

## **Retail sector to invest almost \$2 billion on operational ICT**

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IDC report shows telecommunications and supply chain management the big winners in retail sector

A report, released by consumer technology analysts IDC Australia, finds Australians will spend \$1.945 billion on ICT this year, with the big winners being telecommunications, supply chain management, inventory management and payment systems.

IDC Australia Head of Vertical Markets Emilie Ditton says cost management related technology is still the order of the day.

The report, entitled *Business Strategy: Technology and Retail Trends Shaping Australian Retailing – Australian Retail ICT Market 2011 – 2016* predicts Australian retailers will spend \$832.3 million on telecommunications alone this year.

However, that figure is set to drop to only \$734.5 million by 2016.

“This reflects the shift in spending from telecommunications to software and services,” Ditton says in a statement.

By 2016, total ICT spend is forecast to reach \$2.02 billion, a compound annual growth rate of 1.2 percent.

According to Ditton, while key players are moving to integrated omni-channel capabilities, the focus of spending will be on payment solutions, employee productivity, logistics, inventory management, supply chain management, and day-to-day business management.

“Some really exciting ICT-led innovation is happening in the retail sector, particularly relating to the creation of mobile channel capabilities and investments in analytics capabilities that will enable the value of loyalty card data to drive product, pricing and promotion decisions,” Ditton says.

“These areas of innovation and investment will continue to grow as Australian retailers seek to differentiate themselves from the competition.”