ACQUIA® | srijan:

The Future of Retail

10 Technologies Changing the
Face of Customer Experience

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Alex Dal Canto is a Director of Product Marketing at Acquia. Alex is responsible for launching and driving business growth for Acquia Marketing Cloud. Prior to Acquia, Alex was a Product Marketer at Adobe, responsible for launching customer journey management solutions to market and part of the Strategic Alliances group at Neolane. Alex studied Business Administration at Babson College.

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Gaurav is an accomplished marketer with over 13 years of experience in the software industry. Since becoming Director, Digital Experience, he's focused on leveraging Srijan's unique digital experience solutions to help the clientele leverage compelling solutions that also intelligently solve their business challenges. He is especially attuned to the developing voice-tech space and helping several global firms across industries find opportunities to leverage voice-tech. Gaurav regularly speaks at industry events across the globe, a few recent ones were Voice Global and Travel Tech Middle East Congress.

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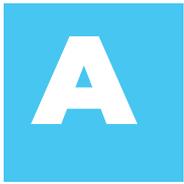
The retail industry requires innovations and immense challenges in the coming years. Businesses face challenges that include demographic shift, ever-changing consumer behavior due to increasing digitalization, and the need to go above and beyond expectations by delivering memorable retail experiences. These are only some of the major changes currently taking place in the retail industry. The advent of the Coronavirus pandemic has surely played a huge role in accelerating this new paradigm shift in the retail business that we can expect in the upcoming years.

In this ebook we take a look at how automation and technological innovation has reshaped retail business models and the broader value chain, creating organizations that believe in offering more for their customers. The winners in the sector will be those who understand these associations and act quickly to fulfill them.

This ebook also gives insights into what retail shopping will look like in the next few years. A revolution of the retail landscape can be expected which focuses on digital transformation and enhanced customer experiences. We take a look at some exciting use cases, both online and offline, that are growing increasingly popular in the retail industry.

B Retail Then and Now

Imagine this: It's the year 2018, and you walk into a boutique to buy clothes and accessories. You pick and choose clothing and styles that you like and try them on in a dressing room. After spending a fair amount of time deciding which items you want to purchase, you wait in a long line at a cash register, then make your payment with cash or a credit card before walking out with your merchandise.

From 2018 where it's possible (although still highly unusual) to walk into a completely digitized fashion store, scan yourself in front of a screen and playdress-up as much as you like, virtually. Mobile apps, smart screens, and automated payments ensure that the shopping experience is quick and seamless. You no longer have to stand in lines, you don't have to carry cash or credit cards, and best of all, your shopping experience is faster and more convenient.

Welcome to the future of retail.

For centuries, brick and mortar stores were the primary source of customer interaction. Now, the sheer abundance of digital touchpoints that customers use to interact with brands has enabled retailers to understand their customers at a much more granular level. Consumers expect their retail experiences to be personalized at the individual level, catering to their needs, likes, habits and budgets. Retailers have had to step up their game by providing optimal customer experiences, both in-person and across all digital channels customers use.

As retail technology continues to evolve and shape the end-to-end customer journey, enhanced customer experience and personalization is the primary driving force that positively impacts brand image, propels existing revenue streams, and opens new business avenues. This ebook describes the top ten next-generation technologies retailers must embrace to stay competitive and drive the most personalized and satisfying experiences to their customers.

C The Top Ten Technologies Driving Growth in Retail Today

1. Virtual Try-On

Virtual Try-On (VTO) allows customers to "try on" items virtually, seeing what they would look like wearing different clothes, shoes, beauty products, jewelry, accessories, bags, etc. VTO can replace changing rooms and save a significant amount of time and effort for customers. By simply using their smartphone camera and a brand's AR-enabled app, customers can try on items at any location without having to go to the physical store. They can easily mix and match with any item or outfit and share pics with friends for feedback.

Walmart, Gap and L'Oreal Paris are among the many brands that have launched robust VTO apps for their customers.
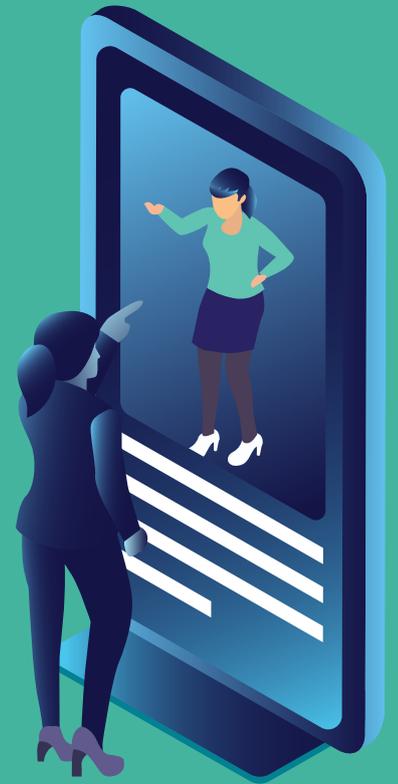
40%

of customers are likely to spend more if they can try the product virtually.

70%

of customers are expected to be brand-loyal if VTO is provided.

2. Augmented Reality / Virtual Reality Shopping

Much like VTO, augmented reality (AR) and virtual reality (VR) for retail allow customers to preview products and see how they fit into their own environment before making a purchase. How will a piece of furniture or appliance look in your living room, bedroom or kitchen? Will the item fit where you want it to go? How many different colors can you choose, and which one do you like best? AR and VR are powerful tools that holistically enhance shopping experiences from the comfort of your own home.

IKEA's AR app lets customers plan their furniture purchases better by allowing them to visualize how the article of furniture would look in their homes.

More than 100 million customers used AR while shopping in 2020.

26%

 of mobile devices today are AR compatible.

It is estimated that the value of the AR market will be $50 billion by 2024.

3. Omni Merchandising

Today's consumers interact with brands and make purchases across multiple channels and devices. Shoppers make purchases both online and in person at physical stores, and they interact with the brand through in-person conversations, phone calls, emails, chat apps, social media, and so on. With omnichannel engagement, the same prices, offers, discounts, and options are always the same on every channel, and every interaction is consistent and interconnected to provide a seamless, personalized customer experience.

Walgreens and Target are great examples of retailers that provide seamless integration between their online and offline stores, with consistent pricing and the same discounts on both channels.

Companies with omnichannel engagement retain an average of **89% of their customers**, compared to 33% for businesses without it.

Omnichannel shoppers spend an average of **4% more** on every shopping trip.

The number of orders placed online and picked up at brick-and-mortar stores by **customers grew 208%** during the pandemic.

4. Hyper-Personalization

Hyper-personalization means providing personalized customer experiences based on much more granular data than simply the customer's name and search history. Hyper-personalization tailors each interaction based on a variety of data points from multiple sources, including customer service history, device and channel preferences, propensity to engage, next-best items, lifetime value, etc. Hyper-personalization enables brands to deliver "white glove" service in a digital way to meet rising customer expectations.

Stitch Fix is an online retailer that offers customers access to personal stylists who help them find clothing based on their sartorial tastes. The hand-selected pieces are shipped to their door and customers keep what they want and send back the rest.

65%

of merchants report increased sales with hyper-personalization in

Amazon's robust recommendation engine increases revenue by

35%

5. AI Predictive Models / Recommendation Engine

With enough data mining and machine learning, Artificial intelligence (AI) can consistently predict a customer's future needs and purchases. This could be reordering monthly household items, reminding customers of seasonal purchases that they usually make, notifying customers when items they have purchased in the past are on sale, or recommending new items based on the customer history and search data.

Macy's successfully implemented Infinite Insight from SAP to better understand customer buying behaviors and create more relevant and effective email and website marketing campaigns. With this solution, more robust predictive models are created in an automated fashion. As a result, the retailer has been able to provide a predictive model for each product category so as to give customers a better and highly personalized shopping experience.

49%

of respondents expect that AI will cut costs in the supply chain.

44%

of respondents expect that AI will cut costs in the supply chain.

43%

are sure that AI will be a major factor in boosting revenue.

6. Near-Field Personalization

Retail stores can enhance customer shopping experiences by engaging them with near-field personalization. Using their smartphones, customers can scan products, view prices and other essential information about the product, request in-store assistance, and receive personalized deals and offers based on purchase history, location, and other information. Payments can be streamlined and made on the spot, avoiding having to wait in lines. NFP results in an in-store experience that is significantly more engaging and straightforward.

Through the use of customer-facing tablets powered by NFP technology, Timberland customers can digitally and socially engage with every product in the store, without having to sign up, download an app or initiate registration. Shoppers receive a guided Timberland experience, with rich digital product information, styling options, and recommendations.

According to eMarketer, mobile-enabled proximity payments using NFC tech are estimated to increase to $118 billion in the US this year, up from **$3.5 billion in 2014**.

7. Gamification

Gamification means incorporating gaming elements into things that are not typically games. Retailers often use gamification in the form of contests, prizes and loyalty rewards (McDonald's Monopoly game is a well-known example). Retailers are now using custom-branded games that include point scoring, badges, loyalty levels, and in-app bonuses and offers. Gamification of retail can give customers a more fun and immersive shopping experience.

Nike China and Wieden + Kennedy Shanghai teamed up to produce a three-minute game that allows customers to try out Nike's Epic React shoes on a treadmill in stores in Shanghai, Beijing, Guangzhou, and Chengdu. Customers try on the shoes and create an avatar to navigate a virtual world dubbed Reactland, where they can bounce on clouds and encounter pandas and frogs.

Retailers like eBay and Panera (B2C and B2B), who are using gamification in business, have seen results such as:

30%

growth (on average) in loyalty measured by repeat visits and viral distribution

40%

increased trial usage and a 15% conversion rate growth (AutoDesk)

8. Contactless Shopping & Payments

The COVID-19 pandemic has caused many consumers to want to limit close human contact as much as possible while shopping. Contactless shopping and payments encompasses QR code scanners, mobile app payments, virtual shopping carts, VTO, and seamless checkout all bundled together to give customers a truly "contactless shopping" experience. Leveraging all of these next-gen retail technologies not only limits the need for person-to-person interactions, but saves a significant amount of time and effort on the part of the customer.

Amazon Go is a new kind of store with no lines and no checkout. With the Amazon Go app, customers simply enter the store, take what they want from the shelf, and exit the store, no interactions required.

Since 2020, **60% of consumers** have preferred using online and contactless payments instead of physical currency.

9. Smart Vending Machines

Smart vending machines enable customers to serve themselves while providing an interactive hub where customers can ask questions and get information to help them decide what to buy. If the customer ordered an item online, the item can be reserved for them in the machine and be ready for pickup at the customer's convenience. Customers can also explore available products in greater detail and receive tailored recommendations based on the history with the retailer. User interfaces (UIs) in the machine can provide interactive videos, commercials, mini games and more.

Lululemon's Run Stop Shop is the latest example of an international brand using local events and new retail formats to engage the local community. It also exemplifies the capability of vending machines to reach consumers where they are with products that meet their immediate needs.
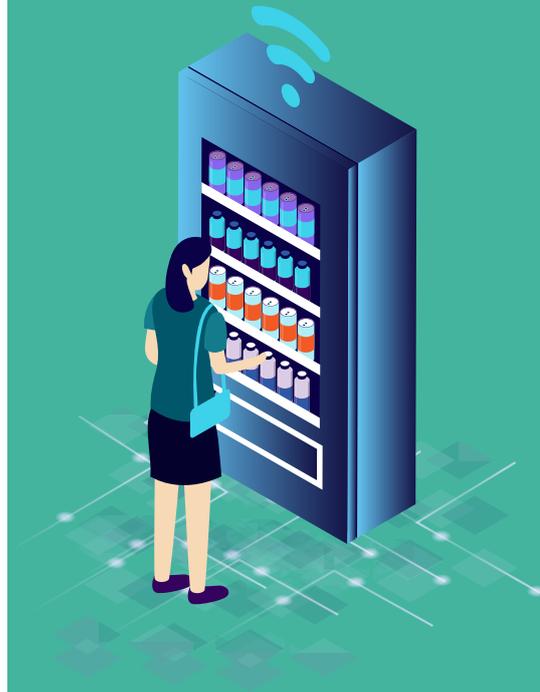
The global smart vending market is projected to grow **17% over the next 4 years** (Technavio) to **$12.45 billion**.

More than **40% of shoppers** say buy online, pickup in-store (BOPIS) is the most valuable aspect of retail shopping. (iVend)

10. Digital Community Engagement

Brand loyalty used to largely be determined by convenience and physical location of brick and mortar stores. But when consumers can shop online at stores all over the world, brands need a stronger relationship and deeper level of engagement to cultivate brand loyalty. This is where online communities are incredibly valuable. Proactively engaging customers in groups on Facebook, Pinterest, Instagram, Reddit and other social media platforms is vital for staying engaged with customers and keeping your brand front-of-mind so that when they need to go shopping, they think of you first.

People are always asking friends and family members or looking to Instagram influencers for the latest beauty tips. By consolidating their other community assets, such as Beauty Board, Beauty Talk, and Ratings and Reviews, Sephora managed to create a community experience that's cohesive, immersive and fuels conversational shopping.

53%

of Americans who follow brands on social media are more loyal to those brands. (Invesp)

D | To Harness Next-Gen Retail Tech, You Need the Right CDP

Retail is evolving faster than ever before. Staying competitive requires brands to invest in cutting-edge technologies to transform how they engage with their customers.

But that's only half the battle.

These game-changing technologies that power personalized experiences rely on data, and lots of it. If you don't have accurate, up-to-date customer data aggregated in one place where it's accessible and actionable, you won't be able to maximize the value of these technologies and the experiences you provide will be subpar.

But that's only half the battle.

Acquia CDP is a vital component of Acquia's Digital Experience Platform (DXP) that unifies customer data from all sources and channels, creates a single view of the customer, and performs sophisticated analysis on this data. With a single source of truth based on deep customer insights, you can optimize your customer interactions, providing the data and personalization that next-gen retail technologies rely on.
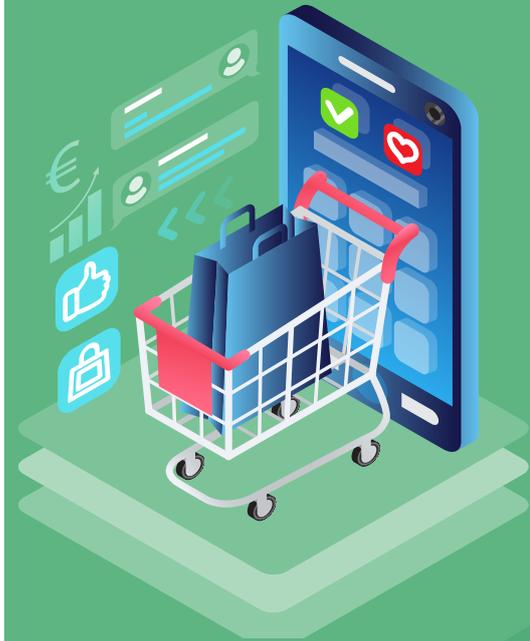
Acquia CDP capabilities include:

Data collection- Aggregate all customer data from all sources in a single, accessible data store.

Profile unification - Unify all customer data to create a complete, unique profile of each customer.

Segmentation - Define customer segments based on purchases, spending level, pages visited, channels used, estimated future value and other customer data.

Data activation - Make customer data actionable across marketing campaigns while keeping the data continuously updated for optimal personalization.

Data analysis - Analyze customer data with powerful tools such as AI and ML to better understand customers, predict future customer behavior and make optimal business decisions.

AI-driven marketing automation - Help marketers create unique user journeys where each customer is engaged with messages and offers unique to their relationship with the brand. Seasonal offers based on location, exclusive offers on particular products to a small handful of customers, etc.

Acquia CDP is the most flexible and full-featured enterprise CDP on the market and the optimal choice for today's best-in-class retailers. A truly configurable, agile platform, Acquia CDP future-proofs your business by enabling you to adopt the technologies your customers prefer, and use those technologies to provide the most personal, satisfying customer experiences.

Learn more about the power of Acquia CDP. Your customers will thank you!

ACQUIA®

Acquia empowers the world's most ambitious brands to create digital customer experiences that matter. With open source Drupal at its core, the Acquia Digital Experience Platform (DXP) enables marketers, developers and IT operations teams at thousands of global organizations to rapidly compose and deploy digital products and services that engage customers, enhance conversions and help businesses stand out.

Learm more about **Acquia.**

srijan:

Srijan is a creative technology firm that builds transformative digital paths to better futures for Fortune 500 enterprises to nonprofits all over the world. We have championed open-source technologies over the last two decades, bringing advanced engineering capabilities and agile practices to some of the biggest names across FMCG, Aviation, Telecom, Technology, and others.

We lead in Drupal with 300+ Drupal engineers and 75+ Acquia certified Drupal developers, and are amongst the top 5 Drupal companies globally. With preferred partnerships with Acquia, advanced consulting partnership with AWS, and APIGEE we offer the best technology stack in the market.

Learm more about **Srijan.**