

# Fostering community in retail

*Chris Labrey, Managing Director, Econocom UK & IRL, examines how technology is supporting retailers bringing the human touch back to stores.*



The following guest article has been written for InternetRetailing by Chris Labrey, Managing Director, Econocom UK & IRL. Econocom designs, finances and oversees companies' digital transformation. The company employs

over 10,700 employees in 19 countries, with revenues in excess of €3bn in 2017. Econocom has all the requisite abilities to ensure the successful implementation of large-scale digital projects.

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For years we've been hearing about the imminent death of the high street. Footfall is down, costs are up and ecommerce is taking over. Recent news headlines seem to support this idea, just consider the ongoing House of Fraser saga. Yes, it's been bought by Mike Ashley, but suppliers are still clamouring for cash (to the tune of £484m, according to administrator EY), jobs are in jeopardy and relationships with luxury brands like Mulberry have taken a hit.

One of the major threats that retailers face is from ecommerce giants and the continuing growth of online shopping. While most retailers are answering this challenge by moving to an omnichannel model, they also need to consider how buying behaviour has changed, how customers are savvier than ever before and how retail itself is shifting.

Going forward, there are many solutions and innovations that retailers are looking at to avoid a slow death. Practically speaking it may require a delicate balance of a number of factors, from technology and new business models, to experiential retail and shoppertainment. But all need to ensure that customer experience is the same across all touch points, from in-store interactions to purchasing goods on apps or online. To a large degree this has been accomplished with technology making shopping more convenient, giving the customer more choice and the transaction is completed quickly.

## BRINGING BACK COMMUNITY

While this is a win for the customer experience, what about the longer-term goals of the retailer? The ultimate aim is to increase revenue by attracting more shoppers.

According to a recent study from PwC, shoppers want human interaction when they go into a store. They don't all want to use self-service technology or talk to robots. In fact, 59% of global respondents in the survey said they felt brands had lost touch with the human element of customer experience.

Maybe something can be learnt by taking a higher-level view and looking at the high street as a whole – not all towns and high streets are struggling. Stockton-on-Tees, for example, defied the odds and actually boasted more shop openings than closings in 2017. It was the only town centre in the region to buck the trend following the town council's proactive plan of regeneration. According to the council, "... our regeneration of the High Street has been about delivering a town centre that offers different things. It's been as much about hosting events, celebrating heritage and creating pleasant spaces as it has been about shopping".

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Applying this same mentality to individual stores or retail chains can have a tremendous impact on the health of the high street.

Retailers such as Sports Direct and Game are taking the idea of shoppertainment to the next level and showing what can be achieved. The collaboration between the two companies sees Sports Direct opening e-sports areas in some of its stores. The first Belong gaming arena has already launched, with more to follow, and offers gamers a state-of-the-art space to play the latest games.

John Lewis in the newly launched Westgate shopping centre in Oxford offers customers an Alice in Wonderland themed experience, supported by 300 staff members trained by the Oxford Playhouse theatre.

Other retailers are making smaller, incremental changes, like incorporating coffee shops and nail salons into stores. These add-ons deliver value themselves, but also ensure shoppers stay longer in-store and are more engaged.

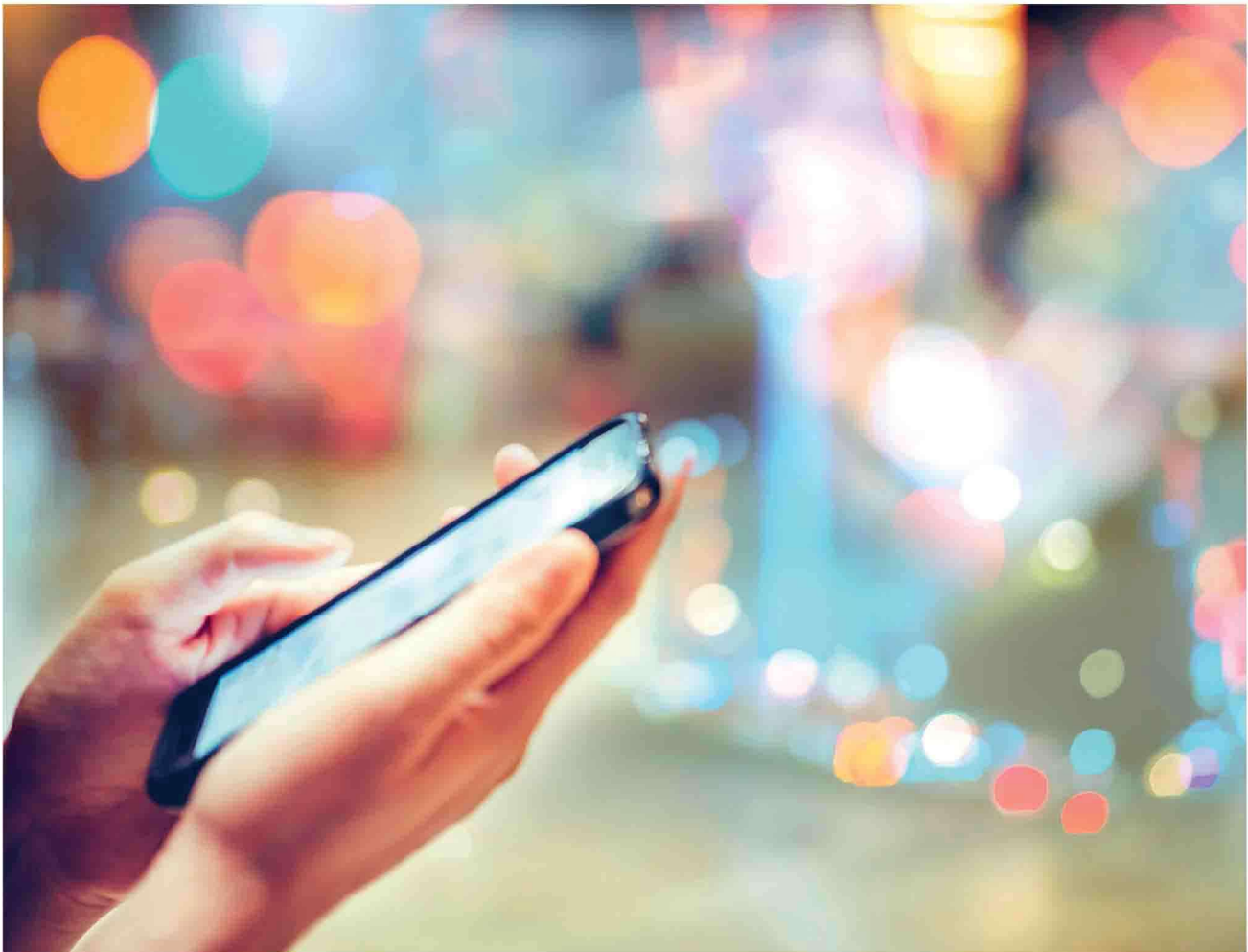


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▲ Technology and the right level of human interaction are needed for a frictionless customer experience in store

### THE TECHNOLOGY POINT OF VIEW

Technology is still important though, but, according to the PwC report, as an enabler of this more human customer experience and not at its expense.

While entertainment and experiential retail are one element, they need to be brought together and enabled by technology. Together they can foster a sense of community.

Step inside any official Apple store today and you'll notice that there isn't a single 'traditional' till point in sight. Instead, you'll find staff members with a mobile POS device in one hand moving freely across the shop floor and assisting customers.

The benefits are clear: shoppers don't have to line up to make a purchase, especially during busy periods. In much the same way, there is a huge degree of freedom and liberation that comes with unshackling staff members from a static till and allowing them to work the entire shop floor as necessary. Suddenly, employees are no longer limited to just scanning the barcodes on items – they can serve, engage and interact with customers, delivering that crucial personal experience.

This in turn allows for a much more immersive and interactive in-store experience – something that is

becoming increasingly crucial to ensure future in-store retail success.

“ Technology is important as an enabler of a more human customer experience and not at its expense ”

Regardless of the technology, updated POS systems, tablets, mobile devices or MR devices, there are bound to be challenges. Specifically around cost. However, there are a number of ways in overcoming these obstacles through the use of different payment options, like subscription models. Retailers can effectively move the cost of new technology to operating expenditure, instead of CAPEX, keeping costs predictable and manageable. This also enables them to spread the cost over time, while being able to leverage the benefits of new technology and shorten replacement cycles. 🇩🇪