reflect a shift toward operational efficiency

- Operational efficiency
- Customer experience
- Revenue growth
- Other

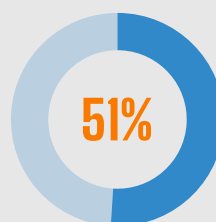
AI in action: from potential to performance

AI and cloud-based systems lead current adoption, with 55% and 40% of retailers respectively upgrading these technologies this year. Looking ahead, 70% plan further upgrades in the next 12 months.

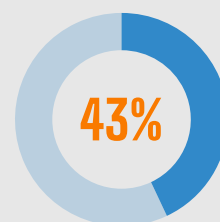
Technologies like autonomous guided vehicles (AGVs) and robots face slower adoption, with 25% of companies having no plans to implement them.

GREAT EXPECTATIONS

Percentage of respondents expecting “significant to transformative” savings from:



AI



IoT-enabled inventory management

Yet implementation varies by company size and technology type.

AI has unprecedented potential to transform retail and supply chain operations through advanced forecasting, automated inventory management, and personalized customer experiences. From predicting buying patterns to optimizing delivery routes, AI will soon be involved in efficiency enhancements at every step of the retail journey.

But the most important factor in AI success at retail is data quality—because AI systems can only be as effective as the data they learn from. Clean, accurate data is essential for delivering practical results beyond the hype. Technologies like RFID and computer vision provide the right foundation by accurately capturing data in real time.



“AI IS A BUZZWORD IN THE INDUSTRY, BUT ITS PRACTICAL APPLICATIONS ARE STILL DEVELOPING. WHILE TECHNOLOGIES LIKE RFID AND COMPUTER VISION PLAY A ROLE IN ENABLING AI, ITS REAL-WORLD IMPACT DEPENDS HEAVILY ON THE QUALITY OF THE DATA IT’S TRAINED ON. POOR DATA LEADS TO POOR RESULTS.”

JW Franz
DIRECTOR OF IOT AND AUTOMATION

TECHNOLOGY THAT PAYS:

SUPPLY CHAIN ROI



**"EMPLOYEE ADOPTION AND CUSTOMER EXPERIENCE NEED NOT BE
MUTUALLY INDEPENDENT.**

**THE ABILITY TO HARNESS EDGE TECHNOLOGY SOLUTIONS THAT
REDUCE ABANDON RATES, COUNTER LOSS, AND ACCURATELY
INDICATE STOCK CAN BE IMPLEMENTED WITH SOLUTIONS THAT
EMPLOYEES WILL ADOPT AND EMBRACE."**

Ross Young
CEO, DECISIONPOINT TECHNOLOGIES

Retailers are taking a pragmatic path to digital transformation, favoring proven solutions with clear ROI over experimental technologies. This strategic focus is especially evident at the enterprise level, where immediate returns outweigh long-term innovation potential.

RFID technology exemplifies this trend. What began as an inventory tracking solution has evolved into a versatile tool for self-checkout, loss prevention, and operational efficiency. Major players like Walmart and Nordstrom have accelerated industry-wide adoption through supplier mandates, creating a ripple effect that's reshaping retail technology standards.



**"ACCURATE INVENTORY THROUGH RFID NOT ONLY IMPROVES SALES
AND AVAILABILITY BUT ALSO REDUCES MARKDOWNS, ENHANCING
OPERATIONAL EFFICIENCY AND PROFITABILITY."**

JW Franz
DIRECTOR OF IOT AND AUTOMATION

Company size shapes investment strategy. While smaller retailers focus on last-mile delivery and order fulfillment, larger companies tend to prioritize inventory management systems.

The common thread? **Operational excellence.** This approach combines immediate operational gains with sustainable growth, particularly through improved inventory accuracy and demand forecasting capabilities.

Leading goals for new technology investments

30% Increasing operational efficiency

29% Enhancing customer experience

14% Driving sales and revenue

Integration impact: the cost of fragmentation

Integration challenges plague retail operations, with over one-third of organizations reporting persistent issues between their point of sale (POS) systems and inventory management platforms. These integration problems create ripple effects throughout the supply chain, impacting everything from stock accuracy to customer experience at the shelf.



“THE MOST SIGNIFICANT CONNECTIVITY ISSUES OFTEN OCCUR BETWEEN THE POS SYSTEM AND INVENTORY MANAGEMENT. THESE SYSTEMS ARE MUCH MORE LIKELY TO HAVE A CENTRALIZED SERVER CONNECTING TO MANY DIFFERENT POINTS.”

Sam Gonzales

DIRECTOR OF ENTERPRISE SOLUTION ARCHITECTURE

The complexity deepens across the ecosystem, as nearly a quarter of retailers struggle with third-party logistics provider connections, while a similar percentage face ongoing challenges linking stores with distribution centers. This fragmentation threatens the seamless flow of data that modern retail operations depend on.

BUILDING YOUR TECHNOLOGY STRATEGY

Success with transformative retail technologies demands more than cutting-edge solutions—it requires masterful implementation with an expert-driven, holistic perspective. Our research illuminates how successful retailers balance technological advancement with practical execution to streamline and improve—rather than complicate—their operations.

To confidently unlock technology's greatest potential, thoughtful deployment is essential. While the right tools can deliver the capabilities you need to transform efficiency and customer experience, strategic implementation makes the critical difference. Success comes through partnerships that unite innovative hardware, software, and service solutions with deep deployment expertise.

1

Prioritize employee-centric implementation

- Focus on intuitive interfaces
- Develop comprehensive training programs
- Measure and adjust based on feedback

2

Invest in integrated solutions

- Connect POS and inventory systems
- Implement AI and IoT strategically
- Focus on operational efficiency

3

Enhance supply chain visibility

- Address connectivity and integration challenges
- Improve real-time data access
- Strengthen logistics integration

OUR STRATEGIC PARTNERSHIPS, YOUR PATH FORWARD

DecisionPoint Technologies combines best-in-class devices and hardware from our strategic partners with our trusted integration and implementation expertise to deliver:

- Technology your employees embrace and succeed with
- Seamless integration across your operations
- Measurable improvements in efficiency and customer experience

Visit decisionpt.com to learn more, or schedule a consultation with our retail technology experts and start charting your course to operational excellence.

LET'S TALK RETAIL TRANSFORMATION

This report draws from a comprehensive survey of retail technology decision-makers conducted in Q4 2024.

