‘The Connected Store’: Retail’s Emerging Reality
Introduction

Transforming In-Store Experiences with Technology

- Invitation
- Discovery
- Evaluation
- Fulfillment
- Extension

New Shopping Scenario: What’s “In-Store” for the Future?

Conclusion
The last few years have seen a dramatic shift in the retail industry, especially brick and mortar retailers. In the wake of the coming-of-age of millennials and the internet cannibalizing the physical stores, footfalls have been negatively impacted. The growing phenomenon of smartphone-enhanced way of comparison shopping (Showrooming) represents a humongous shift in the shopping pattern of customers. “A recent report from Deloitte Digital reveals that in 2015, the percentage of in-store retail sales influenced by shoppers’ use of a digital device was 64%, up from 49% in 2014 and 36% in 2013.” The concept of the traditional brick and mortar stores as standalone spots has therefore become outdated. Besides, research suggests a customer who has omni-channel interactions is the most valuable kind of customer. “According to a study by IDC in 2015, cross channel shoppers have a 30% higher lifetime value than those who shop using only one channel.”

To stay ahead of the game, retailers need shopper-centric smart technology which must be imported into in-store shopping to make the whole retail experience more seamless and personalized, no matter when, where and how customers choose to shop. The Connected Store is a testament to every retailer’s Omni-channel Strategy, as Digital attempts to hit the right notes at every touch point of the Customer’s Journey.

Transforming In-Store Experiences with Technology

The whole in-store customer experience can be summed up in five stages:

1. INVITATION
2. DISCOVERY
3. EVALUATION
4. FULFILLMENT
5. EXTENSION

INVITATION

Shoppers tend to go to those retailers who make them feel welcome and appreciated.

HOW DIGITAL HELPS?

With beacons, geo-fencing and other location-aware technologies, retailers can connect with shoppers on a personal level and encourage in-store visits by sending:

a. CONTEXT-DRIVEN INVITATION: Retailers can use highly tailored & timely push-notifications to invite customers to their store. These can be based on:

   (I) Tracking Customer’s past in-store activity in the app: For instance, information about how much time a visitor spends in front of each aisle can help send tailored & time-sensitive notifications about specific products.

   (II) Real-time location of the shopper: Venerable British fashion label, Burberry has launched a geo-fenced store in Soho that sends information on deals to shoppers in the proximity of the store.

b. CUSTOMIZED GREETINGS: Retailers can send a customized message that greets customers by name the moment they step inside the store. This encourages them to come inside and take a look around.

Smart retailers have even started innovating in how they can woo their potential customer base by inviting them to highly anticipated events, virtually. Fashion retailer Saks Fifth Avenue set a noteworthy example by sending an invite to its app users to
watch livestream access of their holiday window unveiling, a highly anticipated holiday tradition, while also promoting their holiday gift guide last winter.

RETAILER BENEFITS
Increases brand awareness and footfalls.

DISCOVERY
Once customers are inside the store, retailers can motivate casual, organic discovery of the merchandise through in-app features like in-store navigation, auto suggestions and product recommendations.

HOW DIGITAL HELPS?

a. IN-STORE NAVIGATION: Shoppers can discover their interests easily without any help. By directing them through a specific route, retailer apps can even nudge shoppers to consider complementary products not in the shopping cart, thereby opening up cross-selling opportunities. For eg- a female shopper can be directed through the aisle containing cosmetics that will go with the chosen dress to motivate impulse buying.

b. PERSONALIZED RECOMMENDATIONS: As mobile apps become embedded in the in-store experience, they can provide a wealth of information, which can be consumed by an analytics engine to delve deeper into shopper’s in-store behavior. This can be combined with shopper’s click behavior & then run against the in-store inventory to provide unified, tailor-made suggestions. Macy’s has consistently outperformed competition by using shopper behavior to shoot highly personalized alerts to visitors who have the Shopkick app installed on their phones.

c. AUGMENTED REALITY: In-store apps also provide AR based experiences to ease the customer journey. Australian clothing brand, Sportsgirl uses AR app, Sportsgirl Explore to create engaging, life-like interaction with its products and shoppable pages.

RETAILER BENEFITS

a. Make the right merchandise visible with greater access to customer information.

b. Understand how customers shop to improve space and category productivity.

EVALUATION

This stage is about engaging shoppers in an immersive experience, giving them a reason to carefully consider their interests and helping them find a place for these products in their lives.

HOW DIGITAL HELPS?

a. EMPOWERED SALES ASSOCIATES: By giving access to information about customer profile, in-store apps equip sales associates on the shop floor, to play a consultative role. They can provide hyper-personalized recommendations leading to more positive interactions with shoppers and also suggest related or complementary products. For eg- A shopper can be suggested the right kind of jeans that suits his outdoor-sy lifestyle and then can be pitched a pair of boots that are water resistant, to go with the jeans.

b. PRODUCT REVIEWS ON SOCIAL MEDIA: Through social login, in-store apps can provide customers access to product reviews and recommendations on social media, sorted by their social circle. This information may act as the critical element in decision making as a positive review from a friend might just be the deal clincher.

c. AUGMENTED REALITY: In-store apps also provide AR based experiences to ease the customer journey. Australian clothing brand, Sportsgirl uses AR app, Sportsgirl Explore to create engaging, life-like interaction with its products and shoppable pages.

RETAILER BENEFITS

a. Conversion of visitors to buyers through effective consultative engagements and social inputs.

b. Opportunities to offer an expanded product portfolio to customers, thereby increasing average transaction values.
The Connected Store': Retail’s Emerging Reality

FULFILLMENT

Once the customer has been moved to the decision stage, purchase takes place. Given the volatility of consumer demand in today’s market, retailers need to provide a flexible option of order fulfillment and the ability to move seamlessly between channels.

HOW DIGITAL HELPS?

a. MOBILE POS: With the decline in cash payments, sales associates can also be equipped to close a transaction at any location on the shop floor using their mobile POS.

b. SELF CHECK-OUT: Many mobile applications facilitate self-check-out by using the mobile camera to scan barcodes/QR codes to process a transaction. Apple Pay and other digital wallets can then be used to complete the transaction.

c. CROSS-CHANNEL ORDER FULFILLMENT: In case of non-availability of a particular product, alternative order fulfillment options from the retailer’s e-commerce site can be provided. Similarly, e-commerce orders can be fulfilled from stores.

Besides, customers can also browse products on the retailer’s site and pick them up at a store near them (Buy Online Pickup In-store). In-store retail solutions enable shoppers to channel-hop between online and physical in a seamless fashion.

RETAILER BENEFITS

a. Maximized checkout capacity.

b. Higher conversion rate.

c. Retailers can provide a smooth omni-channel order fulfillment experience to shoppers.

EXTENSION

This stage is about capturing customer feedback to bring about customer loyalty and strengthen their relationship with the retailer.

HOW DIGITAL HELPS?

a. While shoppers are in-store, they might not be able to share feedback. They might have a movie to catch or some other engagement. The retailer can use the app to ask for feedback later through push notifications and incentivise this action through loyalty points.

b. Retailers can offer additional loyalty points to shoppers who are willing to share their cart on their Facebook wall. This not only gets the retailer free promotion in the shoppers’ friend circle but also informs them of the retailer’s product line available in-store.

RETAILER BENEFITS

a. Boost customer loyalty and improve customer retention thereby generating repeat business.

b. A credible recommendation by a loyal customer can lead to higher conversion among his friends and relatives and thus help in acquisition of new customers.

c. Improved visibility of retailer on social media at minimal cost.
New Shopping Scenario: What’s “In-Store” for the Future?

Here’s a story that brings out how customer experiences will be redefined in the new age of retail.

This is Penny, a tech-savvy, thrifty millennial shopper who takes her fashion very seriously.

A ruffled jumpsuit catches her eye while browsing a retailer’s e-commerce site.

She adds it to the cart but realizes that delivery would take longer than expected. Sigh!

Left with no option, she abandons the product in the cart.

System detects jumpsuit availability.

Conclusion

There is clearly a need for retailers to evaluate what are their available technology options and invest in technologies that not only create a fantastic in-store experience but also allow shoppers to channel-hop without friction. To connect with the digital shopper, physical stores must function as cross-channel hubs that place the customer at the center of action and provide experience on multiple levels. It’s only when digital shoppers can weave their narrative through an Omni-channel journey, can physical stores go beyond transactions to holistic micro-moment transformations!
Aspire Systems is a global technology service firm serving as a trusted technology partner for its customers. The company works with some of the world’s most innovative enterprises and independent software vendors, helping them leverage technology and outsourcing in Aspire’s specific areas of expertise. Aspire System’s services include Product Engineering, Enterprise Solutions, Independent Testing Services, Oracle Application Services and IT infrastructure & Application Support Services. The company currently has over 1,600 employees and over 100 customers globally. The company has a growing presence in the US, UK, Middle East, Europe and Singapore. For the sixth time in a row, Aspire has been selected as one of India’s “Best Companies to Work For” by the the Great Place to Work® Institute, in partnership with The Economic Times.

References

- http://www.retailcustomerexperience.com/topics/technology/
- http://www.i-cio.com/innovation/it-infrastructure/item/m-s-navigating-retail-technology-s-shifting-sands
- https://econsultancy.com/blog/64408-12-more-examples-of-digital-technology-in-retail-stores/