Transforming the Purchasing Experience

INFINUM

Transforming the Purchasing Experience

For more information, e-mail retail@infinum.com.

About Infinum

Since 2005, Infinum has partnered with leading brands and exciting start-ups to build digital products. Our work is used by millions around the world and has been recognized by trade and industry authorities such as Deloitte and Inc. 5000.

Operating from the US and Europe, we're a thriving collective of over 250 talented thinkers and doers. We design, build, and scale authentic digital experiences that deliver value and empower people to accomplish their goals.

The products we've worked on range from consumer facing mobile apps, eye-catching landing pages to complex web applications and back-office systems with multiple levels of enterprise integration. We just love a good challenge.

Aside from working on client projects, we launch our own ventures, share our knowledge with the community, and educate aspirational designers and developers through Infinum Academy.

Introduction

Technology is reshaping the landscape of retail as we know it

As the retail industry evolved, the act of purchasing went from being a mere exchange of goods to becoming an “experience”—an emotional engagement retailers strive to create for consumers.

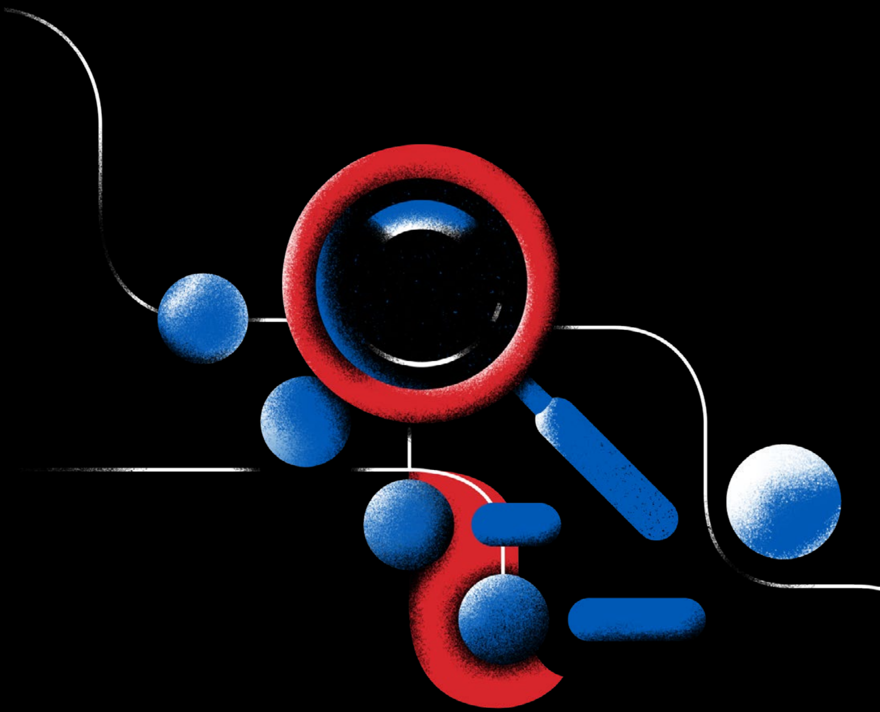
The experience of shopping can indeed be transformative. If not the act itself, then the reward of obtaining something that stirs our senses. We’ve all been there: The dopamine rush is real.

In a world fueled by technological advancements, products, services, and experiences are rapidly evolving. This march of progress brought unprecedented changes, with new competitors emerging daily and consumer expectations reaching ever new heights. Technology is at the heart of it all, reshaping the landscape of retail as we know it.

The interaction now happens through countless channels and screens: Physical stores, showrooms, websites, mobile apps, social media, television, call centres, and more. Consumers are scattered across all of them, and their novel behaviour challenges retailers’ old ways.

Businesses must find a way to adapt to the modern retail model or risk getting outpaced by competitors. Transforming a retail business comes with plenty of challenges. Implementing technology requires strategic initiative and a significant investment - but the cost pales in comparison to the cost of losing customers.

This book will explore a few compelling digital transformation success stories of brands that have skillfully tapped into digital transformation. Read on to discover why creating immersive experiences is key to remaining relevant in retail and how businesses can leverage technology to reach the modern consumer at every stage of the purchasing experience.



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Retail Apocalypse: Reality or Myth?

1

Retail Apocalypse: Reality or Myth?

As ecommerce continues to grow, the news of established retail titans declaring bankruptcy has become increasingly common in recent years.

Since 2010, ecommerce has put hundreds of brick and mortar stores out of business, including retail giants like the 125-year-old department store Sears. Just last year, more than 12,000 retail locations were predicted to close.[1]

Such reports have led many to believe ecommerce is the destructive force obliterating storefronts one at a time. Yet, at the same time, traditional retailers Walmart and Target are thriving, dominating the global retail market year in and year out.

While the impact of ecommerce on physical retail has been greatly exaggerated, it is undeniable that the retail landscape is evolving.

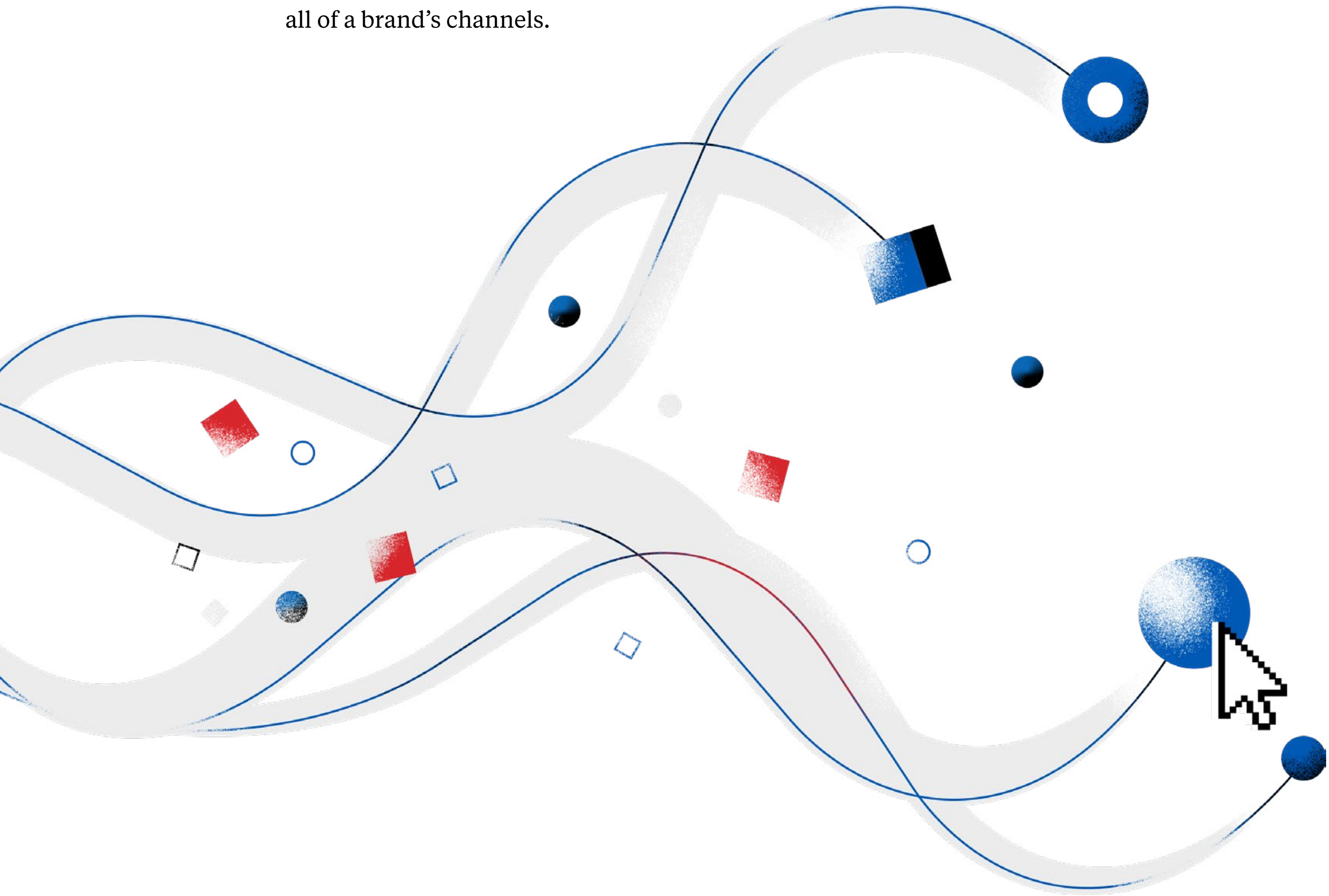
As sensationalist headlines declare that the store is doomed, the data tells a different story. In 2019, only 14.1% of global retail sales were made online, while more than 85% happened at physical stores, just as in the years before. The retail apocalypse isn't upon us, after all.

1 Shopify

Not all businesses have managed to catch up with changing customer behavior, and many have missed opportunities for innovation. These businesses are still struggling.

As technology continues to permeate every aspect of life, the population is shifting online in search of information, entertainment, and ways to socialize. Naturally, consumers also are gravitating online, embracing the advantages of shopping from the couch or during their morning commute.

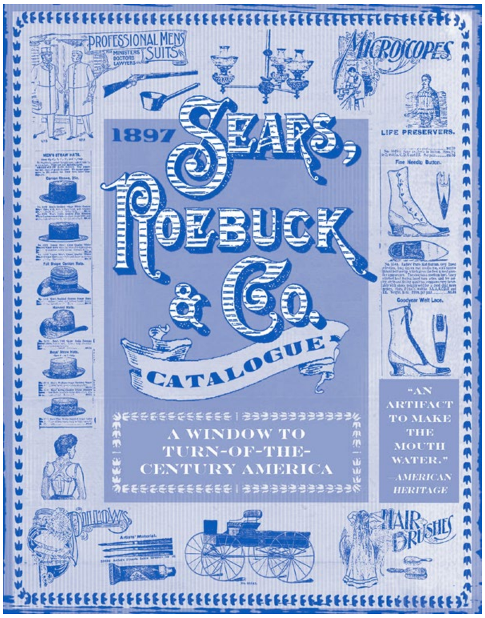
This has resulted in a new path to purchase, which offers consumers the best of both the digital and physical worlds: the convenience of an ecommerce transaction and the experience of shopping at a physical store bound in a seamless experience across all of a brand's channels.



From the mall to the Marketplace

Long before internet access had become a basic human right, consumers were interested in alternatives to shopping at physical retail locations.

At the break of the 20th century, the Sears Roebuck catalogue reached more households than any store in the US. However, because shoppers still considered in-person buying to be simpler if a retail location was nearby, **the catalogue only received orders from 20% of American households.**



Sears, Roebuck & Co. Catalogue.
Source: Amazon

Sears might have been an innovator at the dawn of the 20th century—but its physical stores did not change significantly through its golden age circa 1970s to its last gasps in 2018.

While Sears and other department stores were fading into oblivion, competitors were studying changes in consumer behavior. These innovative retailers were responding by upgrading the store experience and investing in technology.

By the 2000s, it became clear that the traditional mall was overdue for a makeover. The beginning of a new millennium also saw the launch of online marketplaces, which have shaped modern ecommerce—particularly retail giants like eBay, Amazon, and Alibaba.

Around this time, many brands started building an online presence in addition to their brick and mortar retail locations. Walmart launched its online store, Costco started a B2B online selling platform, and Google introduced AdWords, its novelty advertising platform for ecommerce businesses.[2]

When prominent storefront services Shopify and Magento launched in 2006 and 2008 respectively, ecommerce exploded.[3] Soon after, thousands of brands were learning how to make use of Google's advertising tools to build brand awareness, reach new audiences, and draw insights from data previously unknown.

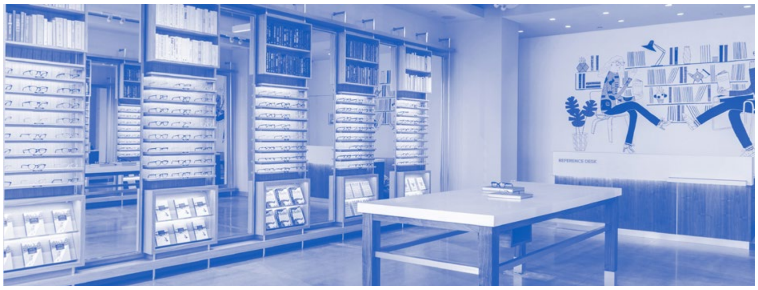
> **More than 6,000 retailers were using Shopify to create online storefronts in 2010.[4]**

These cutting-edge tools enabled brands to launch online stores with minimal investment. This quickly led to the rise of digital-born retailers, brands selling exclusively online directly to consumers (primarily Millennials and Gen Z shoppers). In light of this online shopping boom, it became clear that traditional brick and mortar stores would face serious disruption in the years to come.

Online first, physical second

One digital-born brand that launched in 2010 was American eyewear retailer Warby Parker. At first, consumers could order a range of the brand's affordable glasses and try them at home before returning the unsuitable ones. The product was in high demand but the model was flawed, as consumers insisted on trying on the spectacles in person. This prompted the brand to extend their virtual address with a physical one. In 2013, the Warby Parker's first brick and mortar location opened its doors.

2 Walmart
3 Growth Marketing Pro
4 Shopify



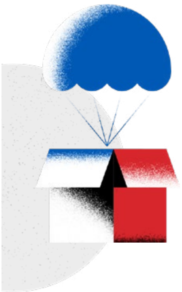
Eyewear brand Warby Parker's store.
Source: Warby Parker

Another example of a successful digital-born brand is the skincare and beauty line Glossier, which started building social media success in 2010. With targeted brand communication and an offer based on consumer demand, Glossier managed to sell out products faster than they could restock them.

Like Warby Parker, Glossier stepped into the physical sphere when they opened their first permanent physical retail location in 2018. This not only offered consumers a space to sample and purchase products; it also gave them the chance to join a like-minded community, thus creating the Glossier experience.

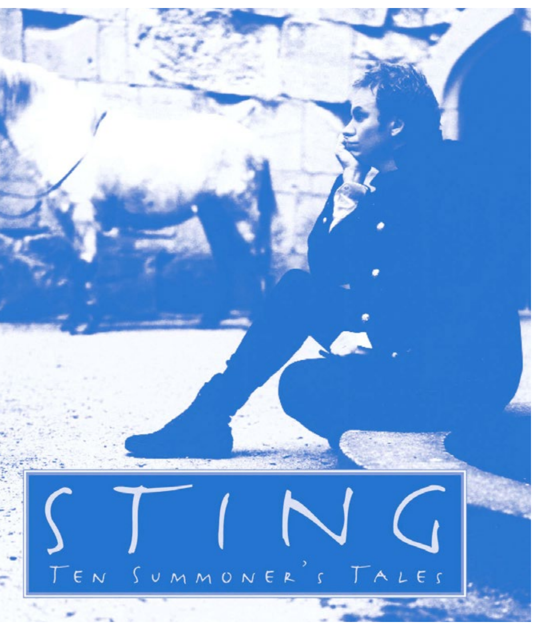
While these ecommerce retailers were making great profits selling directly to online consumers, what gave them an edge was the fact that they were collecting ideas from shoppers on how to evolve their business. The feedback was clear: consumers loved the convenience of shopping online, but the idea of having to return unsatisfactory products made them hesitant to purchase.

After perfecting the online path to purchase, these digital-born brands could tap into the data their online machinery produced on a daily basis. They used these valuable insights to make strategic decisions about their next investment, a luxury many physical stores envied.



However, consumer feedback isn't the only factor driving online retailers into the real world. In 2019, Amazon officially opened artificial intelligence-powered Amazon Go stores, in addition to the brand's 25+ existing physical retail locations, including bookstores, grocery stores and shops offering top-rated products.

A significant 30% of direct–to–consumer brands say opening stores is a present priority.[5]



The first purchase made online was a copy of Sting's album.
Source: iHeart

The change is no longer occurring only on the one side of the spectrum. Just as brick and mortar retailers are creating an online presence to boost profits, online retailers are seeing more success when they add physical addresses to their virtual spaces.

From the first shopping mall in 1930s New York to the first legitimate online sale of a Sting CD in 1994, the notion of physical retail and ecommerce being two opposing sides of retail has run its course.

Today, a growing number of retailers are abandoning isolated marketing strategies and building both a physical and ecommerce presence. These brands are striving to align their messaging, goals, objectives, and design across all channels and devices, which all adds up to a seamless purchasing experience.

5 Retail Customer Experience

2

The State of the Global Retail Industry

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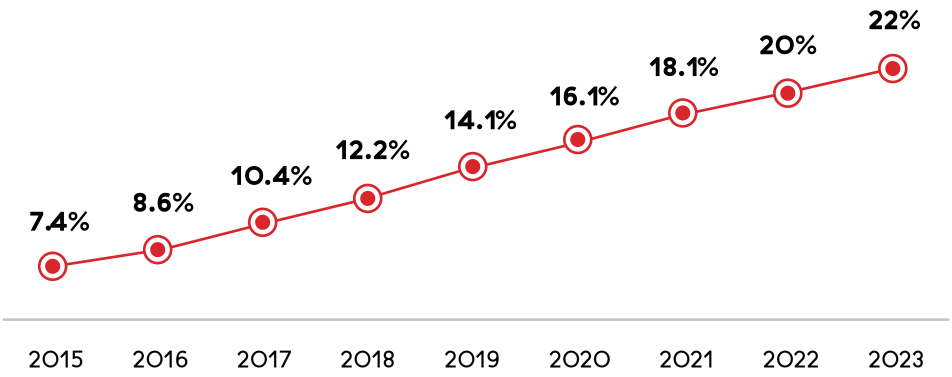
The State of the Global Retail Industry

In the first chapter, we established that physical retail has not disappeared but rather evolved and taken on a different role in the path to purchase. Now, let's take a look at exactly where the retail industry stands nowadays.

Global retail was worth an estimated $25.038 trillion in 2019. That same year, global ecommerce was estimated to be a $3.535 trillion industry, up 20.7% from the previous year.[6]

Considering the numbers, **ecommerce represents only a fraction of the retail market**, accounting for 14.1% of total global retail in 2019.[7] Yet the difference in growth trajectories between brick and mortar retail and ecommerce is eye-opening.



Ecommerce share of total global retail sales from 2015 to 2023. (estimated)
Source: Emarketer.

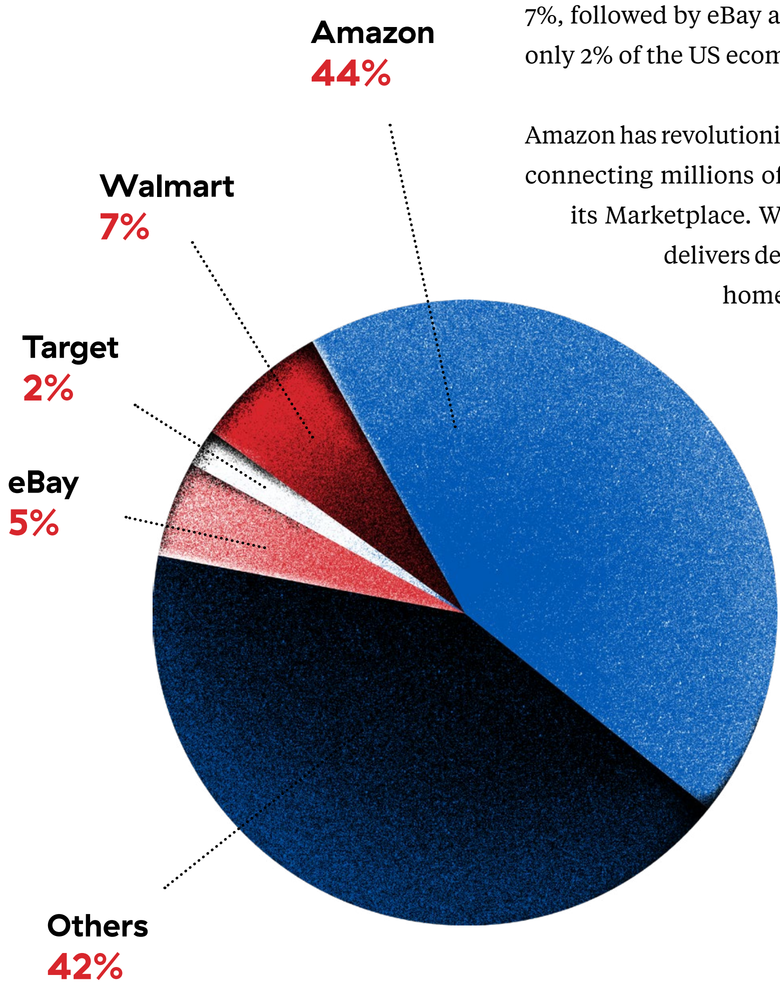
6 Emarketer
7 Statista

The growth of physical retail has slowed considerably in the last five years and is not expected to pick up through 2023. On the other hand, ecommerce is expected to nearly double by the same year.[8]

When we zoom in and take a look at US ecommerce alone, it's clear that much of the growth can be attributed to Amazon.[9] The online retail giant currently holds about 44% of market share, up from 40% in 2018. For perspective, Walmart is a distant second at 7%, followed by eBay at 5%, and Target representing only 2% of the US ecommerce market.

Amazon has revolutionized the purchasing experience, connecting millions of retailers with consumers on its Marketplace. With one-click to buy, Amazon delivers desired products to a consumer's home by the very next day.

However, considering that **90% of retail purchases still take place in the store**, Amazon's market share is hardly striking. The online retailer accounts for less than 1% of global retail sales and less than 4% of US retail sales.



Amazon holds an unprecedented share of the ecommerce market in the US. Source: Benzinga.

8 Fortune
9 QZ

The most profitable retail product sectors

What is the most profitable product category in retail? According to Deloitte's annual Global Powers of Retailing report, **the most profitable sector in fiscal year 2018 was apparel and accessories.**[10] The category known as fast-moving consumer goods (think grocery stores) recorded the lowest profitability the same year.

Deloitte recognizes four broad categories of retail, including:

Apparel and accessories
such as clothing stores

Hardlines and leisure goods
including home furnishing retailers

Fast-moving consumer goods
including grocery stores and drug stores

Diversified
such as auto retailers and ecommerce businesses

Despite department store closures, there are a few key factors that have driven the profitability of the apparel and accessories category: an increase in ecommerce websites, greater emphasis on improving the in-store purchasing experience for consumers, and overall focus on integrating shopping channels into one experience.

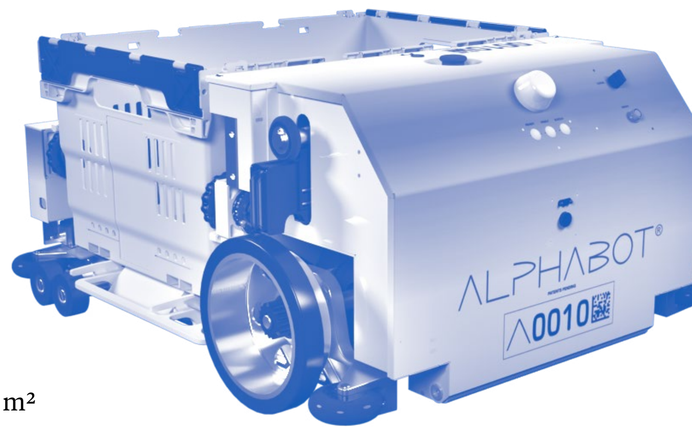
On the other hand, the FMCG sector recorded the lowest profitability among the product sectors as a result of tough competition, ongoing price wars, and increased operational costs.[11] In an effort to compete with Amazon and upgrade consumer experiences, FMCG retailers have been focusing on diverse digitization strategies, such as ecommerce, buy online and pickup in store, curbside pickup, cashier-less stores, voice-enabled shopping, and doorstep delivery.

10 Deloitte
11 Deloitte

It seems to be particularly challenging for grocery retailers to successfully shift into the sphere of ecommerce. As it turns out, consumers prefer to pick out their own fruit and vegetables.[12]

Despite the unyielding efforts of Amazon and Walmart to sell perishables online, **only 3% of US grocery spending took place online in 2019.**[13]

One of the latest attempts to kick start online grocery is Walmart's initiative to implement a new platform called Alphabot[14] at a Walmart Supercenter in Salem, New Hampshire. Alphabot is designed to pick, pack and deliver consumers' online grocery orders more quickly.[15]



The mighty robot is the size of a zamboni.
Source: Condyne

The technology is placed inside a 2000 m² container adjacent to an existing Walmart store, and operates using autonomous carts to retrieve ambient, refrigerated and frozen items from the shelves. After retrieval, Alphabot delivers the products to an associate who bags and delivers the final order.

In addition to delivering online grocery orders faster, the Alphabot also collects and shares data about groceries and consumer habits, learning over time what a shopper might want as a replacement if what they order is out of stock. This could be the future of online grocery shopping.

For the time being, the technology that could help create an online grocery ecosystem is too steep of an investment for most retailers and too difficult to scale for the small pool of online grocery users.[16]

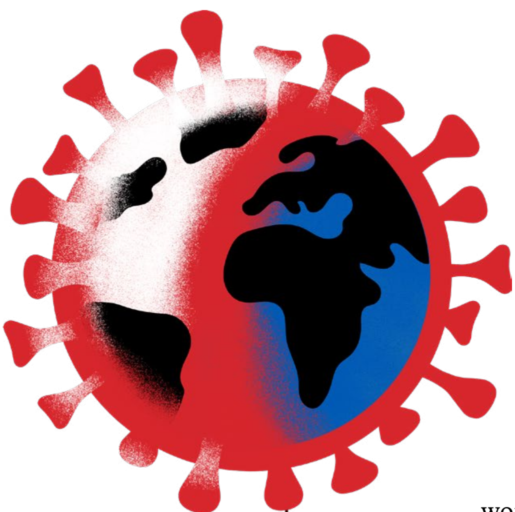
> **Despite remaining largely unprofitable so far, online grocery shopping is expected to reach up to 20% of total grocery retail by 2025.[17] How is it going to get there?**

12 QZ
13 CNBC
14 CNBC
15 CBS local
16 Tabs Analytics
17 Nielsen

Ecommerce rises in a global crisis

Unfortunately, what drove the online grocery business to thrive was something no one ever would have wanted or expected: **A global pandemic that forced consumers to remain quarantined across much of the world in 2020.**

Amidst the global Covid-19 pandemic and subsequent social distancing restrictions, restaurants closed down and people hunkered down at home. As a result, retailers that offered grocery delivery skyrocketed in popularity. To cope with the coronavirus-induced online shopping surge and meet demand, Amazon took on an additional 100,000 workers.



The spike in demand is consistent with trends other grocery delivery companies have seen as well compared to pre-pandemic levels.[18]

Amazon	Walmart Grocery	Shipt
218%	**160%**	**124%**

At the same time, overall revenue for retail has tumbled, as governments around the world have directed all but essential physical retail locations to close up shop.

Google's report on consumer mobility trends in March 2020 showed that US consumers' mobility decreased by 47% in the retail and recreation field compared to baseline figures, which includes visits to shopping centers.

In addition, US consumers' mobility dropped by 22% in the field of grocery and pharmacy, which includes places like supermarkets, food warehouses, farmers markets, specialty food shops, drug stores, and pharmacies; many of which were allowed to remain open under the revised regulations.

The March 2020 numbers appeared even more dire in the UK, where consumer mobility in the retail and recreation field plummeted, recording a staggering drop of 85% compared to baseline figures. In the same period, mobility in the field of grocery and pharmacy dropped by 46%.

A recent study showed that half of UK retailers could be wiped out if coronavirus continues.[19]

Meanwhile, as brick and mortar stores closed down, online sales soared. New data shows that UK online retail sales rose by 22% in the first week of April 2020 compared to the same time the previous year.[20] Similarly, Walmart saw a 190% increase in monthly downloads of its online grocery app, according to data tracker App Annie.[21]

Retailers encouraged consumers to browse their virtual stores and make purchases online. Product categories like electronics and health, specifically in-home gym equipment, supplements, and health foods, recording a 91% and 109% increase in the first two weeks of March, respectively.[22]

Brands inexperienced in ecommerce were forced to adjust to this new normal in a significant albeit smaller scope. For example, supermarket chain Aldi started selling groceries online for the first time ever, launching a special box of 'essentials' that vulnerable, self-isolating customers could order via the Aldi website.[23]

These cases show just how important it is for retailers to integrate stores and shopping technology to maintain successful operations in any scenario. The retailers that were already doing this successfully will recover much more quickly from this crisis, and any crisis in the future.

Those who were quick to adapt will survive well into the future. And if that future is made up of buyers who are conscious about lingering in any store, only the tech-savvy brands will survive.

19 Alvarez and Marsal
20 Internet Retailing
21 Fortune
22 Attentive
23 E-consultancy

Marko Kovač

Co–founder, Repsly

Despite all predictions that ecommerce will dominate traditional retail, data indicates that physical stores remain the dominant purchasing point. As the sector moves in the direction of experience retail, the possibility to try, taste, smell and feel a product, as well as to engage with a knowledgeable salesperson are gaining even more value when discovering new products. When it comes to restocking on products and replenishment, the case is stronger for e-commerce.

In the future, consumers will combine online and offline shopping depending on their needs. Retailers who implement SaaS technology like Retail Execution Software will be able to integrate online and offline channels without straining their budget, and then utilize the data to optimize the product offer will remain relevant in the future.

3

Changes in Consumer Behavior

3

Changes in Consumer Behavior

In the digital age, the the way people seek information, communicate, and formulate buying decisions has changed dramatically. Today's self-educated consumers have a wealth of information at their fingertips and often prefer to do product research on their own.

As technology continues to evolve, consumers have the ability to research products on channels and devices that didn't even exist before.

Even so, no technological advancement has managed to satisfy the one consumer need that has historically drawn buyers to the store: experiencing a product hands-on and inspecting its features up-close.

Throughout history, the physical store was not only a place where consumers could interact with the products. It was also a place where they could engage in conversation with salespeople. When shoppers learned more about products from knowledgeable personnel, they were reassured about their purchasing decision and walked away feeling instant gratification. These days, many consumers don't engage with a salesperson until they're fairly certain of their purchasing decision.

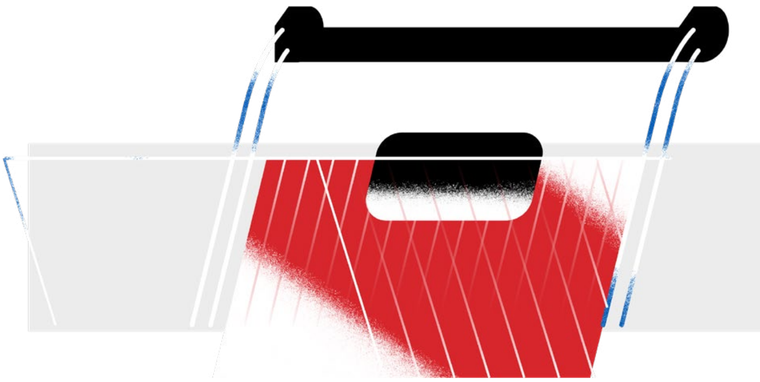
The majority of today's convenience stores offer little convenience in the areas that matter most to modern consumers. In contrast, consumers enjoy the ultimate convenience when shopping online.

What could be more convenient than the ability to make purchases 24/7—any time, any place—without taking a trip to a brick and mortar store? Not to mention that consumers can hop from one online retail location to the next in a matter of clicks, avoiding checkout lines and crowds. Top it all off with free shipping and returns, and online shopping seems like a no-brainer.

The online or offline dilemma

A Google survey analyzed consumer motivations for making an online purchase on two of the largest, most developed and standardized online spaces: the US and UK ecommerce markets.[24] The findings were largely consistent on both markets.

According to the survey, when consumers make a purchase, above all else, they are looking for the best value for their money. Consumers agree that the lowest price-for-item, discount incentives, and free shipping are the most influential factors when deciding on an online purchase. This is closely followed by product availability and an overview of product specifications.



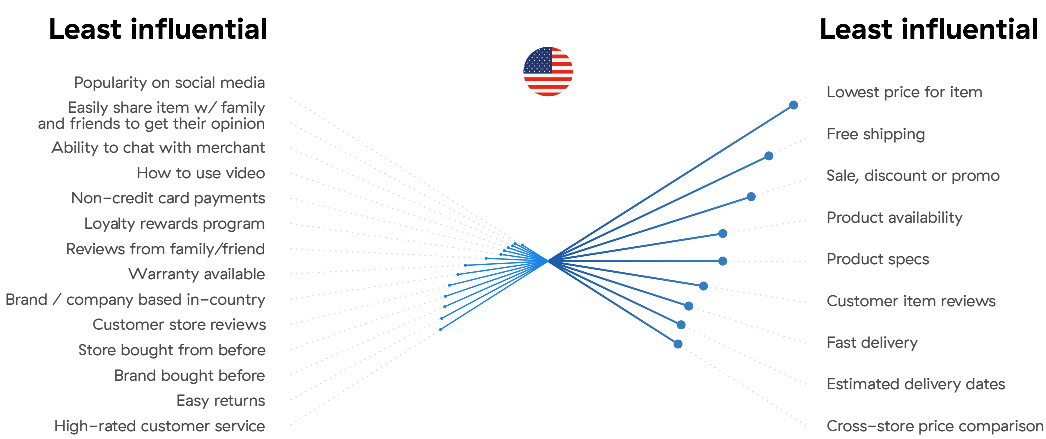
Interestingly, while consumers highly value customer item reviews, they don't find reviews from their family and friends more valuable than those of strangers. Additionally, consumers seem to care very little about individual store reviews. While there are websites out there (Trust Pilot, for example) that allow consumers to check the legitimacy of an online store, this information seems to be less important to shoppers than customer reviews.

Once they reach the decision stage of the path to purchase, consumers appreciate fast delivery. However, even if quick delivery isn't available, consumers prefer online retailers that offer an estimated delivery date as opposed to those that provide zero delivery information.

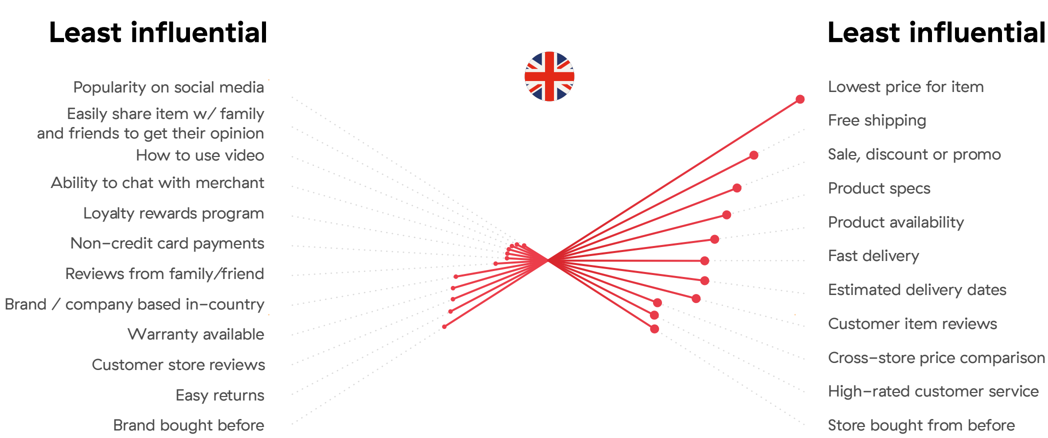
24 Think With Google

Of course, **online shopping comes with some drawbacks.** Consumers are usually deterred by the inability to touch and try products. They also dislike paying shipping costs, and they are concerned about privacy and fraud. Plus, online shoppers run out of patience quickly when a delivery isn't on time. Consumers don't trust buying fragile items online, especially if the return process is difficult.[25]

> **The combination of consumer preferences has given shape to a new path to purchase, scattered across all channels.**



Consumer motivations for making an online purchase. Source: Think With Google.



25 Bizfeel

Multiple channels, one consumer experience

Some consumers discover products online but purchase them offline. Others visit the store to try the product to make sure they really want it, then walk away, compare prices online, discuss the product on social media, and ultimately purchase it where the cost is lowest.

Some consumers carry out their purchases online, from beginning to end. Others make a day out of the visit to the mall and try out several options before purchasing the best one on the spot. Many consumers walk out without making a purchase at all.

Most consumers don't focus exclusively on one channel, online or in store. Instead, they take advantage of each channel's potential to fulfill a different need at every step on their path to purchase. Therefore, **retailers that are avoiding ecommerce are missing out on a great deal of potential consumers.**

By utilizing software and technology, retailers can combine various channels into one path to purchase, making the overall purchasing experience more consumer-centric and convenient.

Ivan Skender
Chief Digital Officer,
A1 Telecom

Today's consumer is digitally-oriented, connected, and expects retailers to offer a convenient and seamless purchasing experience. Creating an immersive experience for the consumer across all touchpoints is the primary focus of digitization for retailers, closely followed by internal digitization. This means retailers must automate internal processes and make them more efficient with the help of technology, such as robots and chatbots, so employees can focus on providing great experiences for customers.

However, in order to successfully transform both the consumer experience and their internal processes, retailers must transform the mindset of their employees and create a culture of openness and readiness to embrace newly implemented technology. Our team is guided by the principle, "Explore, try, and make it fly." In other words, we learn by trying, celebrate failures as well as successes, and communicate transparently every day.

3

The New Path to Purchase

3

The New Path to Purchase

Traditionally, the consumer path to purchase has been presented as a funnel with a large number of potential buying choices at its widest end.

Consumers would move through the funnel, discovering products, learning about them, and evaluating them. Toward the bottom of the funnel, consumers would start eliminating options, ultimately deciding on the product they want to purchase.

However, thanks to the evolution of technology and the resulting transformation of the purchasing experience in the recent years, the path to purchase is no longer linear.

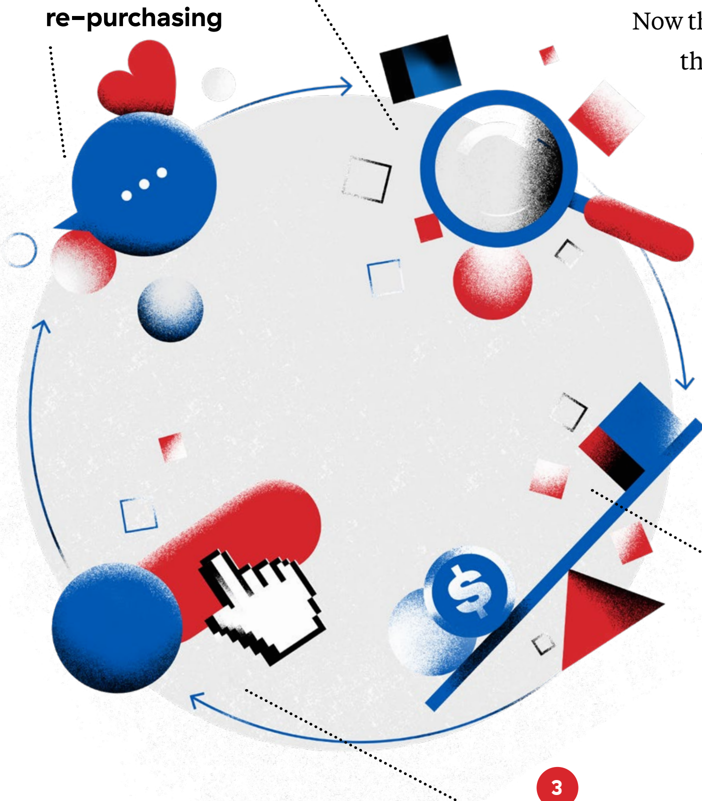
Due to the large supply of products and services on the market today, the consumer now controls the path to purchase. The modern-day consumer goes through multiple rounds of research before coming to a purchasing decision.

The stages of the path to purchase still include awareness, research, consideration, closure, and loyalty. However, instead of following a straight line, **today's path to purchase is more circular in nature, continually starting over as consumers guide themselves through the buying process.**

Instead of waiting for retailers to push information to them, consumers pull the information when they need it. Research shows that as much as two-thirds of a customer's pre-purchase interaction with a brand is consumer-driven, rather than brand-driven. Again, the consumer is the one in control here.

Furthermore, the circular path means today's consumers engage with brands well after the purchase has been made. These shoppers provide user feedback and pressure retailers to consistently deliver superior performance at every stage of the purchase path to cultivate customer loyalty.

Now that consumers have taken control over the path to purchase, how can retailers adapt? The most successful marketers place the consumer at the center of their retail strategy, make product information easily accessible, and create an intuitive path to purchase.



Awareness, research and product discovery

Each year, every 19th person on the planet buys a bicycle. In the US alone, twice as many bicycles are sold than cars every year.[26] In 2016, there were more bikes than cars on the streets of Copenhagen for the first time in history.[27]

One thing is certain: consumer demand for bicycles is strong. But what motivates consumers to embark on the search for a new bicycle?

Likely, their old bicycle isn't working well anymore, or they simply want to upgrade to a more advanced one. Maybe they've never owned a bike before, or maybe they want to cut fuel, parking and car maintenance expenses. Perhaps they want to leave a smaller carbon footprint by biking instead of driving. Or maybe they want to give a bicycle as a present to a family member to motivate them to join the ride.

Research starts online for 81% of consumers, regardless of whether they plan to make their purchase online or offline.[28]

Almost every path to purchase begins when a real or perceived physiological or emotional need arises in the consumer. After the consumer identifies a need, they will typically start looking for a solution. Unless the need manifests in an impulse purchase, this brings the consumer to the next stage in the path to purchase: doing the research.

Many physical retailers still believe having a storefront is enough to attract consumers. Those retailers are missing out on the **34% of consumers who discover products online and ultimately purchase them at a store.**[29]

26 PeoplePowered Movement
27 The Guardian
28 V12 Data
29 Econsultancy

The website: A retailer's digital storefront

Those who don't purchase at the store will buy online, on a website or in a webshop. When consumers go looking for a retail business online, what they find will determine the next steps they take. Not having an established presence in today's world can be perceived as a sign that a retailer is unwilling to invest in their business – it's like having a completely blank storefront.

A business page on Facebook can do only so much for a business. Though social media pages are a valuable asset in the channels mix, they can never replace a standalone website for a retail business. Furthermore, **studies show that 34% of consumers are unlikely to buy from a business if they don't have a website.**[30] This is a huge opportunity for retailers as their website is the one place where they are 100% in control of the content and communication.

> **A website is a great starting point for incorporating modern technology into a retail business, and a solid foundation to build an ecommerce on.**

Getting discovered: The power of optimizing a website for Google searches

Let's take a closer look at the product discovery phase.
When consumers visit Google to research a product, they start with a search engine query. Some look up phrases, such as "*bicycle for sale*" or "*bike shops*," while others ask comprehensive questions, like "*where can I buy a bicycle in New York*" or "*what bicycle should I buy for city rides?*"

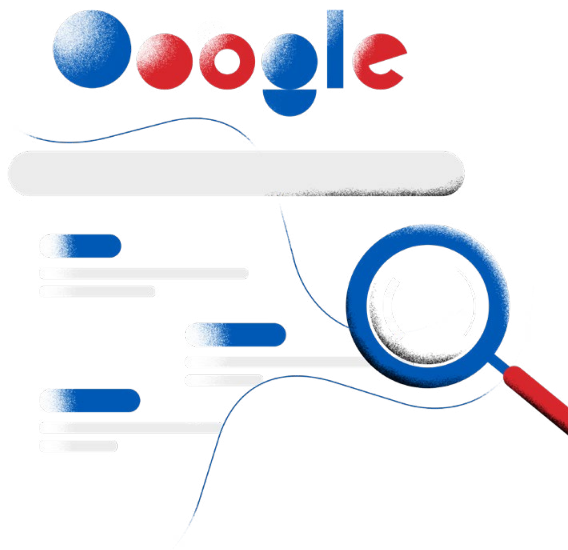
Based on the searched-for terms, consumers get a list of results with links to websites that match their search criteria. That's how they discover various brands and products. Retailers who want to appear in those search results and be considered for purchase by the consumer must first become visible online.

30 Local Search Association

Many retailers assume that simply having a website is enough and anyone who looks for what they're selling will find them. However, online visibility refers to becoming visible to search engine algorithms, not just consumers. This basically means a retailer's product must be described in a language understood not only by humans but also by computers.

In a process called search engine optimization (SEO), the code within a retailer's website and product pages is sprinkled with keywords that describe the product. These are the keywords that consumers typically search for when looking for a product online, like "*city bike New York*."

> **The fact that most consumers discover brands and products through online search is bad news for retailers who don't optimize their websites with relevant keywords. In fact, one study found that nearly 90% of ecommerce start-ups go out of business within the first 120 days—and 35% of these business owners blame their company's failure on a lack of online visibility.**



When a consumer searches for a product online, Google provides page after page of results that match their query. However, simply existing in the search results is not enough for brands competing in a saturated market. According to research, the first three Google results win 75.1% [31] of all clicks, and **75% of people never scroll past the first page of search engines.**[32]

In order to be discovered by consumers, brands must appear in the top tier of Google search results. What's the best way to accomplish this? It's all about getting your content ranked organically, but this does not happen overnight.

31 Backlinko
32 Junto Digital

Paid advertising increases your chances to reach the right prospects

In the past, firms would place ads with media outlets that attracted the audiences they were targeting. Today, new platforms, ad types, and targeting capabilities ensure advertising campaigns precisely target the people they want to reach.

> **It's no wonder why US digital ad spending has grown every year since 2016. In fact, for the first time ever, US digital ad spending exceeded traditional ad spending in 2019.[33] Retail advertising alone is anticipated to account for 21.9% of total US digital ad spend in 2019 and 2020.[34]**

These numbers are no surprise considering that Google shopping campaigns can drive a product to the very top of Google's search results. Plus, marketers consider Facebook to be the most effective social advertising channel of our time, with 1.52 billion daily active users on average.

To ensure brands reach the right audiences, they can target consumers based on their location, interests, browsing history and demographic group. To top it off, algorithms can deliver hundreds of variations of an ad to prospective customers until they react to one of them.

Perhaps the most effective aspect of modern digital advertising is what's called ad retargeting or remarketing. In retargeting, after a consumer visits the brand's website, ads show up in other places where the consumer browses online. This is a powerful way to stay top of mind and invite the consumer back to the brand's website.

33 Emarketer
34 Emarketer

Tracking consumer behavior in a physical store

Online, the discovery stage is all about retailers experimenting with different approaches, tracking how consumers react to them, and turning raw data into actionable insight.

Physical retailers have long craved the ability to make such data-driven decisions to optimize their stores and better understand consumer expectations. With the technology available today, these retailers will soon be able to gain insight in a matter of minutes or even real-time.

One such technology is indoor positioning. This helps brick and mortar retailers assess and optimize store operations, measure the impact of marketing events, and engage customers in a more meaningful way by looking at location data and analyzing shopper traffic. Just as ads follow consumers around the web locations they visit, cameras and sensors track the movement of consumers on the store floor to spot where consumers dwell longer. This technology can uncover behavioral patterns and product preferences.

> **When it comes to shopper convenience, indoor positioning helps consumers find their way around a store, calculates the most efficient shopping route based on products needed, and provides location-specific product information.**

Indoor positioning also improves store efficiency by offering dynamic routing for faster order picking, as well as location-based staff instructions and service support. In addition, it helps retailers engage shoppers with location-based promotions, information, and notifications, and simplifies social experiences such as surveys, reviews, and games. Engaged shoppers stay in the store longer, enjoy the experience more, and often spend more.

Europe's leading consumer electronics retailer MediaMarktSaturn merged their online and offline touchpoints by integrating the brand's mobile app with LED light based indoor navigation technology. As consumers move around the store, the lighting system communicates with the mobile app, notifying it of the consumer's location. The mobile app then responds by revealing a special discount available in that area or providing information about products in that section.

MediaMarkt customers find products faster with indoor positioning. Source: Signify

Some brands are even tracking which products are picked out most often by consumers in physical stores. For example, Heinz Kraft Company and L'Oreal Luxe are implementing **retail execution software that helps sales representatives report trends from the field in minutes via a mobile app.** The app is designed to be as intuitive and user-friendly as a social network app. Not only does this technology maximize execution efficiency, but it also allows brands to connect in-store activities with sales data to uncover the real impact of sales campaigns.

Whether product discovery occurs online or at a physical store, as consumers near the end of the product discovery stage, they have recognized several options that match their search criteria. They then take these options to the consideration stage. In a world where 81% of consumers discover products online, retailers have a golden opportunity to ensure their brand not only appears but is seen and considered in the search results. The technology is ready – is your brand?

Consideration and evaluation stage

Once they've done their research, customers will start narrowing down their options, scrutinizing the products as well as the retailers offering the product they plan to buy.

This stage in the path to purchase is all about information and trial. Consumers are studying product features, dissecting reviews and experiences of other consumers, asking for their friends' opinions, scouring social media, and making their lists of pros and cons for each option.

> **After shortlisting their favorites and gathering a decent amount of information about each option, the consumer often heads to the physical store to experience the product in person and consult with a sales representative.**

The sales representative has a tremendous amount of influence at this stage. They offer knowledge and enthusiasm about a particular product, not to mention the ability to interact with the consumer in person.

Many brands that have realized the value of this interaction offer prospective shoppers the option to book a consultation with store reps in showrooms, often called guideshops (so named because of the guidance consumers receive during their visit).

One example is Bonobos, a men's business attire brand. Bonobos is the largest online-born clothing store that has extended their online presence by opening "guideshops".[35] In these guideshops, consumers enjoy an hour-long appointment and personalized service, including try-on, sizing, and consulting. At the end of the in-person consultation, a Bonobos sales representative places the customer's order online through a clienteling app, after which the goods are shipped to the customer's address.

35 Digiday

Expert reps and returns make up for a lack of "try-before-you-buy"

The fact that **technology has the power to disrupt even the most deeply-rooted conventions** is particularly evident in the automotive sector. That product sector remained largely unchanged since the automotive industry first became regulated and franchise laws prohibited manufacturers from selling directly to consumers, stating cars could only be sold by independent dealerships.

For many consumers, the thought of going to a traditional car dealership evokes the image of annoying, pushy salespeople talking their way to a hefty commission. American electric car manufacturer Tesla is working to break this stereotype by challenging the way vehicles have been sold for decades.

Choice paralysis in 3, 2, 1...
Source: Tesla

Tesla is the only manufacturer in the US that currently sells cars directly to customers. The brand justifies this by asserting that in order to properly explain to customers the advantages their cars have over traditional vehicles with an internal combustion engine, they cannot rely on third party dealerships to handle their sales.

Instead of spacious car salons, Tesla displays its vehicles in more than 200 stores and galleries around the world.[36] Many of the stores are located in shopping malls, alongside apparel, beauty and grocery brands. The decision to set up shop where the general population mingles is a strategic one.

> **Although most visitors don't walk in intending to buy a Tesla vehicle, the stores serve as showrooms for curious consumers and the central place to educate them about the company and its vehicles. There are no cash registers at Tesla's mall stores, but sales representatives with tablets can process consumers' orders via the brand's website.**

On Tesla's website, consumers can configure and order a vehicle in a fun process that's kind of like personalizing a car in a racing video game. The configurator tool, called Tesla Design Studio, allows consumers to customize their vehicles in great detail – from the paint color, wheels and seating options to battery size and dashboard gadgets.

Perhaps the most disruptive aspect of Tesla's retail strategy is assuming consumers will be willing to make the high-ticket purchase without the possibility of a test drive. For comparison, the Swedish luxury vehicle brand Volvo considers test drives central to the purchasing experience. Volvo has seen a clear correlation between the number of performed test drives and the number of closed deals.

Even without a test drive option, Tesla's Model 3 is currently the most popular electric vehicle in the world, selling three times as many units as the second most popular electric model.[37] To ease uncertain consumers, Tesla offers a seven-day, 1,000-mile return policy on their vehicles. The policy is a symbolic reassurement, but really it's the showroom experience that instills trust in future S model owners.

36 Bizjournal
37 Clean Technica

Seeing is believing

Customization is such a priority for consumers that it is a core value for some brands and their products. In 2014, the digitally-native home furnishings brand Interior Define set out on a mission to allow shoppers to fully customize their furniture design online. That strategy allowed the brand to eliminate investment in inventory and offer attainable price points.

Several years later, in an effort to provide a more consumer-centric experience, Interior Define opened their guideshops. In these showrooms, customers can test an assortment of the brand's core designs and customization options and ask a sales rep questions face-to-face. For options not available in the guideshop, the retailer uses digital displays powered with 3D technology.

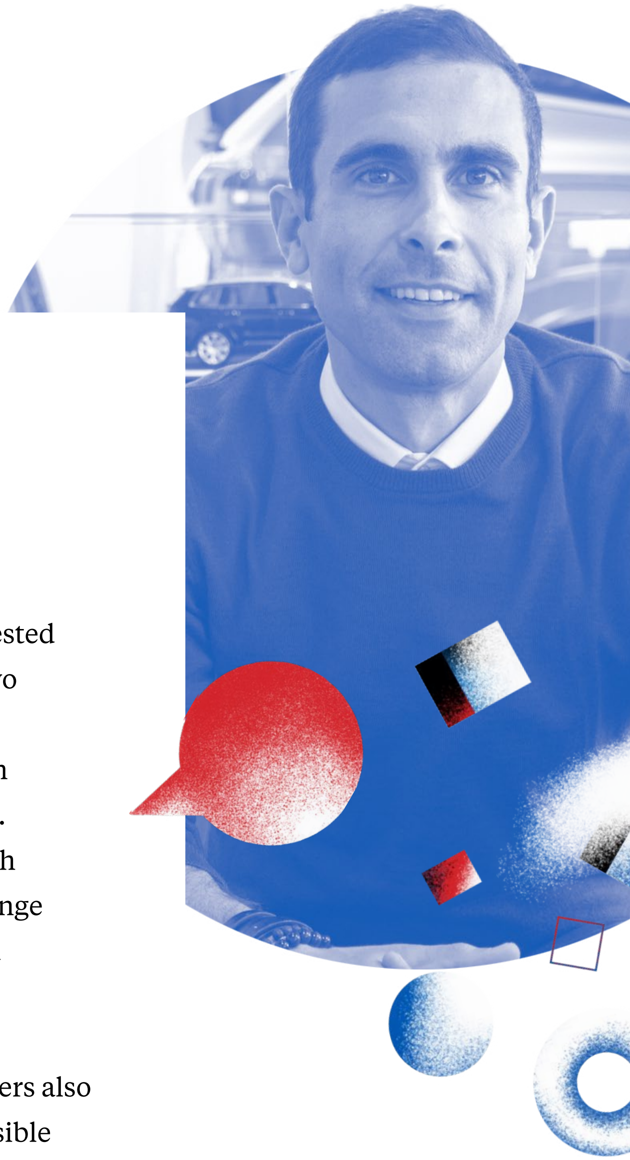
Understanding that a successful trial experience brings consumers one step closer to the purchasing decision, the brand also created a web-native augmented reality solution. This tool allows customers to place 3D models of selected products in any space, such as a room in their home. Interior Define reports a conversion rate 8 times higher for consumers who engage with the tool as opposed to those who don't.

> **The shift to consumer-centric experiences is evident among retailers across all sectors. Physical retailers are repurposing their existing brick and mortar stores into experience areas.**

In these spaces, consumers don't necessarily visit to buy the product—rather they are there to enjoy a purchasing experience that can include a chat with experts, trying out a new type of technology, or attending a panel featuring an influencer.

Online retailers are branching out into the physical world through these guideshops, where sales representatives offer consumers a premium service. What is your brand doing to keep up with this trend?

Use your AR app, not your imagination.
Source: Space10



Nikola Galić

Marketing Manager,
Volvo Cars

Automotive brands have traditionally invested a lot in the physical experience, and Volvo is not an exception. Volvo Retail Experience is a concept introduced in 2015 with the intention to make the customer feel relaxed and at home. The customer area is called the living room with beautiful Scandinavian furniture, free wifi, lounge music, refreshing water in a Swedish glass, and Fika – the traditional coffee break in Sweden.

On top of the comfortable atmosphere, customers also get a behind-the-scenes look: A workshop is visible through glass walls as a part of a unique concept of The Volvo Personal service. This concept simplifies and personalizes the brand's relationship with customers by implementing a so-called "personal technician" – the person that will handle everything related to the car service, from the service appointment arrangement, through car service, to the paperwork. We're merging the roles of the service advisor and the technician, much like your doctor who knows everything about you.

Purchasing stage

From becoming aware of a need to sifting through product options, the moment of truth has arrived.

The consumer has decided on one particular product and (hopefully) had a chance to try it. Now, all that's left to do is pay for the product and start enjoying it as soon as possible. What could go wrong?

Though it may seem like a simple matter of give and take between retail businesses and customers, there are aspects that make the process of customer acquisition complicated—particularly as we lead into this next stage.

Consider these facts:

99%

of visitors will not buy on their first visit.[38]

97%

of consumers have terminated a purchase because the service wasn't convenient enough.[39]

75%

abandon the cart with the intention of coming back.[40]

24%

of respondents state that complicated navigation was the reason they abandoned the shopping cart.[41]

23%

of shoppers will abandon their cart if they are forced to register in order to complete checkout.[42]

38 Conversion Uplift
39 Smart Insights
40 Active Campaign
41 Cart Hook
42 NC channel

Simplifying check-out

For consumers who value convenience, the sight of a long or slow-moving checkout line might deter them from purchasing a product.

This is exactly why French sporting goods and equipment retailer Decathlon implemented RFID tagging in 2010. Not only did the technology increase product availability in stores and ensure sales were not lost because shoppers were not able to find desired products—it also helped simplify and accelerate the checkout process.

Thanks to the RFID tagging of every product, a full store inventory can be performed as often as every 1-4 weeks (depending on the store) instead of twice per year using barcodes. This tech leads to significant improvements on inventory tracking and shelf availability as well as overall product visibility.

RFID tagging makes shopping and store inventory a breeze.
Source: Checkpoint Systems

The checkout system consists of an RFID reader embedded in the check-out table. When a customer wishes to check-out, the cashier simply passes the products across the top of the table to read the product RFID ID encoded into the label without having to use a traditional barcode system. Decathlon also installed RFID-sensitive gates at the store entrance, so the system can check if the products have been purchased or not when customers pass through the gates.

These days, consumers expect to have the ability to pay by scanning a digital payment card on their smartphone, eliminating the need for a physical wallet altogether. Retailers that had a head start on implementing contactless payment solutions like Apple Pay, Google Pay, WeChat Pay, or AliPay were more prepared for the COVID-19 pandemic, when contactless payment became the only safe way to transact.

> **The quest for convenience doesn't end at the credit card terminal. With the help of technology, some retailers have eliminated the need for in-store shoppers to carry around any items whatsoever.**

In China, Hema grocery store concepts[43] by Alibaba and JD combine the digital and the physical through a mobile app, and online sales account for more than 60% of their total orders.[44] Consumers scan product barcodes inside the store using the brand's mobile app to get detailed digital product information and recipe ideas. When they are finished building a shopping list, consumers can re-order the same list for free home delivery.

A modern grocery shopping experience in China.
Source: Equal Ocean

Not only does this business model utilize the best of the online and offline worlds, but it also eliminates long lines and the need for shoppers to push carts or carry purchased merchandise around the store. It also creates the perfect environment for repurchase as customers' preferences are stored in the app for future reference.

Similarly, Amazon promotes purchasing simplicity with Dash button technology, which encourages consumers to instantly repurchase Prime shipping products that are typically reordered.

43 Forbes
44 Forbes
45 Amazon

Quick & dirty tips for a successful online checkout

1

Make repurchasing easy.

Web visitors often fill their carts online and abandon the purchase for whatever reason. Successful retailers send abandoned cart email reminders, featuring a one-click purchase option directly from the email, or a time-limited discount to give that consumer a little push to purchase.

2

Make re-login easy.

If a customer can't log in to your online store because they forgot their password, they might give up on the purchase altogether. After the first failed login attempt, Amazon quickly solves the forgotten password issue by sending a temporary password to the registered email address.

3

Make registration optional.

It is less invasive to consumers when registration is offered as an option (not a requirement) at the end of a guest checkout.

4

Make consumers confident.

A transparent returns policy will reassure customers and make the purchase feel like less of a commitment. The addition of security badges will add a layer of trust.

5

Offer different payment methods.

Integrate with external payment gateways, such as Revolute, Stripe, and PayPal, or allow payment by gift card. For extra convenience, give customers the option to pay by scanning a QR code or by voice.

6

Make the shipping timeline clear.

It's important to set realistic delivery expectations. It's always better to overestimate than to underestimate the time it will take for the purchase to reach the customer.

7

Make the smallest screen look great.

Design the purchasing experience for mobile screens the same way you design for desktops, with the same features, but in a layout that suits the screen size. More about that ahead.

8

Make an investment in app design.

Research indicates 75% of users admit that website design influences how much they trust a brand or company.[46]

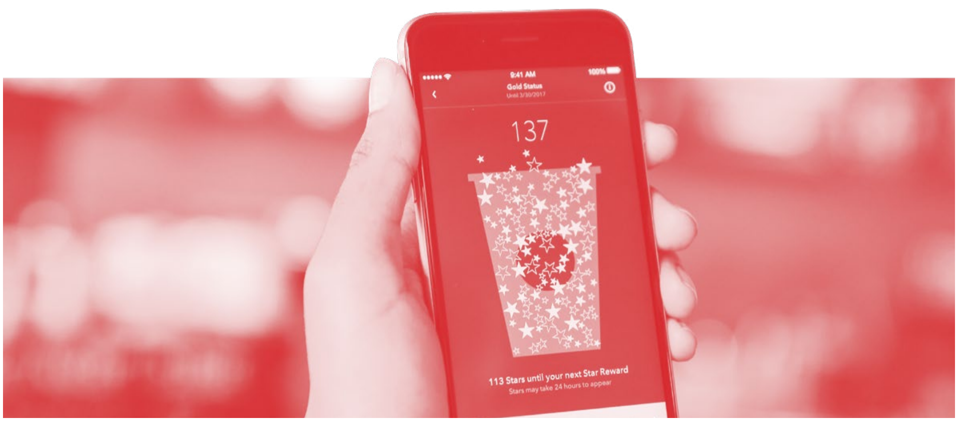
46 Stanford

Mobile transaction readiness

By 2021, it is estimated that 53.9% of all ecommerce sales will take place on mobile devices.[47] Today, 53% of consumers abandon a site that takes longer than three seconds to load.[48] The math is simple – if you snooze on mobile, you lose.

While ecommerce is on the rise across the vast majority of world industries, mcommerce (mobile ecommerce) is the most rapidly growing sector within.

> **When leveraged correctly, a mobile app can increase both transaction volume and total earnings for a retailer.**



One of the most used digital payment apps in the US. Source: Tech Crunch

In fact, **the Starbucks app is one of the most used digital payment apps in America.** The app connects with the customer's Starbucks Rewards Card information and balance. The user can simply hold the phone up to a digital scanner and make a payment at the counter, or use the convenient 'Shake to Pay' which brings up the required barcode for mobile payment. Plus, the app gives customers an overview of their collected rewards and gives them the ability them to tip baristas from their device.

47 Statista
48 Google Developers

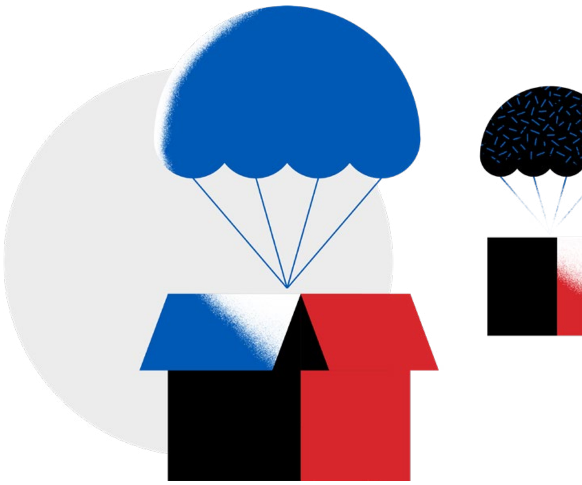
Meeting delivery expectations

It's a simple fact that free shipping lowers the barrier to purchase. This is supported by loads of research, with reports that **58% of shoppers are deterred by shipping costs.**[49] However, not every retailer can offer this convenience, at least not in the form of free delivery to the consumer's home address.

As an alternative, some retailers are giving consumers the option to pick up their online orders in store to avoid paying the shipping fee. This option is often for purchases under a certain value that a retailer deems unprofitable to ship for free. The service is called BOPIS, short for buy-online-pickup-in-store, and consumers are definitely taking advantage of it. In fact, **68% of consumers report having picked up online orders in-store in the past to avoid shipping fees.**[50]

Another survey found that not only that 66% of consumers report paying for a premium delivery service but 25% of consumers pay for more than one such service.[52]

Even the high street fashion behemoth Zara, part of the Inditex group, has implemented a similar solution in their UK concept store. In addition to their women's, men's and children's sections, the retail location features a dedicated area for the collection of online orders. There, consumers scan the QR or PIN code received in the email with their purchase receipt, while a robotic arm organizes the packages behind the scenes and delivers them to the pick-up point in seconds.



When it comes to consumer expectations regarding the delivery of ordered goods, the cost of shipping is second only to delivery speed. This explains why 150 million consumers hold an Amazon Prime membership in the US alone, paying $119 a year for the benefit of next-day shipping, among other services the membership offers.[51]

49 Econsultancy
50 Business Insider
51 Inc
52 Smart Insights

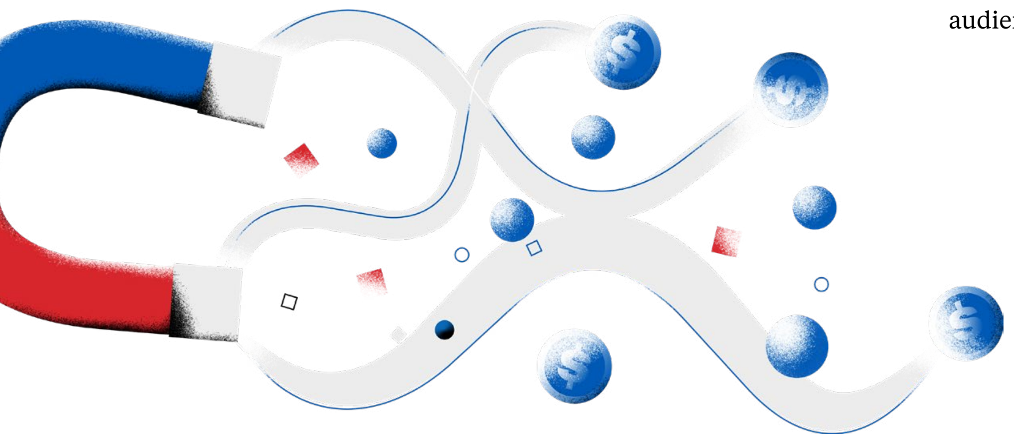
Loyalty and repurchasing

Once a retailer has established a relationship with a consumer, the business has an opportunity to build on this customer loyalty. If you continue to exceed expectations, you can extract more revenue from existing customers and turn them into a valuable marketing asset advocating for your business.

Why? First, keeping existing customers is far less expensive than acquiring new ones. It costs a business about 5 to 25 times more to acquire a new customer than it does to sell to an existing one.[53] Repeat customers also spend more time on a return visit, and data indicates that **top ecommerce companies generate up to 60% of their revenue from return customers**.[54]

Finally, customers pleased with their post-purchase experience can help retailers attract new customers. These customers are more likely to write positive reviews, tell friends about their positive experience, and ultimately repurchase from the brand in the future.

So, how can you ensure customers are satisfied, return to your store and recommend your brand to others? The winning strategy is a combination of things: Great products + the perks of well-designed retail loyalty programs + a believable presence across all audience-relevant channels = success.



53 Hubspot
54 Systum

Home Depot is a great example of a retailer that has achieved synergy between online and offline retail channels. The US-based home store has invested heavily in digital over the past few years. Their handy mobile app makes store visits more efficient with its product finder feature. The retailer also makes purchasing more cost-efficient for professional customers with its Pro Xtra loyalty program.

Customers enrolled in this program receive free paint delivery directly to the job site, free factory tinting and color matching, and up to five years of color history by job—a clever way to convert shoppers into lifelong loyal customers.

Nothing warms up consumers like a free cup of coffee on every visit. Source: Induced Info

Similarly, the IKEA Family loyalty program entitles members to a free hot beverage on every visit, unlocks special prices on select products and meals, and offers customers IKEA's Oops-assurance, ensuring free replacement parts if assembly goes wrong.[55] To ensure customers are happy with their purchases, IKEA sends out a post-purchase satisfaction questionnaire by email – also a subtle method to keep the brand top of mind and encourage another visit.

Retailers can also use a branded app as a tool to boost engagement, particularly by using wishlists. Not only do these lists give retailers insight into consumers' favorite products, but they can be a powerful reactivation tool for inactive customers. Retailers can simply notify the customer that the price has dropped for an item they've wishlisted.

55 Emarsys

Get social: Ask for reviews

These days, what people say about a brand online is almost more important than what the brand says in their marketing collateral. Loyalty programs are an efficient way to create long-term customers—but how can retailers motivate them to leave positive reviews or recommend the brand to new potential buyers?

H&M's Styled By You initiative features convenient 1-click product purchase. Source: H&M

Sometimes, all you gotta do is ask. When the marketplace Etsy asked their customers to leave a review with a follow-up email or text message, 25% of purchases on their website received reviews.[56]

In fact, many consumers love to share their opinion or images with the world. In their online store and shopping app, the clothing brand H&M features Instagram posts by customers, conveniently placing the products featured in the posts right next to the image for quick purchase.

It's common for retailers to incentivize review writing with loyalty points or discounts. In order not to lose credibility, brands can choose to verify reviews to confirm they were written by customers who have actually purchased the product, like Amazon does.[57]

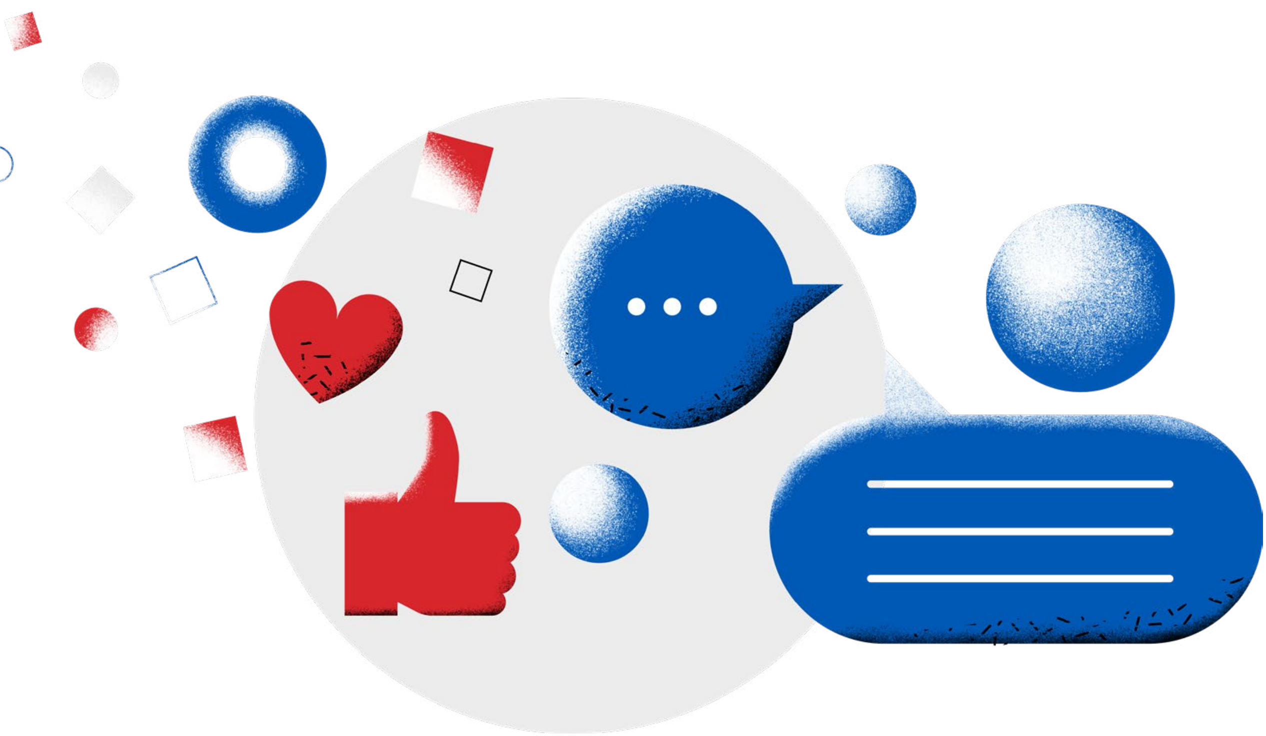
56 RetailDoc
57 Amazon

Turning a shortcoming into a positive experience

Leaving a customer stuck with a product they no longer desire is a one-way ticket to a negative review. However, even in situations when a consumer's expectations about a product or service aren't met for some reason, the retailer can make the purchasing experience positive.

A customer might need help understanding the benefits or features of a product they purchased. Sometimes, the issue is simply missing product parts. Other times, entire products might be non-functional. Often, a customer will simply have a change of heart regarding their purchase.

Consumers will appreciate a customer service agent's effort to answer their question and solve the problem. In contrast, apathy and disrespect will score you a negative review. It's worth knowing that **it takes 12 positive customer reviews to make up for 1 negative one**.[58]



58 Forbes

Maja Mihelčić Kurent

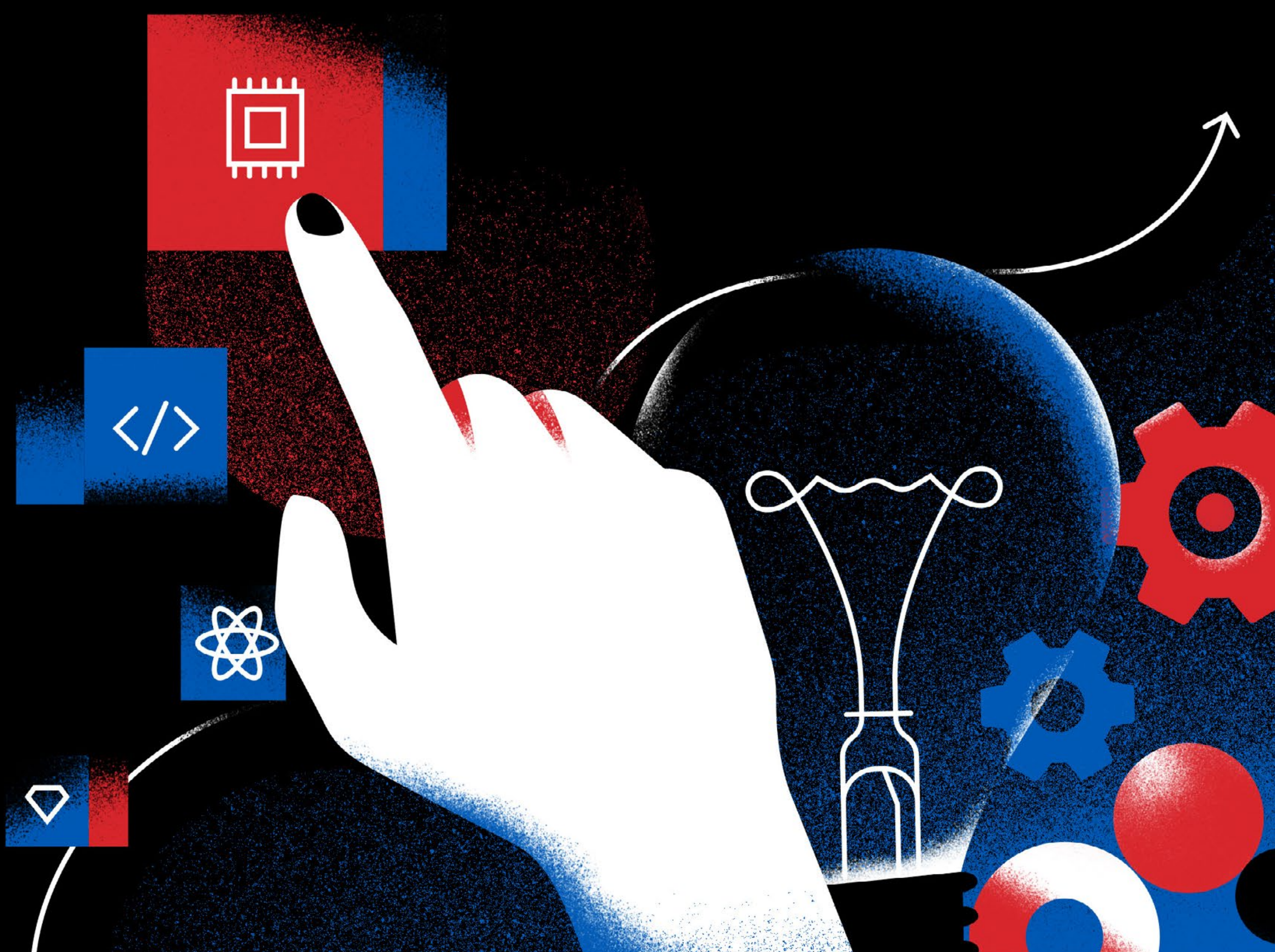
VP of Business Development,
L'Oreal Luxe

Ecom is “the norm” today, but many businesses still need to make significant improvements in that area. For example, not every company offers delivery service in poorly connected smaller countries or distant territories of bigger countries, so brands often outsource this part of their online business. That can be super frustrating to the consumer – from waiting for the parcel that does not arrive by the estimated delivery date to finding out the product does not fit to eventually having to go to the post office to send it back and then wait for the refund.

Furthermore, an ecommerce site can't express the true habitat of the brand. Consumers want the 360-degree experience that a flat screen can't give them. They don't buy products – they purchase the experience that goes with it. When a consumer feels understood by the shop assistant, magic happens. On the other hand, the best shop assistant in the world can have one bad day, and this might deter a customer forever.

5

How to Leverage Technology in the Purchasing Experience



5

How to Leverage Technology in the Purchasing Experience

After evaluating these retail success stories across the industry, it's clear that the traditional purchasing experience is being disrupted.

Physical retailers have the in-person experience card up their sleeve, but they need technology to respond to the needs of a modern customer and make internal processes more efficient.

For online retailers, as much as the online sphere offers unlimited potential, consumers still have a desire to experience a product physically—whether through free shipping and returns or the option of visiting physical retail locations.

Retailers that have created integrated experiences are outperforming their competitors. Case in point: **63% of mid-sized retailers report revenue and profitability increases from their digital initiatives in the previous year**.[59]

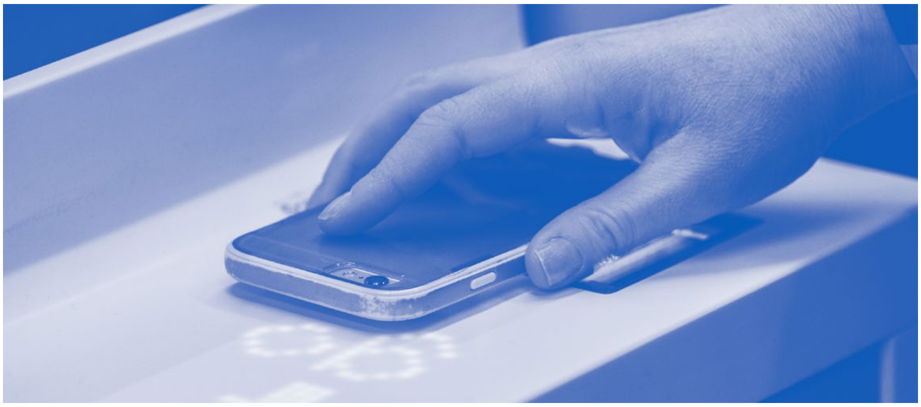
59 BDO

When faced with an avalanche of technology applications, retailers might be uncertain about which solution is the most suitable for their business. Even worse—failing to understand the value of in-store digital transformation and finding a reliable partner to help them, retailers might give up on innovation altogether.

Furthermore, **many retailers already own multiple channels and are making an effort to pursue a variety of digital initiatives**. However, unless they combine those strategies into an integrated experience, they run the risk of losing customers and valuable opportunities.

Owning the customer relationship

There are alternatives to building complex digital solutions. For instance, Amazon has recently offered their Amazon GO technology as a service, allowing brands to introduce cashier-less transactions without making a significant investment.



Amazon GO contactless payment technology. Source: Twice

One of the easiest ways retailers can step into the online sphere is by offering their products on marketplaces, such as Amazon. Not only does this connect brands to large consumer audiences, but it often simplifies logistics.

While big marketplaces like Amazon's are certainly a convenient tool for embarking on the global market and connecting brands to millions of consumers at once, there are some drawbacks. First, these large marketplaces are notorious for exploiting the position of a market leader. Secondly, there are allegations that some of these marketplaces misuse search data about the most popular products to introduce knockoff versions with an uncanny resemblance to the originals—usually at a lower price than competitors selling on the marketplace.

> **Obviously, renting technology or joining marketplaces certainly removes the barriers to digital transformation for smaller brands as opposed to building their own tools, channels, and platforms. However, it's debatable whether the cost of sharing your company's data is worth it in the long run.**

The cost was too steep for the shoe brand Birkenstock, which used to offer their famous leather sandals in physical shoe stores and on their website as well as on the Amazon marketplace. When the brand's customer support started getting an increased number of consumer complaints about the shoes' poor durability and low quality, the executives realized there were multiple sellers distributing knockoff versions of their famous sandal.[60]

When they reported the issue to Amazon's support team, the retail giant's response boiled down to this: Amazon did not hold any responsibility for whether a marketplace supplier is or is not authorized to sell a certain product.[61]

Furthermore, Amazon had amassed more than a year's worth of their inventory, which could easily take away Birkenstock's power over their product pricing, not to mention destroy the brand's public image.

60 QZ
61 New Yorker

Unlike marketplace-dependent retailers, direct-to-consumer brands that own their website and online store also own the relationship with their customers.

These retailers are in control of their products and pricing, and can collect and use first-party data to further improve their product offering. In fact, collecting and leveraging data about their consumers on every channel is the most valuable technology a brand can use.

Considering the retailer's objectives and priorities

Before investing in digital transformation, retailers should think about their objectives and priorities.

Are you trying to reach new audiences or increase consumer loyalty? Is your goal to offer consumers more value through location-based offers or to boost efficiency in the stock room? Identifying your goals is the first step to finding the most suitable technology for your business.

> **The level of investment will also depend on whether the retailer already has some technology solutions in place or if they are starting from zero.**

Many retailers falsely believe they can't afford digital transformation because they can't afford to transform their entire business all at once. In reality, it is more important to start somewhere and build up gradually in a modular way. Doing something is better than doing nothing at all.

Numerous retailers have invested significantly in cutting-edge technologies with high hopes, only to abandon their initiatives until a better-suited technology appears in the future. Either the tech was not reliable enough, the error margin too significant, or the level of consumer adoption wasn't satisfactory.

There is no one-size-fits-all fail-proof technology, and there's no point comparing your business to the heavyweights. While a corporate giant like Starbucks has the means to hire an entire IT team to experiment with AI-order taking, a local coffee brewery certainly does not. While the corner coffee shop probably doesn't need a full tech team, it might thrive by offering a simple loyalty app to incentivize repeat purchases.

There are accessible digital opportunities for retailers of all shapes and sizes, and these solutions can be as effective as complex corporate technologies. When you combine effective SEO and paid advertising strategies, a conversion-friendly website, a strong presence on social media, and powerful branding, you can make your brand as visible to the consumer as the giant competitors you stand against.

Aleksandar Atanasov

Head of Marketing, Cylindo

Most businesses understand that technology is becoming increasingly important. However, their awareness level depends on where they sit on the maturity scale. Some age-old rules in marketing will always apply because the basic human needs won't change: consumers pursue security, entertainment, sense of belonging, recognition, status. The novelty is in that this relationship now lives across a variety of buying channels. It's almost impossible to serve, delight and then retain loyal customers without the use of technology and software.

The question that arises is how much can a retailer satisfy consumer's cravings for better experiences and their appetite for more immersive experiences? That's why technologies like Cylindo's 3D Furniture Product Visualization Platform and AR are considered table stakes nowadays. The sooner this is recognized, the fewer the costs incurred in lost attention and transactions. As a rule of thumb, retailers need to work backward – design customer-centric experiences first, and then make informed choices about their technology stack and integrations.

End word

There's never been a better time to invest in digital capabilities

The fundamentals of the retail sector are changing. From the physical store, through the e-store, retailers are now opening showrooms without cash registers and shifting focus to consumer experience. The brick-and-mortar retail store is definitely not dead, far from it. But the retailer that does not have a meaningful relationship with the consumer is.

The digital age presents opportunities for retailers to bring in greater levels of operational efficiency and customer centricity to their business models. Digital is as much about people and mindsets as it is about technology.

The retailers that will be most effective in today's marketplace will likely be those that fundamentally rethink the retail experience, developing business models that blend physical, virtual, and community experiences, centered around the customer, with technology not as the focal point, but as the infrastructure that enables it.

Let’s talk

If you have any thoughts, comments or questions regarding the book, or would like to talk to us about the future of retail, say hello at retail@infinum.com.

If you’d like to talk about a project or how technology can be applied to your retail business, reach out at business@infinum.com.

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Two heads are better than one

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