

**DIGITAL
FUTURES.**

INFLUENCING A NEW GENERATION

FEATURES ON

BRAND
CONNECTION

INFLUENCING A
NEW GENERATION

IS THE RETAIL
STORE DEAD?



 **evoke®**

THE STATE OF PLAY.

It's safe to say that the retail sector has changed a lot over the last few years. The global pandemic prompted a shift in how consumers were able to interact with Brands, increasing user adoption of new technologies and a growth in the need for 'convenience' when shopping.

As a result, consumers are now more comfortable when faced with digital touchpoints across all sectors and retailers have had to innovate quickly, investing in new technologies and looking at how they could boost commercial productivity in an increasingly complex market.

We've seen great examples of how digital touchpoints can be used to improve conversion by allowing customers to transact when, where and how they want to, offer engaging range extension options, and deliver great branded experiences that increase footfall and engagement.

In this report, we take a look at the evolving digital marketplace, and how, through the use of digital touchpoints and connected mobile apps, the future worlds of physical and digital commerce will become closer than ever.

Peter Edwards, CEO Evoke Creative

1 CONSUMER FIRST.

2 CONSUMER TRENDS.

3 COMMERCIAL OPPORTUNITIES.

PHYSICAL RETAIL EXPERIENCES ARE BECOMING MORE AND MORE DIGITALLY DRIVEN.

CONNECTION MATTERS



BRAND CONNECTION

THE 'EXPERIENTIAL' RETAIL SPACE

SELLING THE 'EXPERIENCE'



LOYALTY

DRIVING REVENUE FROM NEW FORMATS

OFFLINE VS ONLINE

INFLUENCING A NEW GENERATION

LIVE SELLING

SQUAD SHOPPING



IS THE RETAIL STORE DEAD?

THE ROLE OF INSTORE

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OPORTUNITIES FOR DIGITAL CONSUMER ENGAGEMENT

DIGITALLY INTERACTIVE TOOLS



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**CONSUMER
FIRST.**

1. CONSUMER FIRST

**PHYSICAL
RETAIL
EXPERIENCES
ARE
BECOMING
MORE
AND MORE
DIGITALLY
DRIVEN.**

Consumer expectations of physical retail have become increasingly high, putting pressure on retailers to create more meaningful experiences in store.



Convenience has become a key practical driver in most retail sectors, but there has also been a rise in experiential stores as well, offering a unique shopping experience.

Technology, above all, has underpinned these new and innovative store formats and experiences.

There's a clear shift from just adding digital screens to an existing retail concept.

Now retailers are innovating the customer experience, planning in high-spec digital customer experiences, thoughtfully implemented into new retail schemes at the start of the process, with specific objectives and success KPI's defined.

Brands and retailers that are slow to digitise and connect their physical retail spaces are limiting the commercial success of their brand.

1. CONSUMER FIRST

CO- NNE CTI ON MATTERS.



THE RETAIL LANDSCAPE IS EVOLVING FAST. WHILST ECOMMERCE IS STILL GROWING, THIS HAS BEGUN TO SLOW. FEW CONSUMERS ARE WILLING TO GIVE UP SHOPPING IN PHYSICAL STORES - PREFERRING INSTEAD TO FIND A BALANCE BETWEEN PHYSICAL AND DIGITAL SHOPPING THAT SUITS THEIR LIFESTYLE.

To maintain consumer credibility, physical retail locations need to adapt by building better links between online and offline touchpoints. For fashion, footwear and luxury shoppers in particular, this will be a welcome future, as these consumers are very receptive to solutions that improve the physical retail experience.

Experience and convenience are two vital deliverables in modern retail. Digital touchpoints can help deliver this for your consumer. Recent findings reveal that consumers say they would be more likely to visit physical stores if they could benefit from digital services and experiences.

The time is right to embrace digital tools, the global pandemic accelerated consumer adoption and comfort levels when using digital touchpoints in retail - and the retailers that are investing in this area are seeing the benefit.



**“INTEGRATING
DIGITAL SOLUTIONS
ADDS VALUE.”**

1. CONSUMER FIRST

BRAND CONNECTION.



SUCCESSFUL RETAILERS BUILD AND MAINTAIN A LOYAL RELATIONSHIP WITH THEIR CONSUMER, OFTEN BUILT UP OVER YEARS (OR EVEN DECADES) OF CONSISTENT CONSUMER RELEVANCE AND BRAND DESIRE - PRODUCT PROPOSITION, RANGE, PRICE, STYLE, AND FUNCTION HAVE ALWAYS BEEN IMPORTANT FACTORS FOR A CONSUMER WHEN SHOPPING WITH A BRAND.

Emotion has always been a key driver behind purchasing, but the combination of social media and ecommerce allowing users easier access to new brands and experiences, creating that emotive, connected, brand experience has become more visible.

We've highlighted 4 factors that are vitally important to deliver in physical retail.

EXPERIENCE

An engaging experience that helps consumers connect with the products and the brand helps grow their loyalty as well as increase repeat sales.

PERSONALISATION

Consumers are frequently expecting to have a personalised experience in online, but with digital touchpoints, these can be brought in store as well. From loyalty apps and individual offers, to in store QR codes and options for purchase, the opportunities can be as personalised as fits.

COMMUNITY

Being able to share, communicate or research on products and brands isn't just limited to online. Seeing where online community can cross over into in-store experiences is crucial.

FUNCTION & EFFICIENCY

Far from simple click and collect options, now there are range extension options, payment and delivery options so a customer can really find what they want, when they want it.

These factors can be delivered with greater impact and efficiency through digital touchpoints and connected mobile apps when considered against the full customer experience.

1. CONSUMER FIRST

THE 'EXPERIENTIAL' RETAIL SPACE.

MODERN CONSUMERS ARE MORE DISCERNING AND INFORMED THAN EVER BEFORE. THEY'RE EXPECTING A WIDER RANGE OF EXPERIENCES THAT BLEND RETAIL, MUSIC, DINING, AND ENTERTAINMENT.

A recent study by Eventbrite, found that 72% of millennials prefer to spend their money on experiences, not stuff. Equally, consumers are making more informed choices about who they're buying from, and in a busy marketplace, brand purpose, and customer experience can stand out.

Stores are a showcase for your brand, an 'In Real Life' media channel to engage and excite your consumer, supporting the brand values extolled through social media content and presented on ecommerce platforms.

Having the right digital tools in physical retail can help the consumer find a balance between online and offline shopping that suits their needs.

Recent research shows that millennials are the most brand-loyal generation primarily due to their habitual use of social media. These consumers aren't influenced by adverts or what brands say about themselves, rather by authenticity and connection, which is derived from experience.

This is big opportunity for retailers to draw consumers into their brand story using digital tools, deliver a remarkable brand and product experience, and establish relationships with consumers across multiple buying channels.



1. CONSUMER FIRST

SELLING THE 'EXPERIENCE'

**CONSUMERS ARE HUMANS,
AND HUMANS THRIVE WHEN THEY
FEEL PART OF A CLOSE COMMUNITY.**

One brand that has mastered this concept is adidas; its Runtastic app creates personalised experiences and motivation for its global fitness community by delivering millions of personalised messages online every day. Rather than just selling shoes, adidas is selling an experience that connects customers to a like-minded community that can motivate people to lead healthier lives.

Let's not forget the newer brands that don't have a physical retail presence at all - selling exclusively online, but have built huge communities, using social media to build and scale their business model. Some of these brands are starting to make moves into physical retail. Gymshark was arguably the most high-profile lifestyle and fitness brand not to have a physical retail presence - until last year.

Their flagship store in Regent Street, London has been designed to bring the brand to life, creating not just a retail space, but an interactive experience, offering work out spaces, changing rooms, a juice bar, and the ability to transform the retail space into a fully functional gym. Their focus on the customer experience is key - from a space to test out the product when trying it on in a fitness space, to their mannequins based on real people.

Gymshark have had the unique opportunity to bring their brand to life with a 100% new retail concept putting their community at the heart of the store, not tainted by an aged retail concept. This is big opportunity for retailers to draw consumers into their brand story using digital tools, deliver a remarkable brand and product experience, and establish relationships with consumers across multiple buying channels.

**GYMSHARK HAVE RECENTLY
MADE THE MOVE TO OPEN
THEIR FIRST PHYSICAL
RETAIL STORE -
TO THE DELIGHT OF
THEIR FOLLOWERS**



 **evoke®**

1. CONSUMER FIRST

LOYALTY.

TYPICALLY, CUSTOMERS ARE USUALLY IDENTIFIED WHEN LEAVING A STORE THROUGH PAYMENT ACTIVITY AT THE CHECKOUT. BUT WHAT IF YOU CAN IDENTIFY YOUR CONSUMER AS THEY ENTER THE STORE?

This would open up huge opportunity to engage and personalise their shopper journey, and if a consumer is happy to 'opt-in' to this functionality, they can benefit from personalised offers and discounts and tailored in-store experiences - helping the retailer maximise conversion rate.

In the last year, Amazon have pioneered 'Just Walk Out Technology' in their Amazon Fresh stores and have now opened 15 outlets in the UK and many more in the US. The success of this concept relies on a customer identifying themselves at an entrance barrier at the front of the store, by scanning a QR code generated by their Amazon Prime app.

Amazon have already made their 'Just Walk Out Technology' available to the convenience retailers - a global marketplace expected to be worth \$385 Billion* by the end of 2025.

Moving away from grocery, Amazon are also trialing Amazon Fashion stores in the U.S using a similar concept of identification and personalisation, giving the consumer a fashion shopping experience like no other - a potential game-changer for retail.

SOURCE: Juniper Research, Technology Adoption Report ©2022

1. CONSUMER FIRST

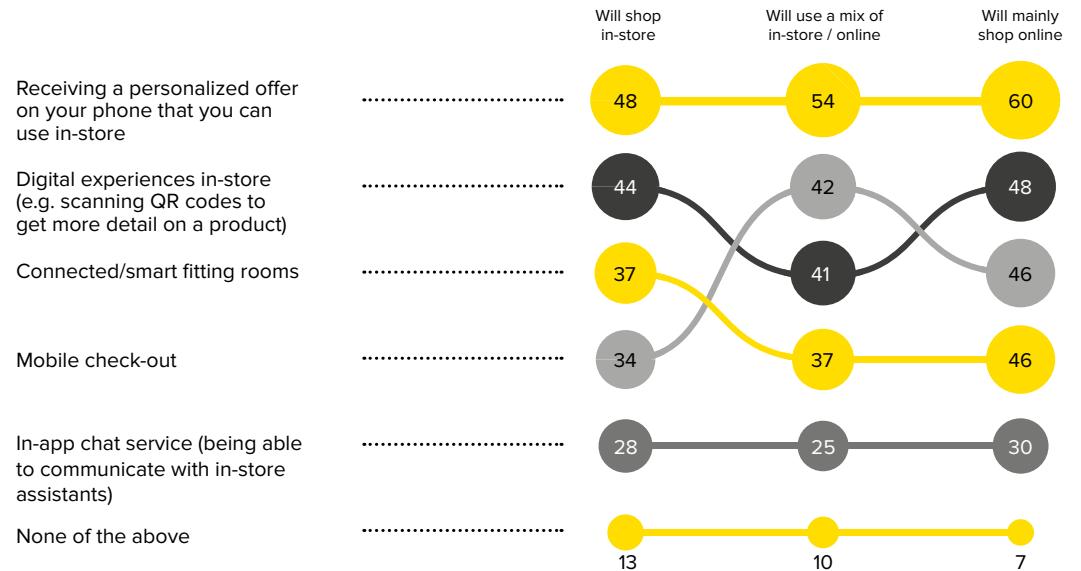
DRIVING REVENUE FROM NEW FORMATS.

Creating a personalised, community focused shopping experience, that connects your online with your offline is a great way to make an impact on consumers, but it doesn't end there. Physical retail remains one of the most important channels for retailers, and function shouldn't be ignored.

Stores can no longer operate as a single transactional touchpoint, they need to function differently and offer a wider range of services and purpose, to establish connected functionality with the consumers shopping needs, to transform these engaged consumers into loyal customers.

In the last decade, digital transformation was about how stores could compete with e-commerce, by creating greater visual impact and ease of shop. This next phase of digital transformation needs to focus on the seamless integration of a digital framework, that upholds the relevance of shopping in physical retail, focusing on experience, personalisation, community and letting your customer transact in the way they want to transact, when they want to transact.

% OF CONSUMERS IN EACH GROUP WHO SAY THESE DIGITAL SERVICES WOULD INCREASE THEIR LIKELIHOOD OF VISITING A PHYSICAL RETAIL STORE



SOURCE: GWI & Avery Dennison - Digital Consumer Behaviour ©2021

CONSUMER TRENDS.

OFF LINE VS ON LINE

TRADITIONALLY, RETAILERS HAVE DISCUSSED ONLINE COMMERCE VS OFFLINE COMMERCE, AND WEBSITE ECOMMERCE VS MOBILE ECOMMERCE.

The Goal of a connected retail experience is fundamentally to connect all of the ways and channels to create a seamless experience that is convenient and personalised to the customer. Creating this experience allows you to build loyalty, and engagement, fundamentally helping your customer browse, shop and collect with retailers that is fundamentally profitable.

A recent study by Eventbrite, found that 72% of millennials prefer to spend their money on experiences, not stuff.

Equally, consumers are making more informed choices about who they're buying from, and in a busy marketplace, brand purpose, and customer experience can stand out.

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2. CONSUMER TRENDS

INFLUENCING A NEW GENERATION

A RECENT STUDY HAS STATED THAT 92% OF GEN Z ADULTS AGED BETWEEN 18 AND 25-YEARS OLD HAVE BOUGHT AN ITEM AT THE RECOMMENDATION OF SOCIAL MEDIA INFLUENCERS.

For brands who cater to this demographic, it's clear that live selling can help them build genuine a relationship with the consumer, increasing loyalty and trust. Connecting the customer and store staff via their mobile devices is key to this, providing staff members the ability to send new collections or items via push notifications through to connection and purchase journeys.

Overall, these approaches to selling can offer significant benefits for brands, including increased sales, improved customer engagement and loyalty, and a more memorable and enjoyable customer experience.

As such, they are likely to continue to grow in popularity in the coming years, particularly as ecommerce becomes increasingly important for businesses around the world.

SOURCE: GWI & Avery Dennison - Digital Consumer Behaviour ©2021



2. CONSUMER TRENDS

LIVE SELLING

LIVE SELLING, ALSO KNOWN AS LIVE COMMERCE OR LIVE STREAMING SHOPPING, IS A TYPE OF E-COMMERCE WHERE BUSINESSES SELL PRODUCTS OR SERVICES IN REAL-TIME THROUGH LIVE VIDEOS ON SOCIAL MEDIA PLATFORMS OR OTHER ONLINE CHANNELS.

During a live selling session, the seller broadcasts a live video that showcases the products they are selling, and viewers can interact with the seller in real-time through comments or chats. Viewers can ask questions, request product demonstrations, and can even place orders directly through the live stream.

Live selling has become increasingly popular in recent years - mainly driven by the Covid-19 pandemic.

Globally, the live-selling marketplace is a multibillion-dollar industry, and growing at a pace, as more businesses use live selling, to connect with their consumer and drive sales.

The direct and interactive approach of live selling is particularly effective within the cosmetics sector, where customers may have specific questions or concerns about products. Brand advocates can provide a uniquely personal touch, engaging with customers in a way that is different from traditional influencers. By putting people who love the brand and know the products and services well in front of customers, brands can build stronger relationships and increase customer satisfaction.



2. CONSUMER TRENDS

SQUAD SHOPPING

SQUAD SHOPPING AND GROUP BUYING ARE INNOVATIVE WAYS FOR BRANDS AND RETAILERS TO CREATE A SOCIAL SHOPPING EXPERIENCE FOR CUSTOMERS WHO PREFER TO SHOP ONLINE.

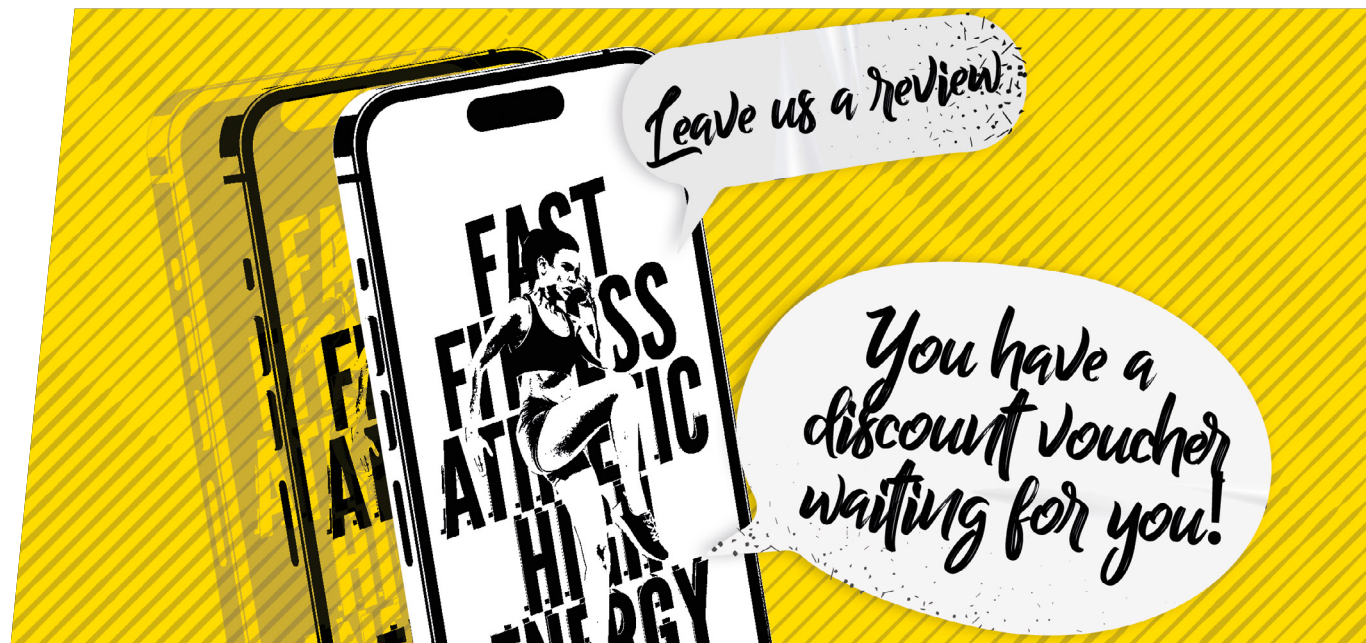
Squad shopping allows shoppers to share their shopping experience with friends in real-time, without being in the same store, which allows some of the benefits that come with physical retail stores, but creating a more personalised and engaging experience.

Group buying is a collective purchasing model that offers discounts on products and services to groups of people who pool their purchasing power. This model not only offers cost savings but also creates a sense of community among shoppers who share similar interests and preferences.

Both squad shopping and group buying provide retailers with an opportunity to engage customers in a more interactive way and differentiate themselves from their competitors and also benefits the brand commercially.

CLIENTELING

Clienteling is a technique used by retail sales associates, particularly in the luxury goods sector, to establish long-term relationships with customers based on their preferences, behaviours, and purchases. The offer of early updates on new stock or offers, with the knowledge of preferences creates a personal relationship between the sales associate, the brand and the customer.



This can be enhanced with data and digital touchpoints to delight the customer as well as collect data that can help brands understand their shopper on a much more detailed level. Equally, outside of the luxury space, giving sales associates the technology that can empower staff with real-time information, self-directed clienteling refers to customer-facing apps that enable brick-and-mortar retailers to push highly relevant offers and messages to shoppers the minute they walk through the door.

Customers use a brand's mobile app in-store for several reasons, including redeeming in-store discounts, comparing prices, viewing product ratings/ reviews, and in-store navigation. This provides brands with a unique way to engage their customers on a highly personal level.

Clienteling gives brands an opportunity to engage with customers, in ways that will increase the average transaction value of each store visit, giving sales associates the power to identify the most loyal customers and target the servicing of those customers with offers, based on a complete understanding of the customers past purchase history, preferences, wants and needs.

**COMMERCIAL
OPPORTUNITIES.**

3. COMMERCIAL OPPORTUNITIES

IS THE RETAIL STORE DEAD

RETAILERS GRAPPLING TO UNDERSTAND A POST-PANDEMIC REALITY OFTEN COME BACK TO A FUNDAMENTAL QUESTION: WHAT WILL BE THE BALANCE OF IN-STORE VS. ONLINE SHOPPING IN THE FUTURE?

In a study of fashion shoppers, our insight data captured behavioural insight into how they typically shopped for apparel and accessories, as well as how they expected to shop for these items in a post pandemic marketplace.

One of the key insights we found was that, despite a huge movement toward online shopping, in-store purchases in categories like clothing, shoes, and accessories (jewellery, handbags, etc.) remained quite strong. In certain markets, notably France, consumers reported buying more of these types of products in-store vs. online recently.

What's also clear from the data is that fashion buyers gravitate toward a mix of online and in-store; using one channel doesn't lead to the exclusion of the other. For example, while 85% of U.S. consumers surveyed said they had purchased fashion items in-store, only 15% reported they had purchased items in-store only. Similarly, while 96% of Chinese buyers were purchasing goods online, just 19% said they did so exclusively online.

3. COMMERCIAL OPPORTUNITIES

THE ROLE OF INSTORE

TO REMAIN RELEVANT IN THE CHANGING ENVIRONMENT, PHYSICAL RETAIL LOCATIONS NEED TO ADAPT BY BUILDING BETTER LINKS BETWEEN ONLINE AND OFFLINE TOUCHPOINTS.

Omni-channel retail is not new; but, since the pandemic, online channels have taken on new meaning in the shopping journey, especially among countries and demographics where the biggest shifts toward digital have happened.

Now is the time to reimagine omni-channel, where elements of the physical storefront connect to the online discovery, purchase, and advocacy experiences in new ways facilitated by technology.

The data has identified that fashion buyers are very receptive to solutions that improve the physical retail experience. Shoppers indicate that they want the physical retail experience to be improved through convenient, frictionless payment and delivery options. Three-quarters of fashion shoppers want retailers to offer up more solutions, with self check-out (32%), curb side pickup (26%), and mobile

IMPROVING EXPERIENCE

% OF CONSUMERS WHO SAY THEY WANT STORES AND RETAILERS TO OFFER THE FOLLOWING

Self Checkout

32%

Curbside Pick-up

26%

Paying with multiple payment services

22%

Click & Collect

21%

QR Codes In Store

17%

Being Able To Try Clothes On Digitally

16%

Being able to buy products directly through social media

14%

Livestream shopping events

9%

None Of These

26%

SOURCE: GWI & Avery Dennison - Digital Consumer Behaviour ©2021

3. COMMERCIAL OPPORTUNITIES

BALANCING INSTORE WITH ONLINE INVESTMENT

DURING THE PANDEMIC, MANY FASHION RETAILERS ENCOUNTERED LOGISTICAL CHALLENGES WHEN RECONCILING FULFILMENT BETWEEN ONLINE AND IN-STORE ORDERS, THIS CREATED A CLEAR PICTURE OF HOW PREVALENT OMNI-CHANNEL SHOPPING WILL BE LOOKING AHEAD.

Digital ID technologies and smart labelling of apparel and footwear are being used by innovative retailer to gain greater visibility and inventory accuracy.

Alongside this demand for fulfilment on the consumer's terms is a desire for more digital touchpoints within the store itself, especially among younger age groups.

Between one-fifth and one-quarter of 16-44s in these countries say QR codes in-store providing product information or payment would improve the retail experience.

This stands in contrast to older groups who place more emphasis on getting in and out of the store as quickly and safely as possible, particularly through frictionless in-store options like self-checkouts.



3. COMMERCIAL OPPORTUNITIES

OPPORTUNITIES FOR DIGITAL CONSUMER ENGAGEMENT

TECHNOLOGY BENEFITS ALL STAKEHOLDERS FROM IN-STORE TO POST-PURCHASE. HOW SUCCESSFULLY THESE RETAIL IMPROVEMENTS ARE IMPLEMENTED DEPENDS ON THE VERSATILITY OF THE TECHNOLOGY BEHIND THEM.

Whether it's frictionless touchpoints improving the in-store experience, or digital labels for consumer interaction post-purchase, technology solutions like qr codes, rfid, or nfc can add value for every stakeholder in the product's lifecycle.

This is not just hypothetical, the benefits brought by this technology are important drivers of in-store footfall according to fashion consumers themselves.

Over half of global shoppers surveyed said that receiving a personalised offer on their phone that they can use in-store would increase their likelihood of visiting a physical shop.

Similarly, 44% said the same thing about digital experiences in-store (such as the ability to scan a QR code for product information), and 40% said that connected/smart fitting rooms would motivate them to visit.

Only 9% of shoppers were apathetic to these types of technology solutions, indicating the mass appeal that retailers can likely expect if they were to integrate more of these solutions into their infrastructure. Looking at the results between fashion buyers who plan to shop differently following the pandemic provides some additional insight.

It's those who plan to shop mainly online that are most receptive to technology solutions that might drive them in-store. For example, 60% of predominantly online shoppers are interested in personalised mobile offers to drive them in-store vs. 48% of those who planned to mostly shop in-store to begin with.

The key message here is somewhat ironic; digitally enabled store experiences might have the most impact among the very people who physical retailers are most at risk of losing due to the pandemic. Brands and retailers must meet their customers online even if they want to get them offline.



32%
OF CONSUMERS
WANT MORE SELF
CHECKOUTS

21%
OF CONSUMERS
USE CLICK & COLLECT

3. COMMERCIAL OPPORTUNITIES

DIGITALLY INTERACTIVE TOOLS

COMFORT LEVELS WITH THE TECHNOLOGY BEHIND THESE DIGITAL TOUCHPOINTS HAVE VASTLY IMPROVED THANKS TO THE PANDEMIC. OVER THE COURSE OF 2020, FOR EXAMPLE, MONTHLY USAGE OF QR CODES ROSE BY AS MUCH AS 50% IN THE UK AND BY NEARLY 20% IN THE U.S. MOBILE PAYMENT USAGE ALSO BECAME MORE POPULAR, RISING BY 13% IN THE U.S.

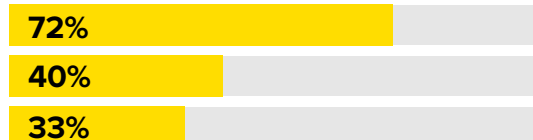
This helps explain why around 40% of fashion shoppers in these countries say they feel more comfortable using QR codes since the pandemic, with a similar proportion believing triggers like QR codes and NFC taps are easy ways of opening digital experiences.

ATTITUDES TOWARDS DIGITAL TRIGGERS % OF SHOPPERS WHO SAY THE FOLLOWING

I feel more comfortable using QR codes since COVID-19



Digital triggers are an easy desirable way of opening digital experiences

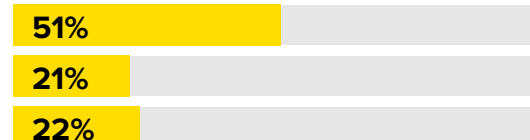


A device tapping motion would be a more desirable way to open digital experiences than a scanning motion



USAGE OF DIGITAL TRIGGERS % OF SHOPPERS WHO SAY THE FOLLOWING

Regularly/often use digital triggers



Likely to use a digital trigger for rewarding experiences



SOURCE: GWI & Avery Dennison - Digital Consumer Behaviour ©2021

60%
OF ONLINE SHOPPERS
ARE INTERESTED IN
PERSONALISED MOBILE OFFERS

**MORE THAN
50%**
OF CONSUMERS
SAID A PERSONALISED
OFFER SENT TO THEIR PHONE
WOULD INCREASE THE
LIKELIHOOD OF VISITING
A PHYSICAL STORE



CONCLUSION.

Understanding the rapid changes in technology as well as consumer appetites can be difficult, but they are changing and there is advantage in understanding the opportunities.

We can safely say that in-store experiences aren't going away and that consumers are looking for flexibility. Equally, not all consumers are created the same and simply investing in technology because it's available is also not quite the right approach. You have to understand what is driving your customer and build individual experiences based on their preferences. However when you do that creating a personalised experience that builds brand loyalty whilst also promoting convenience can be absolutely crucial when you're building a profitable business.

WE ARE EVOKE.

We have developed a range of digital solutions that transform consumer touchpoints, allowing brands and retailers to engage with their consumer more effectively, helping them deliver brand comms objectives or operational efficiencies.

From powerful digital signage to the latest in interactive displays and self-service kiosks, our retail solutions provide the most immersive experience possible for consumers of all ages.

All our hardware is proudly produced in the U.K in our factory in Liverpool.

We work with some of the biggest brands, delivering best in class digital solutions, that create impact and maximise conversion.