

RETAIL REVOLUTION

IT'S A BATTLEFIELD OUT THERE, CONSIDER ADDING THESE TECHNOLOGIES TO YOUR ARSENAL.

BY LYND SAY MCGREGOR

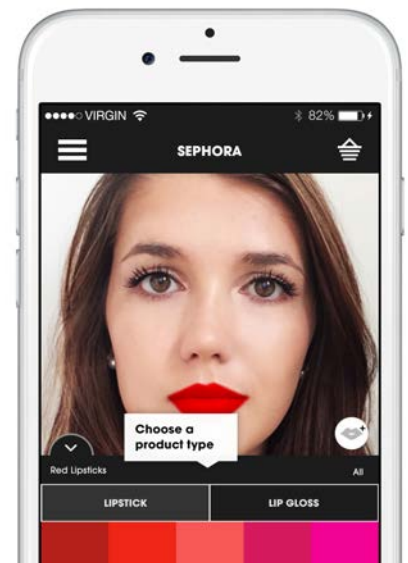


VIRTUAL REALITY (VR)

Early adopters Topshop and Tommy Hilfger may have transported shoppers to the front row of their fashion shows with the help of a headset, but there's more to VR than recreating the runway. Take a leaf out of The North Face's playbook and bring products to life in a 360-degree video and audio experience that could help cinch a sale. That's not all: online shoppers armed with their own VR headsets can access a brick-and-mortar experience from the comfort of their couch.

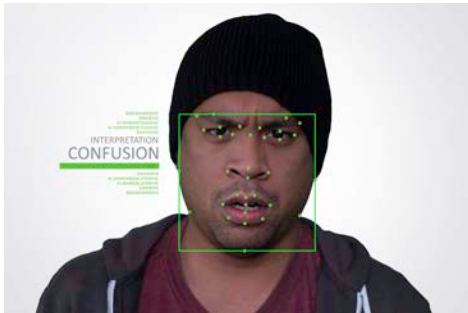
AUGMENTED REALITY (AR)

Whereas VR immerses people in an entirely new reality, AR blends the real-world environment with virtual objects à la last year's Pokemon Go craze that saw millions running round the streets chasing cartoon creatures that could only be seen through their smartphone cameras. Furniture sellers Ikea and Wayfair use AR to help consumers visualize what purchases would look like in their homes, while Sephora's app allows users to take a selfie and virtually test makeup. Similarly, Gap is hoping its new "DressingRoom" app, which lets shoppers dress a 3-D mannequin based on their measurements and make a purchase without setting foot in a store, will help combat its ongoing sales decline.



ARTIFICIAL INTELLIGENCE (AI)

Voice-activated apps, chatbots and digital assistants such as Amazon Alexa and Google Home are already helping people discover and refine product selections based on their responses to a series of questions, but retailers have only scratched the surface of what AI is capable of. Tech vendor Cloverleaf debuted a LCD display dubbed ShelfPoint at NRF Big Show in January that offers visual marketing campaigns to attract, engage and convert shoppers based on their level of participation and distance. Eye-level sensors recognize a shopper's emotional reaction to a product or promotion (read: joy, sadness, disgust) to capture customer behavior data at the exact moment of purchase decision. The goal: retailers will understand their customers better and shoppers will enjoy a more personalized and engaging experience.



RADIOFREQUENCY IDENTIFICATION (RFID)

RFID use is on the rise—and for good reason. A growing number of retailers, including G-Star Raw franchisee Denimwall, are realizing the benefits of attaching the tiny tracking chips to products to help with inventory tracking and management. It means they always know how many they have in stock at a specific warehouse or store—even pinpointing their exact location in real-time—and can replenish accordingly. RFID chips, which are electronically loaded with information, can also provide an opportunity for smartphone-wielding shoppers to learn more about a particular product and see styling suggestions or similar items.

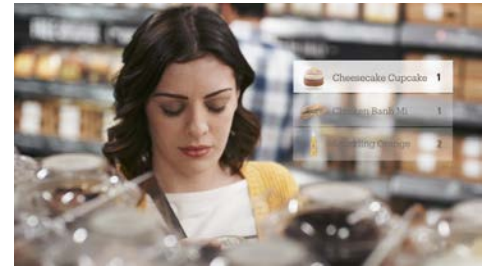
Moreover, luxury names Moncler and Salvatore Ferragamo have begun using the technology to combat counterfeits by allowing customers to verify the authenticity of their prospective purchases using an app.

SMART MIRRORS

According to Alert Tech research, shoppers who use fitting rooms are 70 percent more likely to make a purchase than those who just browse the sales floor. The problem is that most people would rather leave the store empty-handed than stand

in a long line waiting to try something on. But a handful of retailers, including Rebecca Minkoff and Ralph Lauren, are turning to tech-enabled mirrors to transform the try-on experience into a more customer-friendly, interactive one. Shoppers can tap these mirrors to change the lighting in the fitting room or request a sales associate bring them different sizes, cuts or colors. New York City-based startup Oak Labs' fitting room mirrors also capture valuable shopper insights for retailers, such as conversion rate per item, time spent in the fitting room and conversion rate per fitting room visit. The company added contactless payments in February, so shoppers can now build a digital cart and seamlessly complete their purchase using NFC (near-field communication) through the mirror.

employees only. The jury's still out on what a checkout-free supermarket means for the future of retail, but any time technology can build a better shopping experience and keep customers coming back is a big win for both sides. 🛒



FACIAL RECOGNITION

Facial recognition technology walks the fine line between creepy and cool. But it can improve the customer experience when retailers use it to tailor marketing messages according to gender, age and mood, or to alert a salesperson that a high value shopper has just walked in. For retailers, facial recognition can provide detailed analytics on traffic flows within their store or how long people spend looking at particular displays and use that information to optimize product placement and, thus, their sales. Alternatively, it can also be employed to pinpoint potential shoplifters.

SENSORS

Amazon did it again in December when news broke of Go, a grocery store without cashiers or checkouts. Shoppers can enter the store by scanning an Amazon Go app on their smartphone and the company's "Just Walk Out" technology keeps track of when a product is picked up or put back, automatically updating a virtual cart. When a shopper is done, he or she simply leaves the store and their Amazon.com account is charged.

Amazon has kept mum on the specifics, save for noting that advanced sensors throughout the store—much like those used in self-driving cars—track everything shoppers do and can tell the difference between a salad and a sandwich. The first store, in Seattle, is currently open to Amazon