THE FUTURE IS TODAY

A guide to become a digital retailer.

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The world is **CHANGING.**

If your business operates brick-and-mortar retail stores, it’s easy to feel overwhelmed. The tidal wave of changes kicked off by the Information Age has drastically changed customer expectations and many businesses are trying to figure out how to keep up.

Today, many retailers are adopting digital technologies to deliver on the promise of personalization, mobile and analytics into their physical stores. With this combination of digital and physical, these stores can deliver almost sci-fi level experiences to their customers. While there are many ways to do this, one thing is for sure. Retailers must change the way they interact with customers, or they risk being left behind.

We often hear about the newest technologies that will allow these changes to happen, and it’s easy to get caught up in the excitement of “the future.” The thing is, the future is now. The technologies displayed in consumer shows and the trends talked about in marketing materials are available today. And many are already being used in retail stores across the world.

Within the past few years, retailers started using multiple channels to engage users, allowing customers to review and purchase items on mobile apps. This made online shopping more accessible on more devices. However, despite the increase of mobile and online shopping, a high majority of sales (an estimated 90 percent in 2018) continue to take place at brick-and-mortar stores — because people crave the in-store experience.

The embrace of multi—dare we say—omnichannel jumpstarted the transformation of retail stores. Now, becoming a “store of the future” involves much more than that. With all the new technologies available, retailers can create engaging customer experiences both digitally and physically — not just on any device — but everywhere in every step of the customer journey.

In 2018, as much as 90% of sales may happen in stores.
Becoming DIGITAL is not an option.

These new innovations aren’t just flashy toys that are nice to have. They’re crucial in the way they’re changing the retail space, allowing you to provide an experience that customers cannot receive anywhere else. They excite and encourage customers to purchase in store as opposed to online.

These technologies help blur the line between a customer’s mobile and physical experiences, creating smooth communication across multiple devices. And the truth is, if you don’t adopt digital technology into your stores, your business will be left behind.

Your stores are competing with the convenience, speed and personalization found in online shopping. But when you provide tactile digital experiences, you can offer the ease and benefits of online shopping in your brick-and-mortar store. Customers give their loyalty to the stores that earn it, and you can earn it by combining digital technologies with physical interactions to provide a captivating experience.

Have the FUTURE technology, today.

So what is this new technology that will make your store “of the future”? Mobile apps, projection, video and touch-enabled devices give your store the edge it needs to deliver meaningful experiences for your customers. And while making videos and mobile apps aren’t really new, technologies like these and more are being adopted in innovative ways for new uses.

Take the beacon, for example. A beacon is a Bluetooth-enabled low-energy device. This kind of technology is most often used when pairing devices with medical technologies such as cardio and temperature monitors. Companies simply figured out how to scale and adopt this technology for wide use in retail stores.

This suggests that, in many cases, you and your customers already know how to use the newest retail technologies because they’re simply adaptations of the technology you’re already familiar with. Here are some examples of businesses that took current technology and made it their own:

Vanquish, a clothing store based out of Tokyo, launched virtual digital models, whose outfits are triggered by a customer removing a hanger from a rail. By creatively using simple projection technology, customers can see what models look like in the clothes they’re considering.

Similarly, Marks & Spencer, a British retailer, uses a virtual rail. A foot-to-head touch screen allows customers to swipe through the store’s catalogue for outfit inspiration, to watch videos about products or to look through items recommended to them based on previous product views. Shoppers can digitally review clothing in their actual size with the same technology they use on their phones everyday.

American Apparel utilizes augmented reality. With nothing more than an interactive mobile app, customers can scan an item of interest to view product reviews, watch videos and order online.

Casino, a French supermarket, now uses near field communication (NFC). This allows customers to use their smartphones to access information on products and pricing via NFC-enabled shelf labels and then scan items as they place them in their basket. When they’re done shopping, they can quickly pay for the already scanned items by tapping their phone on a reader attached to the cash register.

By employing these technologies, you address real problems of the in-store customer experience. Having kiosks or supplying sales assistants with a point-of-sale (POS) device allows for faster, more accessible checkouts. Using augmented reality and NFC labels gives your customers information about a product without the effort of searching online. And technology like virtual rails and magic mirrors offers customers easy and efficient ways to try on merchandise. Essentially, you provide the ease of online shopping, but also create a tactile experience that encourages customers to shop at your store.

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Finding the **RIGHT STRATEGY.**

How do you go about providing this experience for your customers? We all know big changes in business are hard to make, but if you’re making them for the right reasons, they’re worth it. And it’s a little easier to get those changes right if you keep in mind the following two rules: figure out what works for you, and figure out what’s right for your customer. It’s easy to get overwhelmed by what everyone else is doing, but you only need to worry about yourself.

Start with the basics. Ask yourself, what kind of business you are and remember that not every technology is appropriate in every situation. For example, beacons may work for department retailers where customers like to wander the store, but may not be as ideal for specialty stores where customers already know what they want to purchase. Instead, a specialty store might be more interested in touch-enabled devices that share in-depth product information and reviews.

Identifying the kinds of products you sell and what business model you follow will help you figure out what technologies best complement your company. Next, find out what’s right for your customer. To do this, of course, you need to know your customers. What are they really looking for when they come to your store? What kind of technology will enhance their shopping experience?

These business and customer needs cannot be independent. They need to complement and inform each other. Aligning your business needs with your customer needs will provide a lens through which you can best visualize your path toward becoming a digital retailer. In this guide, you’ll find six strategies that will help you discover what both you and your customers need and how to act on that knowledge to become a store "of the future."
Getting your data IN ORDER.

Before you bring new elements to your organization, you need to get a handle on what you already have — including the inventory and infrastructure across your whole business. You can’t deliver on great customer experiences around a product that’s not available, so you need to know what products you have and how they’re displayed.

Take The Home Depot, for example. They know the inventory inside each of their stores and have mapped out all of the shelves in each location. This not only keeps the company organized, but also allows customers to see real-time inventory and find where products are stocked in local stores.

The Home Depot is able to provide this experience for their customers because they not only have their inventory in order, but they also know their customers. Through targeting and testing, The Home Depot has learned what their customers are looking for in a home improvement store.

They know their customers are working on time-consuming projects and don’t have time to visit a store, only to realize the screwdriver they need is out of stock. It’s important to build a unified vision of your customers by targeting, testing and consolidating customer data to inform inventory decisions.

And once you’ve gathered all your data, analyzing it will help you better understand your customers. You can find where the gaps and complications are in their journeys, allowing you to also identify opportunities to improve and better reach their expectations. After all, it’s your dedication to these expectations that drives your need to become a digital retailer.

Getting your assets IN SHAPE.

Like your inventory and data, you need to have control over the content that supports your brand and your products. As customers engage on more and more devices, creative teams need to build the content to reach those demands. Of course, this means nothing if that content is not catered to your customers. Customers expect companies to be present on their favorite devices.

One company that does this well is Westfield Corporation, an international shopping center, whose mobile app displays the complete inventory of every store in its malls and allows for customers to plan their visits. For shoppers, this means a simple and consistent shopping experience from mobile to in-store. For retailers, it means having your inventory, data and assets in shape to participate in the opportunity.

Think back to the fashion retailers Vanquish and Marks & Spencer, which use virtual rails and digital mannequins. Successfully deploying this technology, takes some serious asset management. The retailers need to know which products are offered, along with thorough product information and personalized recommendations.

This level of control over your assets doesn’t just happen. It’s something you need to plan for. But, having control over your content and assets allows you to appear the way you want to in front of your customers, and it gives customers consistent experiences with your brand.

Once you control your assets, make sure you are using your customer data to tailor your story and deliver the right message at the right time.

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Adapting your MOBILE STRATEGY.

Mobile is clearly a main component of any modern business and a mobile strategy is crucial to staying relevant in today’s retail world. As you become a digital retail store, however, it’s important that your mobile strategy supports your end goal. Decide which ways mobile can complement the in-store technologies you already have in place or are planning to implement. And like the other strategies, it all goes back to what’s right for your customers and your business.

For big box stores or shopping malls, mobile apps that display inventory and allow customers to create shopping lists may be a fitting strategy. As The Home Depot and Westfield Corporation demonstrate, they understand the needs of their customers and are fitting their mobile presence to those needs.

Smaller, more specialized stores may want to use a slightly different strategy. Instead of guiding a customer through a large store full of inventory, mobile apps can be focused on receiving loyalty rewards or other more personalized experiences.

Another way retailers are using mobile to enhance the in-store experience is the use of digital wallets. Instead of paying with cash, check or a physical credit card, customers can use their phone to pay for products. Recent Adobe research suggests that 83% of those surveyed thought using a mobile wallet to pay was easier than a credit card. Enabling your store for your customers to use digital wallets provides you the opportunity to digitalize loyalty cards and gives your customers a more efficient experience in your store.

Customers engage differently on different channels. Analyzing your data can help you figure out what strategies will best address the ways your customers are interacting. Then you can begin modifying your mobile strategy in a way that really supports your brand.

Refining the in-store EXPERIENCE.

In spite of everything we’ve discussed so far, in the end, it all comes down to the actual experience your customers have in the store. Having your inventory, data, assets and mobile strategies in place is only as meaningful as what happens when your customer walks through your doors. This is where having digital technology pays off.

Equipping your sales associates with the ability to offer personalized service, providing opportunities for customers to serve themselves and implementing ways to customize content in stores all deliver on the promise to make the in-store experience as satisfying (if not more so) than any online one.

Think back to all the examples mentioned earlier — American Apparel, Casino, The Home Depot and Westfield Malls — while they are all using different technologies for different purposes, they all have the same end in mind. They’re finding ways to enhance the shopping experience and make a trip to their store worth a customer’s time. Here’s another example.

Story is an innovative retail gallery that’s taking customer experience and merchandising to the next level. They’re using PERCH technology — an interactive screen that puts a digital backdrop behind or nearby products. As customers touch and pick up merchandise, the screen displays videos or product information to further engage them with the product.

Story isn’t the only organization utilizing this digital technology. Verizon, Nordstrom, Kiehl’s and Kate Spade are attracting customers in similar ways. They’re not only increasing engagement with customers, they’re also seeing real business impact. According to the The Journal of Consumer Research, touching a product makes consumers 40% to 60% more likely to purchase. So enabling your store with this kind of technology not only interests and informs customers, it also increases the likelihood that they’ll actually buy a product.
ENABLING your sales associates.

Another way to use technology in your store is to arm your clerks and sales associates with technology. Customers know how to find information on a product without the help of a store employee. In many cases, your customers have researched your products before they even enter your store. And even when this isn’t the case, customers generally know how to get the information they need. In order for in-store employees to be the most effective to customers, then, their role must change from simply being a source of product information to being another form of engagement.

There are many ways to arm your in-store employees with technology. Perhaps the most common is the use of mobile point-of-sale (POS) devices. This allows customers to check out anywhere in the store, shortening lines for more efficient purchasing. This kind of technology also frees the employees to walk around the store and engage with customers instead of staying behind a cashier desk.

Other brands use wearable technology. Tesco, a grocery and merchandise retailer, gives Motorola’s SBI Smart Badge to their employees. The badge, which also serves as a staff ID badge, works as a communication device and scanner. Like a POS device, this kind of technology enables staff to easily assist customers throughout the store rather than behind a desk.

CUSTOMIZING for your customers.

Digital technology gives your store more ways to personalize customer experiences. Retailers are doing this by using beacons and other radio frequency identification (RFID) tags. In-store merchandising used to focus on mannequins and products tied to a display shelf. Now stores can be much more dynamic and interactive.

For example, Burberry, a fashion brand out of London, is embedding RFID tags into its merchandise. When products are taken into a fitting room, mirrors are triggered to show catwalk footage of models wearing the specific product. What’s more, when a customer uses the Burberry mobile app, videos appear with the customer’s name engraved into nameplates on handbags or coats.
Using what’s **RIGHT FOR YOU.**

Customizing the experience to individual customers is essential in creating a meaningful relationship. And embracing these technologies may help you do just that. But remember, you’ve got to do it in a way that makes sense for you and your business.

Tailor these technologies to your specific business needs. Each has its own strengths and weaknesses, and as we’ve seen, some technologies are better for certain retailers than others. Evaluate the long-term value of incorporating certain technologies into your organization. Identify what problems your business is facing. Then strategize how certain technologies can best solve these problems.

And finally, don’t be afraid to give it a try. If your data shows that customers are waiting in line too long, try piloting POS devices in a few stores before investing in a company-wide rollout. Piloting these technologies will give you the insight you need to make more permanent decisions.

Understanding your business needs and your customer expectations will help inform the ways you manage your inventory, assets and data, which in turn, informs the experiences you provide your customers — both on mobile and in the store.

Develop and implement the strategies that work best for your company, so you can make digital retail a reality.

Remember, we’re not on the edge of a retail transformation. We’re in the thick of it. These innovations don’t belong to the stores of the future. They are ready for you now.

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