Retail Technology Trends

José P. Chan
Assistant Professor

9 October 2014
Presentation Overview

- The Omni Channel
- Tech Innovation
- Case Studies
- Take-Aways
"Our industry is backwards. We need to partner up with Technologists. The future of retail is in…the Digital Space."

-Andrew Rosen
President and Founder of Theory
Columbia University – April 2013
The Omni Channel Experience

- Omni Channel Retailing seeks to create a **seamless** purchasing journey for customers.

- Today’s connected customer demands: Personalization, Convenience and Speed.

- The purchasing process is now a nonlinear journey.
The Omni Channel Experience

- **Physical**
  - Boutiques
  - Outlets
  - Customer Contact Centers
  - Catalog...

- **Digital**
  - Mobile - Smartphone, Tablet
  - eCom - Company, 3rd Party
  - Social Media - Facebook, Twitter, Pinterest...
EXHIBIT 1 | An Example of a Nonlinear Omnichannel Purchasing Journey

Selling a designer dress

- Inspire customers
- Make them aware
- Help them decide
- Sell them the product
- Support the customers
- Reward their loyalty

Customer uses iPhone to scan barcodes and complete the purchase
After leaving the store, customer posts a review on Twitter
Customer checks loyalty-points balance online and views local offers
Customer checks the dress on again and prints the return label
Customer ships the dress and receives a size that fits better
Customer scans QR code for the dress to see price, colors, and sizes online
Customer checks Dressfinder app on iPhone en route to the store
Customer uses a branded iPad app to locate matching accessories in the store
Customer receives fashion advice on dresses from in-store personnel

Source: BCG analysis.

https://www.bcgperspectives.com/content/articles/supply_chain_management_sourcing_procurement_omnichannel_retail_still_about_detail/
Tech Innovation

- Touch Screens
- Face Recognition
- Virtual Mirrors
- Interactive Displays
- Sales Associate Tablets
- Kiosks…
In-Store Touch Screen - Similar to online, but with immediate product access. Customer chooses the type of interaction s/he desires e.g. request Sales Associate assistance using the touch screen.

Digital Face recognition - Intel has developed the Audience Impression Metric Suite that identifies the, age, gender and attention span of people who view a stationary digital Ad. Content changes dynamically.

The ‘Fitting Reality’ - was Installed in several Topshop stores. Users ‘try on’ apparel virtually for an improved customer experience.
Tech Innovation

Search Engines

41% of leading retailers analyze site search data to personalize the e-Commerce experience

Leading brands analyze Google and YouTube searches to test product demand before releasing new products

Social Media

iPad app lets salespeople view the most popular Pins and match those items with available inventory by store and department

Geolocation

Anonymously tabulate foot traffic through a store sensor that syncs up with smartphones. Measure: visits by floor, visit frequency, duration of visit
Burberry Case Study: A Tech Pioneer (VIDEO)

Angela Ahrendts, Former CEO Burberry (Current SVP Retail Apple)

https://www.youtube.com/watch?v=DzBIYwZsut0
Burberry Case Study: A Tech Pioneer

• An 8 year transformation of Burberry from 2006 to the Present
• ‘Burberry Social Enterprise’ Sketch - Marc Benioff – CEO Salesforce.com*

Salesforce.com: Radian 6 tracks social media buzz

Twitter: Tweet images of models before runway shows

SAP: Co-developed an app

Facebook: Pre-launch give away of perfume to Fans

*http://fortune.com/2012/06/05/burberrys-angela-ahrendts-high-techs-fashion-model/
Burberry Case Study: A Tech Pioneer

Blurring the lines between digital and in-store

- Sales Associates use tablets to create customer profiles, showcase products and track customer preferences
- Runway shows are live streamed and rich media content is posted on Twitter, Instagram and Pinterest
- The London flagship store is a lab for new technologies

In-store iPads have helped increase sales conversion within its retail network

http://www.breedcommunications.com/blog/giving-the-customer-more-interactivity-in-retail/
Ensuring a seamless and customized online & offline presence

• Sephora customers’ online profile, past purchases and rewards can be accessed in store
• Sephora recognizes the importance integrating in-store and digital shopping*

Sephora has ~5MM Facebook fans; 900K Twitter followers; 600,000 Apple Passbook registrations. Mobile devices generate 1/3 of all Sephora.com traffic**

** http://mcorpconsulting.com/blog/a-digital-customer-experience-case-study-sephoras-supremacy/
Sephora Case Study: Bridging Two Worlds

Customize offering with useful tech tools

- Color IQ identifies the skin color of the customer and matches it with one of the 1500 formulas available in store*
- Sephora is launching a new 3D augmented reality mirror by ModiFace that simulates cosmetics on a user’s face photo-realistically in real-time**

Useful tech innovation builds brand loyalty and sales

*http://mcorpconsulting.com/blog/a-digital-customer-experience-case-study-sephoras-supremacy/
Tory Burch Case Study: Clienteling & Connecting

Implementing tech tools that provide high-touch service

- iPad ‘Client Book’ provides Associates with access to customer information: past purchases, birthday’s and a customer’s wish list.*

- iPad data facilitates tracking of sales associate, product and store performance

With 100 global stores - the brand grew to $800MM in less than a decade*

A strong digital presence coupled with rich marketing content

- The ‘Tory Daily’ app engages customers (80% return user rate*), features sales events with limited product offerings and highlights blog posts
- The website balances interesting product pages, articles, ideas and illustrations

44% of Tory Burch's website traffic comes from mobile devices. ~30% of sales are generated via mobile.*

* http://upstreamcommerce.com/blog/2013/10/18/tory-burchs-not-so-secret-secret-weapon-customer-experience-and-technology
Tory Burch Case Study: Clienteling & Connecting (VIDEO)

Matt Marcotte: EVP Global Retail

https://www.youtube.com/watch?v=VicHcwm5cG8
Take-Aways

- Develop an end-to-end strategy that integrates the physical and digital worlds
- Understand what pain point a given technology will solve prior to deploying it
- Establish processes that make it easier to serve consumers
- Implement systems and tools that are simple and intuitive