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From bricks and mortar to virtual reality

Innovation, research and customer-orientated transformation are key to surviving a rapidly changing retail landscape according to Woolworths Ltd CEO Grant O'Brien.

Mr O'Brien addressed the QUT Business Leaders' Forum today saying the investment of nearly $1 million to fund a Chair of Retail Innovation - a position given to QUT's Professor Jan Recker - would help the sector better recognise the needs of customers.

"Professor Recker's work will focus particularly on people, process and technology and aims to improve the experience of customers as they go about their supermarket shopping," Mr O'Brien said.

"The reason I am excited is because I see this as the dawn of yet another era for Woolworths. It is an era where innovation will be a critical factor for success.

"The task of transforming our business to meet the needs of the customer of the future is not an insignificant one. My eyes are firmly focussed on the future - a future being shaped by our customers, not by Woolworths."

Professor Recker said initial research streams in this unique collaboration would improve fresh food operations from a customer perspective, improve store logistics processes and involve Woolworths' staff in ongoing innovation activities.

"We've been looking at innovations in bakery processes and also at new technologies and processes that enable stores to replenish shelves more efficiently - a move expected to result in significant cost savings but also more time for store staff to engage with customers," he said.

Mr O'Brien said it was clear big retailers would not survive if they did not start taking customer trends and preferences...
"More than ever, food and grocery retailing in Australia is a highly competitive and fragmented market, and we have little protection from failure if we rely simply on our current form," he said.

Using a rich base of customer data from the Everyday Rewards program, Mr O'Brien said Woolworths were able to better understand customer trends and invest in smarter store formats and multi-media platforms.

"Mobile phone and iPad apps, click and collect, pay wave - all are terms and technologies that barely existed in 2007, but are now fundamental to our offer," he said.

"In just 18 months, more than two million of our customers have downloaded a Woolworths app and changed how they shop."

Helen Clark, Administrator of the United Nations Development Program and former Prime Minister of New Zealand will speak at the next QUT Business Leaders' forum on Monday March 25.

Tickets are on sale now at the QUT Business School website.

**A high-res photograph is available for download here.**

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