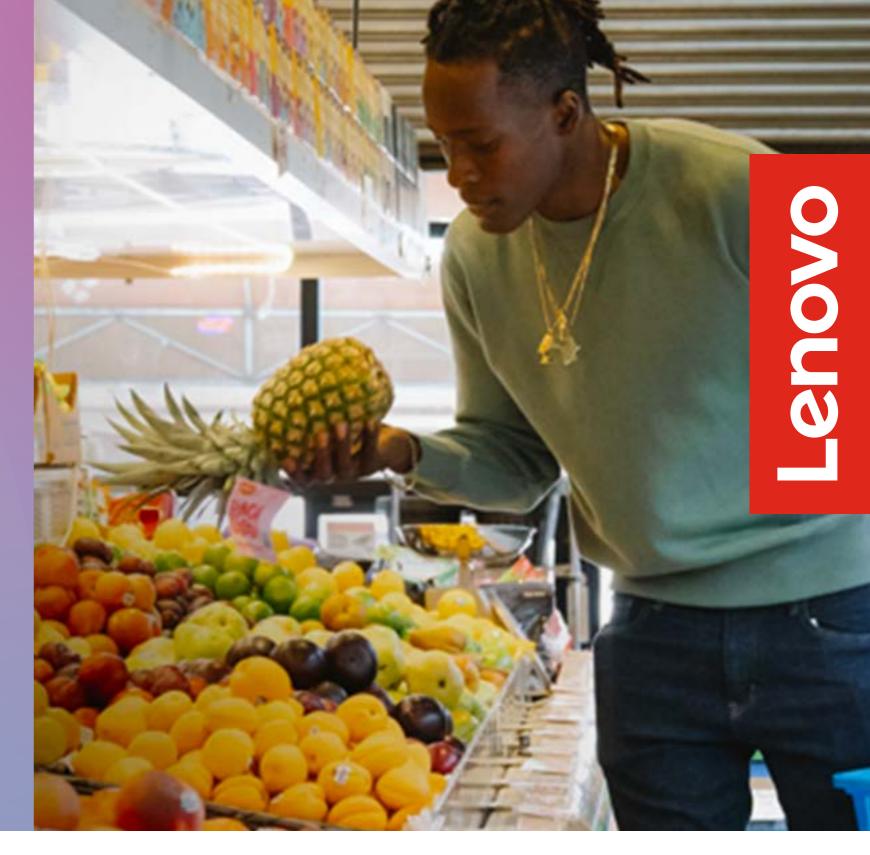# Rising prices and shrinking shopping baskets; can flexibility in IT procurement help?
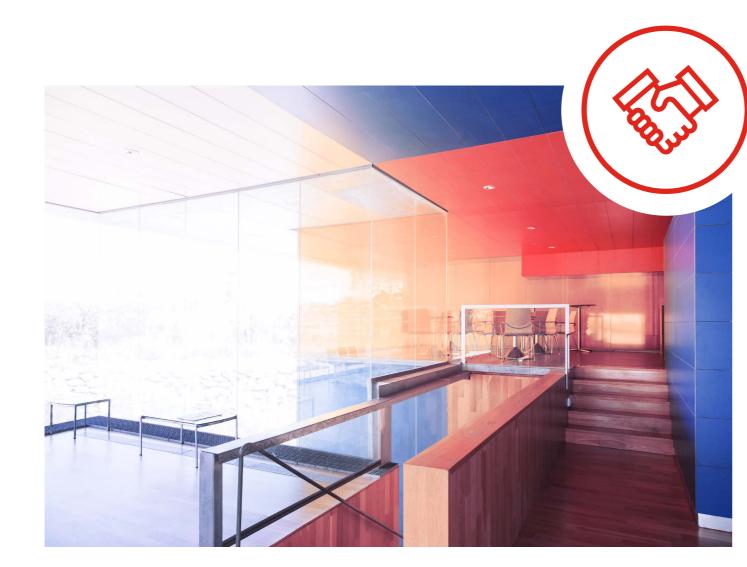
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Everyone is being careful about what is in our trollies these days. There are fewer impulse buys and a lot more scrutinising shelf labels. The inflation rate in the UK has been steadily rising—just recently hitting a record-breaking 11.1%, and experts predict it could rise to at least 13% before the end of the year.

The war in Ukraine is affecting food prices and further disrupting supply chains for retailers. These challenges have increased the cost of goods, including raw materials, ultimately impacting the price of consumer products and will continue as we move into 2023. Retailers will need to be agile, drive efficiency and sustainability, and adopt innovative solutions to tackle these issues.

The impact across the retail industry

Inflation not only impacts retailers, but also the customers they serve. If inflation remains high, shoppers will continue downgrading to cheaper products and search for deals as cost becomes the more important factor. This has changed the landscape for retailers.

Heightened price sensitivity combined with distribution disruptions and a competitive market have made it difficult for retailers to increase prices adding pressure on IT investment and potentially delaying transformation projects at a time when they are needed most.

More than ever, retail segments such as grocery, are being pulled in every direction when it comes to demand. Organisations must adopt the technology to keep up, and fast. Retailers need to expand their capacity to meet the changing consumer behaviour and needs while limiting revenue waste on unnecessary operational costs when demand does eventually reduce.

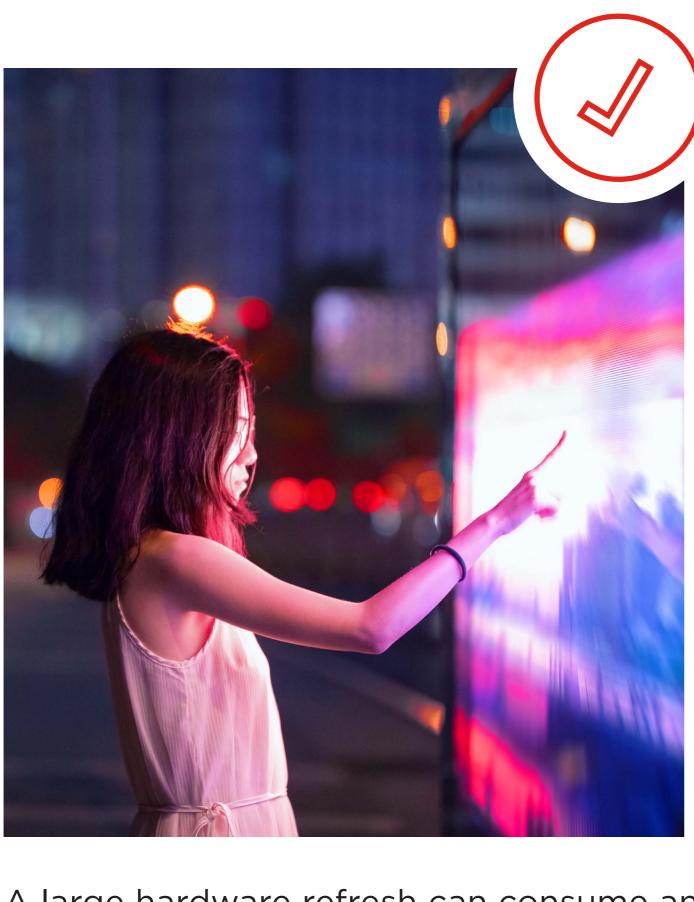## Adapting to market fluctuations with a subscription service

Below, I'll dive deeper into the industry impact, as well as offer up my advice on how enterprises can handle these discrepancies with an innovative Lenovo IT solution powered by Intel®.

To meet customer demands quickly, retailers need the ability to change direction in a timely manner, as-a-Service (aaS) offers a solution.

This offering allows the procurement and use of hardware, software, and services without having to purchase the equipment outright, retailers can pay for what they need and scale dynamically and flexibly.

A subscription-based model allows retailers to easily add or remove incremental capacity, allowing organisations to swiftly pivot to meet changing market demands or internal needs.

Optimising performance with state-of-the-art devices

Traditional retail architecture relies heavily on monolithic and aging applications that dramatically hinder agility and upgrades. The current hardware procurement model has a device lifecycle lasting between two and five years and requires significant upfront costs. This usually means employees are using older, inferior, and less secure equipment. These devices then need constant maintenance leading to downtime and limiting productivity which impacts revenue.

A large hardware refresh can consume an IT budget. But Device-as-a-Service (DaaS) allows this cost to be spread over the term of the service, offering more flexible lifecycles. Deployments can be customised to include any combination of devices, allowing leaders to allocate more advanced equipment where it is needed for employees to maximise their productivity.

Switching to DaaS also helps keep sustainability in mind—which is a priority for every industry now. Having access to newer, more efficient technology will ultimately decrease energy consumption. Thanks to recent innovations, many Lenovo devices are specifically made with reduction of energy consumption in mind. Along with this, the shift will help you meet your budget with the rising costs of energy and climbing inflation.

DaaS simplifies the procurement process by combining the cost, delivery, setup, maintenance, device refresh, and disposal of devices into a single subscription fee. IT departments can then easily provide the workforce with modern technology and cutting-edge features to boost innovation—including creating new processes, products, and business models.

Using technology to combat future crises

As the rate of inflation continues to rise, it's critical that retailers stay on top of demand. But without updated systems and devices, it can be hard to meet those needs. A subscription-based IT model can help you sidestep a massive infrastructure investment while giving employees the tools needed to be efficient, drive sustainability, and manage the evolving pressures from customers.

If you're interested in learning more about these Lenovo "as-a-service" options, please reach out and I'll schedule some time for us to walk through the solutions.