Smart tech or die: brick and mortar has a clear choice

In 1991, when the WWW went live to the world, eCommerce was born too. It was almost immediate. In the mid-nineties, people started ordering a wide range of products with their dial-up connections. Amazon began its journey in the same period.

Temps de lecture : minute

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This was more than two decades ago. While observers were excited for how eCommerce would evolve in the coming era — no one was talking about the 'the death of brick and mortar'. Fast forward to today and there are stories of retail outlets shutting down almost every month.

In the first half of 2020, around 11,000 stores closed in the UK. While the closure of retail stores isn't something new and usually new stores make up for them —the number of stores that went under almost doubled from the previous year.

The onslaught of eCommerce was bad enough but the pandemic has made things even worse.

And then came the virus

Things aren't looking good for retail stores. Even with the restrictions relaxed, customers are hesitant in going back to stores. One might be inclined to believe that after the vaccine is made public, things will go back to normal.

However, the latest survey by McKinsey suggests otherwise. The

management consulting firm estimates a <u>30% net increase in online spendings</u> even after the pandemic is over. Consumers will continue the habits they've adopted this year and this includes fewer market visits.

Retailers can't simply sit back and see their sales dwindle. Customers will need to be pulled into stores and for that smart tech will serve as a viable tool.

4 Smart technologies brick and mortar can use to survive

Brick and mortar stores need to bank on their biggest strength, which is the *buying experience.* <u>eCommerce platforms use email marketing</u> and other promotional tactics to reach out to customers. They allow customers to shop at any time of the day without ever leaving their room. But none of this appeals to individuals who consider shopping as a leisure activity.

By optimising customer in-store experience, retailers can give customers more incentives to visit the stores. These four emerging technologies can help them achieve this goal.

1.   Robotic Store Assistants

SoftBank Robotics Pepper robots are already being used in 2,000 stores in Japan. Its functions include assisting customers around the stores and answering their queries about products and services. Pepper also has the ability to send coupon codes to customers instantly via email.

While this robot is yet to find a home at a retail store in the UK, Eurostar has been experimenting with it since 2018. But here Pepper serves more as a mascot. It's yet to be seen how the UK public would react when robot assistants become commonplace at retail outlets.

In Japan, a survey undertaken in a shopping mall found 65% customers preferred interacting with a robot than with a human. But even that should be taken with a grain of salt as there are significant cultural differences between the UK and Japan.

One thing for certain robots will appeal to customers' sense of curiosity. After all —who wouldn't like to check out the robot that's helping shoppers in their local store?

2.   Digital Payment Solutions

Check out lines are something customers hate about physical stores. Retailers need to eliminate these altogether if they intend to compete with eCommerce platforms. Customers these days don't have the patience to wait in lines to make payments.

Digital payment solutions beyond the usual debit and credit cards can make checkout lines obsolete and in-store shopping less time-consuming. Google Pay and Apple enable customers to make payments with a few taps on their smartphones. Integrating these payment options helps retailers attract more buyers.

Digital payment options would also allow retailers to use eCoupons as a marketing tool. Online businesses have found great success in bringing in customers through promo codes. Brick and Mortar retailers could make life easier for discount-seekers by sparing them the trouble of cutting coupons from newspapers and magazines.

3.   Indoor Location-Based Services (LBS)

Online businesses have plenty of ways to recognise customer behaviour. eCommerce sites can use analytics to trace every click made by visitors. Brick and mortar ventures have never possessed this luxury. But this is

changing.

Location-based technology uses 3D lasers scanning carts, navigation toolkits for indoor 3D mapping and mobile solutions for examining digital building panoramas. Retailers can integrate LBS to optimise the customer's journey inside store through relevant information and personalised discount offers.

The primary function of this technology is to make the shopping process smooth and hassle-free for consumers.

4.   Virtual and Augmented Reality for product preview

AR in retail was a much talked about concept but it gained a new life in the pandemic. Retailers such as Asos and Burberry have integrated AR to give their consumers a preview of their products at the comfort of their homes.

When it comes to in-store application, AR use is mostly focused on navigating customers towards their desired product. Although the American retailer Lowe introduced this back in 2017, this is yet to be applied in the UK.

Meanwhile, virtual reality is another technology that could revolutionise retail. It could create a buzz around a particular section of the store, leading to an increase in dwell time and eventually, additional sales for the store.

One of the most impressive displays of VR in retail was when Mark & Spencer along with its agency Mindshare created a pop-up virtual reality showroom and demonstrated it in homeware locations around Leeds, London.

Consumers could create an ideal living space by dragging and dropping items from the pop-ups high end LOFT homeware range. The move was particularly a hit with the company's younger audience.

Final thoughts

Retail apocalypse isn't a new phenomenon. Brick and mortar stores have been facing an assault from eCommerce platforms for a while now. What's new is that the pandemic has accelerated the shift towards online shopping.

It's been a hard year for retailers but there's light at the end of the tunnel. Artificial intelligence, IoT and VR provide a way to create an interactive shopping experience that cannot be imitated online.

Already, initiatives such as Sook are demonstrating how innovative retail spaces can attract those who otherwise prefer to shop on the web. Businesses can learn from such ventures and invest in creating a superior shopping experience.

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