



# Technology Innovation

## Invigorating the In-Store Experience

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# AR Shopping Use Cases

## *U.S. Consumer Favorability*

AR for furniture or  
fixture shopping

59%

AR for apparel  
shopping online

53%

AR in-store for  
product information

53%



Source: CTA, 2017 AR/VR Tracker

# VR Commercial Use Cases

## *U.S. Consumer Favorability*



Source: CTA, 2017 AR/VR Tracker

# Voice: The Fourth Sales Channel



voice shopping

The smart way to stock your home this holiday

Learn more ▶

*"Alexa, order..."*



The advertisement features a light blue background with several white snowflake icons. On the right side, there is a product display including a bottle of Seventh Generation Natural Dish Liquid, a container of Clorox Disinfecting Wipes with Micro-Scrubbers, a smart light bulb, and a white smart speaker with the 'sengled' logo.

**19% of Holiday Shoppers in November 2017**  
planned to use a smart speaker to learn about deals

# Retail Strategy Shift: *From Store Operations to Customer Experience*

**2008**

Retail Operations  
and Modernization

POS, Security Tags, RFID  
Inventory Management,  
Customer Wi-Fi

Basic Sales and  
Operation Metrics

**Business Drivers**

**Technology**

**Success Measures**

**2018**

Customer Experience  
and Engagement

AR Mirrors, Kiosks,  
Robots, Wayfinder Apps,  
Online Shopping Lists,  
Click-to-Brick Pickup

Broad Set of Metrics  
Available Today

# Retail Technology Investments Today

*Creating Experiences That Outweigh Online Convenience*

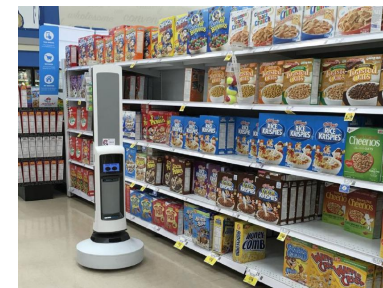
## Wayfinding



## AR Mirrors



## Inventory Robots



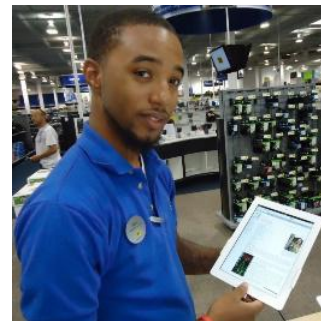
## In-Store Pickup



## Self-Order Kiosks



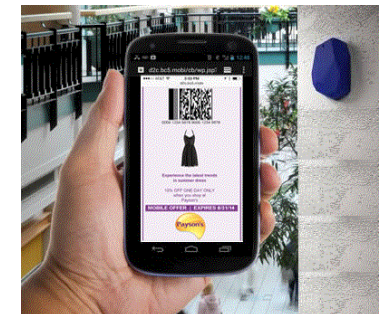
## Associate iPads



## Sales Associate Robots



## Endless Aisle



# Technology Innovation Impact Everywhere

## Grocery/Pharmacy/ Convenience Stores



Smart & Final.



Schnucks



## Clothing Stores



J.CREW

chico's

Justice

Apricot Lane BOUTIQUE

TILLY'S



Foot Locker

## Specialty Stores

LUXOTICA

CELLAIRIS

DAVID YURMAN

ROCKLER WOODWORKING AND HARDWARE

Create with Confidence™

Z GALLERIE

Lagardère TRAVEL RETAIL

## Big Box Stores



PET SMART

KOHL'S

sears

Burlington

SIERRA TRADING POST



THEISEN'S HOME • FARM • AUTO

Consumer Technology Association™

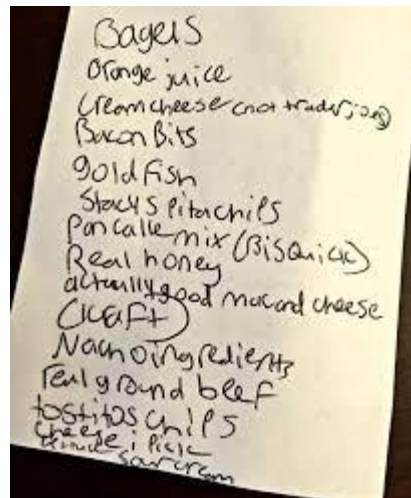


# The Goal? Build Long-term Loyalty and Value

Pharmacy



Grocery





# How Have Success Measures Evolved?

## THEN

- Are we increasing *sales*?
- Are you generating the right *margins*?
- Are we *converting* more traffic?

## NOW

### *Does the Technology...*

- Correctly impact key customer segments?
- Give more info about high-value customers and how they choose?
- Provide a unique or engaging experience to the customer?
- Predict customer wants or needs?
- Deliver a more personalized/custom experience?
- Increase customer satisfaction?



## Sales Impact Metrics

- Size of basket and avg. transaction amount
- Average spend per visit
- Frequency of customer visits
- Frequency of high-value customer visits
- Sustainability of customer traffic
- New customer acquisitions
- Employee productivity/engagement

## Customer Impact Metrics

- NPS®— recommendations
- Customer engagement (are customers using the technology?)
- Social media recommendations and buzz
- Associate feedback

## Technology Investment Expenses

- Initial cost of technology (licenses, hardware, software, network usage)
- Operational maintenance and support expenses
- Technology infrastructure needs
- Incremental impact of labor/ productivity
- Cost and impact of training (time off sales floor)
- Cost of installation (store closures)

# Implementing (New) In-Store Technology



## Pilot Test

- Just a few stores
- Locations selected depending on the structure of the test
- Duration about 8-12 weeks



## Review Committee

- Assess early results
- Refine technology concept, adjust measurements or testing scope



## Broader Test Scope

- Push to additional stores – must have right infrastructure and customer demographics
- Duration often 3-6 months; larger capex, longer testing period
- Higher capex usually means review committees meet more often to review test results

# Barriers to Technology Investments



Cost of Technology



Associate Training



Speed to Test and Deployment



Infrastructure Needs



Complexity



Data Security



Maintenance



Fit with Brand/Culture

# Case Study: Lux Retailer Single-Screen Tool

## *Fitting Tech to Business Objectives*

### **PROBLEM:**

How to give customers a more personalized experience?

### **TESTING:**

Multi-month deployment across 40 stores nationwide.

### **OBJECTIVES:**

Upgrade sales associates to 'clienteling' solutions.

### **GOALS:**

Boost associates sales and avg. transaction price



# Case Study: Eyewear Specialty and AR Mirrors

## *Why Testing is So Important*

### **PROBLEM:**

Buying eyewear is a grudge customers do not enjoy.

### **TESTING:**

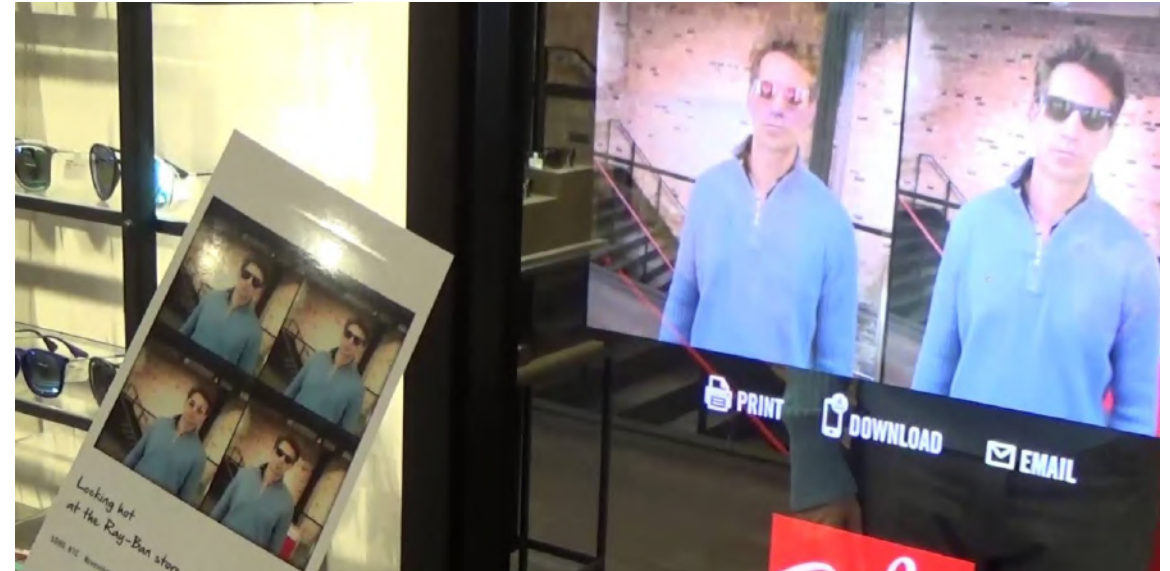
Five stores with a clunky prototype for 12 weeks.  
Refined the platform and tested with 30 stores for 6 months.

### **OBJECTIVES:**

Measure customer experience and hard KPIs.

### **GOALS:**

- Improve purchase conversion, basket size
- Increase store sales, store traffic, and NPS
- Boost employee productivity (mirrors to be a self-service tool)



**REJECTED**

# Case Study: Regional Grocer Employs Robot

## *Enhancing Operations, Experiences*

### **PROBLEM:**

The tyranny of the grocery shopping list.

### **TESTING:**

Stocking robot wanders the store to determine stocking needs and maps product locations.

### **OBJECTIVES:**

Automate operations and drive additional value for customers.

### **GOALS:**

Improve inventory control, reduce costs for the business.

Create shopping efficiency for customers that will build loyalty and long-term value.



# How Can Technology Invigorate Your Business?

- Make tech investments to **drive loyalty** and **long-term value**.
- **Educate** customers on experiential shopping.
- Extend cross-organizational integration beyond planning and testing new techs to **ownership** and **post-implementation support**.