

# How to prepare for the next generation of shoppers

Samsung Electronics UK's pop-up at Westfield showcased the latest retail tech and hosted a discussion on how it can enhance the shopping experience. Retail Week reports

**T**he longevity of the UK high street is dependent on it becoming a street of retail theatre, rather than a row of 'brand showrooms'.

That was the message behind Samsung's Futurescape Retail Pop-up event in Westfield London last month.

The innovative event included demonstrations of the latest retail technology from virtual reality store designs and dressing rooms, to mobile payment, electronic point of sale solutions, store footfall analytics and heat mapping.

The pop-up coincided with the release of Samsung's Future Shoppers report, which found retailers must make better use of cutting-edge in-store technology to connect young consumers' online and offline experiences to ensure future profitability.

Based on research into the retail experiences of 16 to 24-year-olds – dubbed Generation Z – it found that the UK's high street and shopping centre environments are popular for young adults looking to socialise with friends or browse products; but retailers are failing to capitalise on the immediate in-store opportunities to make sales.

While 71% of 16 to 24-year-olds find themselves in large retail environments at least once a fortnight, with two thirds on the hunt for a specific item, the technologically confident, price-conscious future shopper frequently opts to make their final purchase online; and increasingly through their mobile phone.

Extensive online research before and during the shopping trip means Generation Z feel they're getting the best deal and prefer shopping alone.

More than two thirds of those surveyed said that retailers could be doing more to keep them interested in products when they are in-store, suggesting that action could be taken to stop young shoppers leaving empty-handed.



Samsung's Futurescape Retail Pop-up

Retailers need to make sure they are communicating the benefits of existing in-store technology to fully capture the attention of young shoppers, the research found. While Generation Z sees the value of using tablets and in-store technology to check stock or browse catalogues, few use technology designed to enhance their experience. Less than 20% scan QR codes, while more than 90% ignore augmented reality apps.

The report's abiding theme is clear – retailers who create exciting in-store environments, where shoppers can experience and interact with products, could

protect themselves from losing a customer to an online seller offering something as simple as a slight price discount.

Graham Long, Samsung's UK and Ireland vice-president of its enterprise business team, summed up: "Retailers need to be using technology to create a sense of retail theatre and bring their physical environment to life; they need to enhance the shopping experience. It's not just a case of replicating online in-store; they need to be better at bridging the gap between the two."

## Importance of the store

The event concluded with a fascinating panel debate on how some of the UK's leading retailers are engaging with shoppers and what that engagement will look like in the future.

In the past five years, Selfridges has seen "a big swing" from customers only shopping in-store, to wanting to shop all the time, according to panel member Simon Forster, Selfridges' multichannel director. When they come into the store they'll have previously spent time researching online, he said.

Forster used the example of Selfridges' flagship Oxford Street store, which sees 20 million people pass through its door annually, compared with its website, which gets 75 million hits a year. Next year, he predicts online will increase to "well over 100 million".

For Annoushka Ducas, founder of Links of London, "the store is still the most important first-touch experience". "Our customers will come to the store and then discover more online," she said.

**64% of 16 to 24-year-olds think retailers could make stores more exciting**

Future Shoppers report, October 2014

Johnathan Marsh, head of buying for electricals and home technology at John Lewis argued that retailers shouldn't distinguish between channels. "We don't discriminate whether [customers are] shopping online or in-store," he said.

While the department store retailer has invested "tens of millions of pounds in refurbishing and opening stores, we do recognise branches will play a very different role in the future", he added. Stores will become "social spaces" that offer shoppers experiences and services, Marsh predicted.

For Ducas, virtual shopping will never be a substitute for bricks-and-mortar retailing. "There's a real need to come to the store to feel the product. Whilst we will be able to use technology to help inform customers and staff, we don't see our store environment changing dramatically."

Forster agreed that digital technology can enhance shoppers' experience and appreciation of a retail brand, but it will not replace the need to go into a store.

Marsh said "technology will play an important role in customer convenience", applauding RFID technology for helping get the product to the customer much more efficiently.

**Customer data**

The discussion turned to how far retailers are on the journey of using customer data for actionable insight.

Marsh said: "John Lewis is continually building on our expertise and understanding of consumer need. Ongoing investment in technology is helping to drive an increasingly personal approach to how we service our customers' requirements. The launch last year of click-and-collect is a perfect example



of this, and we will continue to innovate."

Royston Seaward, partner within the technology practice of Deloitte, spoke of the importance of what he termed "the value exchange", when consumers share more because they feel they are getting something in exchange. It might be an offer that's relevant or an experience, he said.

Retailers should take note that "the minute an organisation doesn't get that value

exchange back to the customer they struggle. It can be dangerous and can kill trust," Seaward warned.

All panellists agreed the retail industry needs to offer shoppers a more joined-up, seamless experience across channels in order to future-proof long-term growth.

As Seaward concluded: "The end-to-end experience that traverses all those channels will be what wins."

**HIGHLIGHTS OF TECH SOLUTIONS FROM THE EVENT**

**SAMSUNG SMART WATCHES** With the 3G-enabled Samsung Gear S, the next generation of smart watch, the event featured demonstrations of applications that quickly check stock levels and manage sales floor tasks to increase staff productivity.

**SUPER HIGH BRIGHT DISPLAYS** Samsung's new super high bright displays are perfect for use in store windows, providing clear image quality in direct sunlight, to deliver optimal visibility in different lighting environments.

**UHD DISPLAYS** Samsung's ultra-high-definition (UHD) displays have exceptionally high picture quality, displaying images in lifelike resolution.

The 85 inch display features a commercial-grade glossy panel that can be operated for up to 16 hours a day, seven days a week.

**GEAR VR** The Samsung Gear VR headset was being used to demonstrate virtual store planning, to eliminate the need for a physical mock shop, by recreating a fully immersive virtual environment.

**ENDLESS AISLE** A 95 inch touchscreen was used to scroll through a carousel of products in their true size, offering a solution for retailers wishing to showcase their entire product range, where space is limited.

**GALAXY TAB ACTIVE** Samsung's first ruggedised

tablet was used for a number of solutions including a queue management application, digital ordering and using NFC to add items to a user's basket by tapping NFC tags on product labels. The Tab Active can withstand a 1.2 metre drop, making it a very attractive for retailers looking for a more durable tablet.

**DIGITAL SIGNAGE** Samsung showcased various digital signage solutions from 10.1 inch to 95 inch screen sizes, offering lots of choice for retailers. Samsung's new range features quad core processing in the second generation Smart Signage Platform, so retailers can manage digital signage content easily without the need for an external PC or media player.