

# ***Retail Technology*** ***A Shopper's View***

In the first of two reports looking at the ongoing development and investment in technology to enhance the in-store shopping experience, ByBox takes the shopper's perspective



@ByBox #TimeToSwitch

***Switch***

# Retail Technology: A Shopper's View

The rise of omnichannel retailing is impacting a range of shopping environments, with online sales rising by 12.7% last December, while the high street saw a 3.5% decrease in footfall. Bricks and mortar stores are facing a rapidly changing environment and finding themselves needing to adapt quickly to keep up.

A popular recent development is the digitilisation of stores, with many retailers investing in new technologies to keep pace with on- and offline competition.

Alongside increasing technology in stores, retailers are placing focus on developing customer experience, with top brands investing in staff and processes as well as technology. John Lewis, for example, recently opened its flagship experience-led store in Oxford's Westgate, followed by a second store opening in Westfield London.

Arguably, brand loyalty is built in-store, with value placed on human interaction and recommendation, meaning a positive experience is vital to win returning customers. Colleagues play a large role here but can be further supported by technology developments that make the process easier – such as remembering individual preferences and making recommendations based on previous purchases.

The market moves quickly and each year new predictions are made on which innovation will have the most transformative impact. From augmented reality apps which demonstrate how clothes fit, or how furniture would look in the home, to 'smart baskets' and tills that automatically tally and pay for self-scanned items. Now, speculation is mounting on the next brand to follow

Amazon Go's 'just pick up and leave' approach. The store of the near future is fully smart and designed to make customer experiences as frictionless and enjoyable as possible.

In the last five years alone, we've seen retail brands introducing a range of new payment options, including contactless and mobile.

**But what do consumers think of these new methods? From the necessary installations to the extravagant, we get the shopper's perspective.**

The good news? The UK's shoppers fully embrace in-store technology innovations that make their visit easier. 97% of people surveyed had used in-store tech to enhance their shopping visits, including automated tills and touch screens for product information.

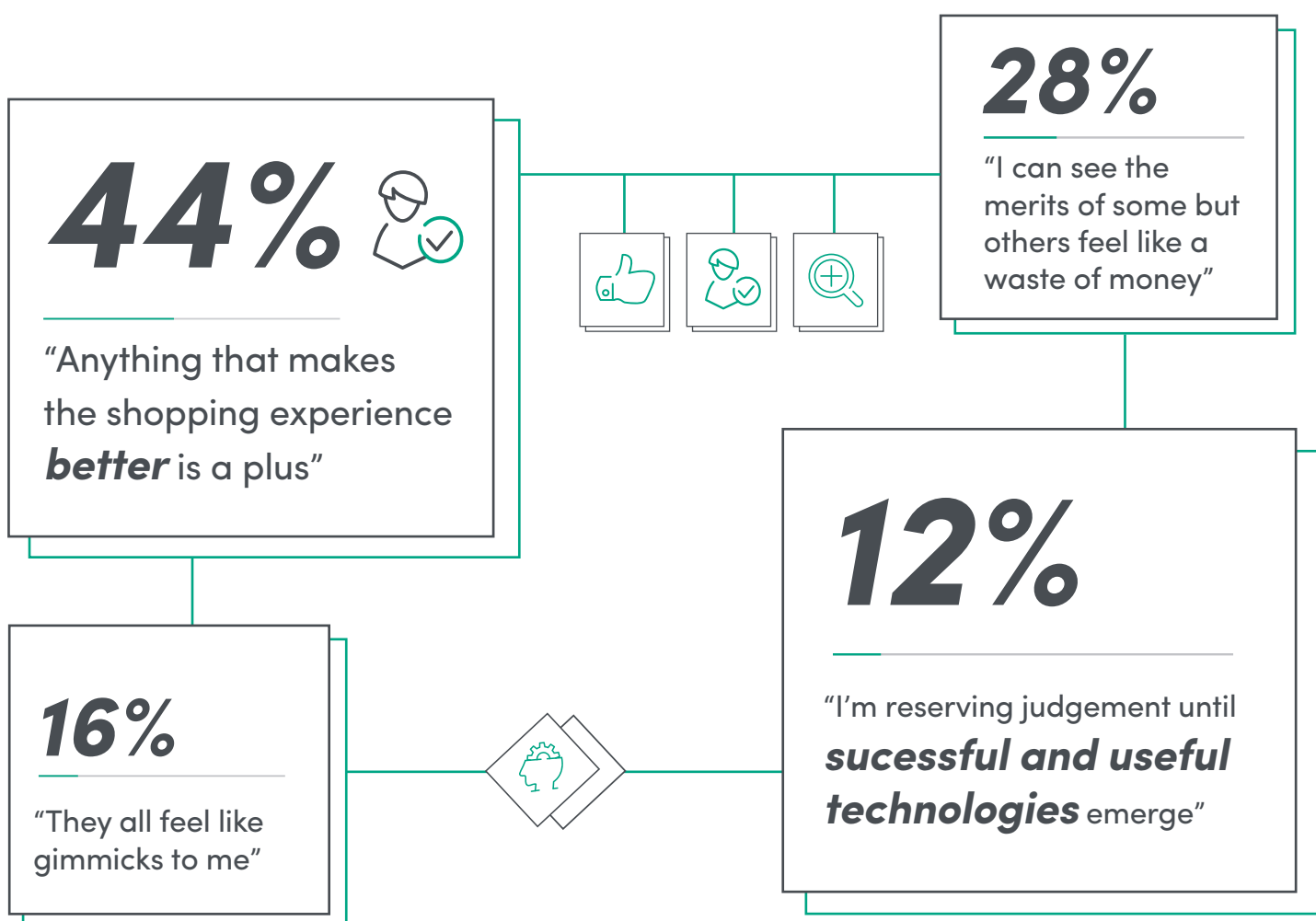
Shoppers were also enthusiastic about emerging innovations, such as virtual or augmented reality, smart changing room mirrors and mobile payments.

97%



of shoppers have experienced in-store tech for improving the customer experience

**How do you feel about in-store technology, such as mobile payments, virtual reality, augmented reality, smart changing room mirrors etc.**



**As with any technology installation, retailers should be conscious of the implications when these innovations break down, especially when devices are heavily relied on by store staff and shoppers.**

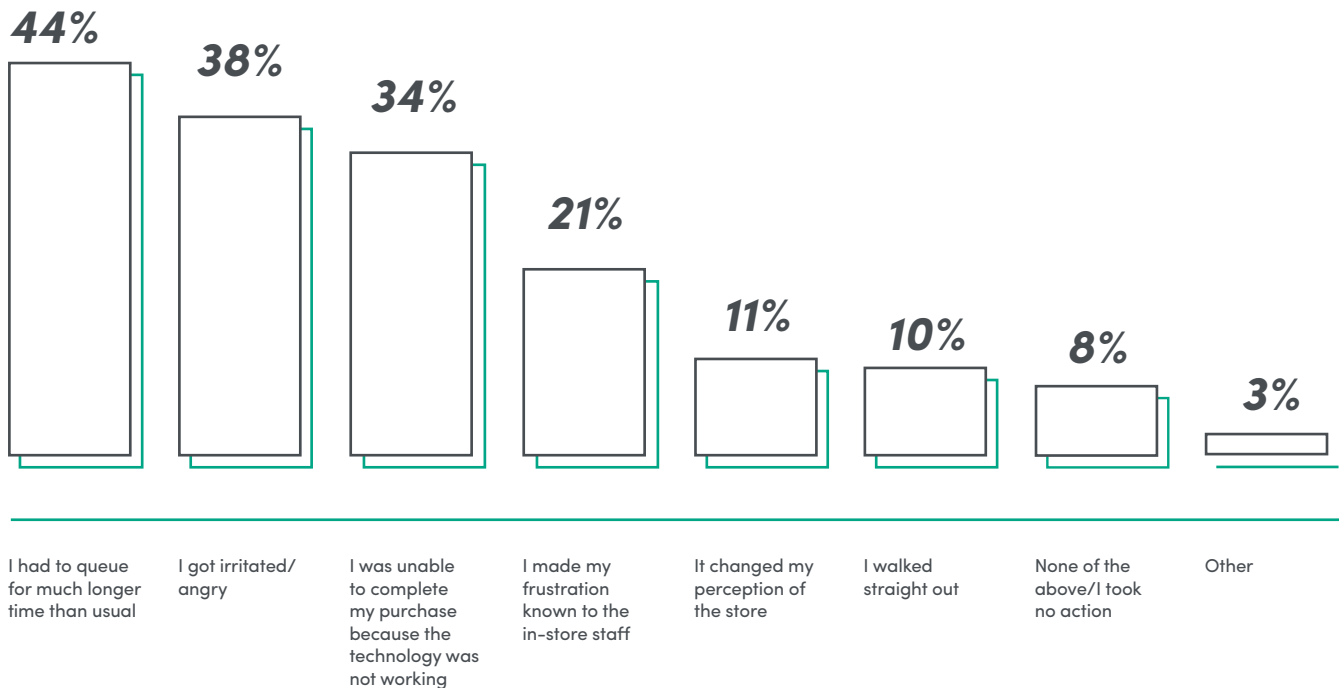
Two-thirds of respondents had experienced retail systems failing on at least one occasion and

while device downtime cannot be completely eliminated, retailers should be mindful of the impact of downtime on shoppers.

Technology failure can often result in longer queues, impacting customers and putting increased pressure on retail staff. Customer irritation, both in the short term with angry

outbursts and lasting impacts on opinions of the store, should highlight to retail technology decision makers that downtime comes at a high cost. And this is a cost which goes beyond abandoned purchases. A store’s technical offering and the convenience it offers has become very closely linked to the brand itself.

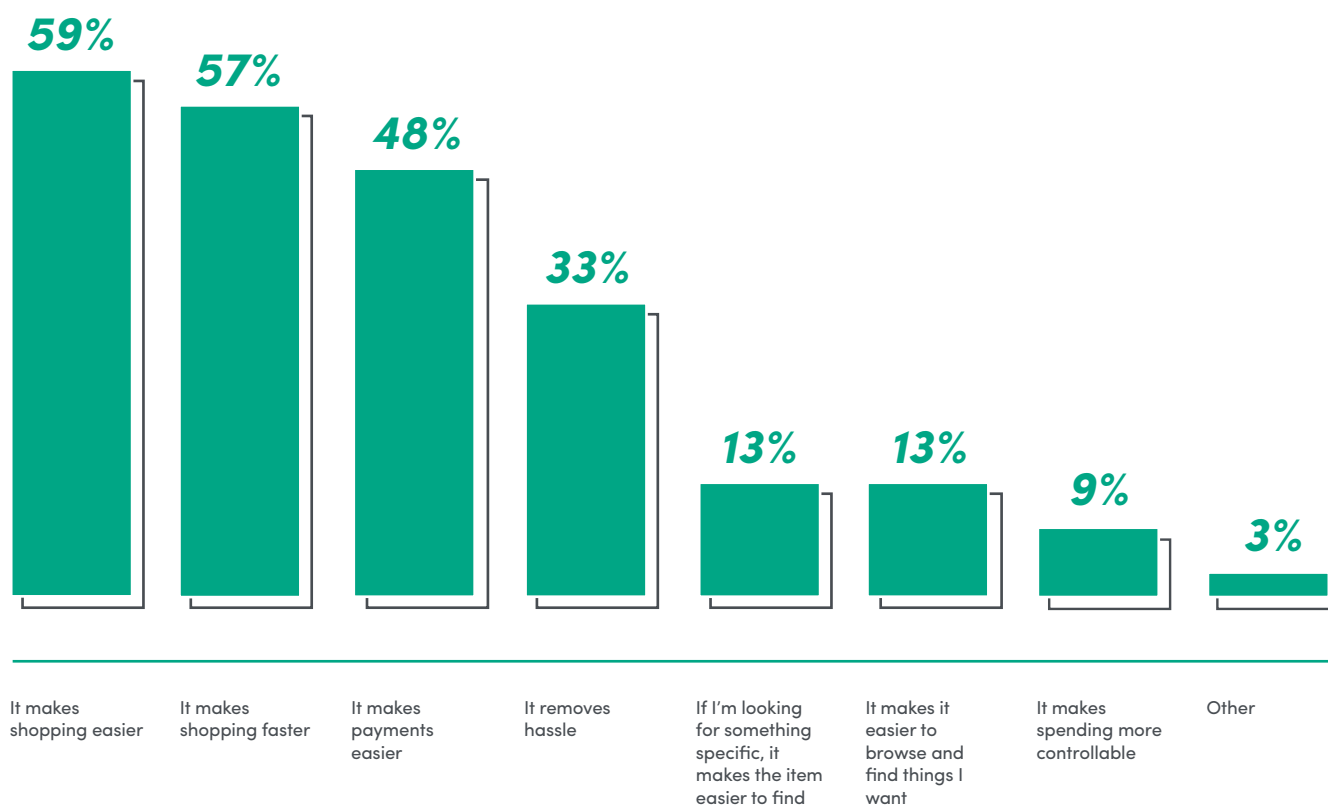
## If in-store technology failed to work, what action did you take?



This is not to set aside the number of lost purchases and indeed customer walkouts indicated by technology failing to perform. Given the tough financial environment facing many retail organisations, tech devices frequently breaking down in-store have the potential to dramatically impact physical sales and business profits.

Key to this customer disappointment when devices and machines fail is the fact that expectations have been raised already. Some have become so used to their shopping processes being made easier and faster, when the technology backing them unexpectedly fails, it becomes more of an issue.

## When the in-store technology that you use does work, what do you like best about it?



In-store technology benefits, from UK customers' perspectives, are very clear and match retailer expectations and hopes for their technology investments. Retail hardware is performing precisely the function it is supposed to, removing hassle, speeding up physical store journeys and enhancing the 'search and discovery' phase of shopping for people who now have an almost limitless choice of products, in almost any category, available to them both online and in physical stores.

If this research tells us one thing, it is that fast-fixes are going to

become much more important as stores become more dependent on technology to engage their customers and sell. Research from RetailCustomerExperience.com has shown that one in three customers will abandon a queue if they have to wait for longer than five minutes. It has even been estimated that the average cost for retail technology downtime incidents currently sits at around £3,675 per minute. As our research has shown, this is just the financial cost to store in lost sales on that trip. If customers are to experience frequent breakdowns and technology failures, this could have

a much bigger impact on future trips to that store and impressions of the brand.

In our next report investigating developments in retail technology, we will be comparing customer experience with retail decision maker plans to further invest in in-store systems. We will also explore solutions to device downtime as both retailers and shoppers become increasingly reliant on technology.

**Research Methodology:** Consumer research into perceptions of in-store technology conducted in January 2018 through an online poll, among a nationally representative sample of 1000 UK consumers, by Sapio Research



@ByBox #TimeToSwitch

***Switch***