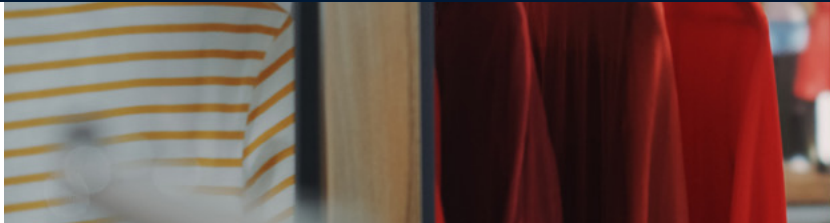
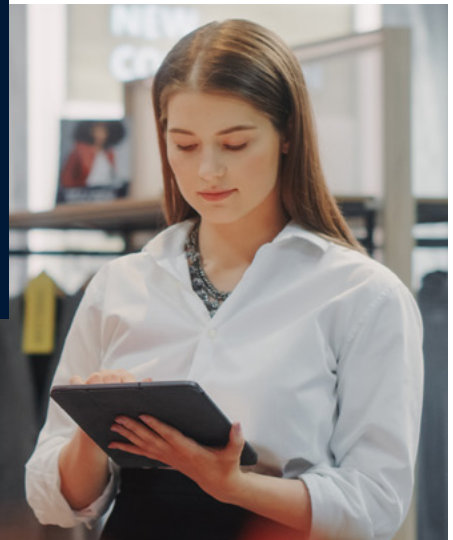


DESIGNING A CONNECTED STORE JOURNEY:

HOW RFID, IOT AND DIGITAL
TECH ARE BRINGING BRICK-
AND-MORTAR PERFORMANCE
TO NEW HEIGHTS

retail
TouchPoints®
SPECIAL REPORT



SPONSORED BY

STRATACACHE



INTRODUCTION

The big ecommerce boost of the past **two** to **three** years forced retailers that had previously underinvested in their digital experiences to quickly shift resources into online and mobile initiatives. But now that the pandemic has abated somewhat, omnichannel retailers are eager to lure shoppers back into their brick-and-mortar locations. Part of their challenge will be creating connections between their newly enhanced digital offerings and their in-store shopper journeys, in ways that speak to customers' desire for convenience, curation, personalization and strong customer service.

The good news for retailers is that they don't necessarily have to invest in cutting-edge solutions in order to effectively connect their physical and digital shopping experiences. Older technologies can provide enhanced engagement, personalization, communication and transparency, all of which have become crucial to retaining customers. For example, RFID and the broader Internet of Things (IoT) allow retailers to get granular with their observations of store traffic and customer purchase patterns, as well as offering the latest in connected packaging.

Expanded use of QR codes, in concert with digital signage, can both educate shoppers and provide retailers with valuable data about merchandising and customer behaviors. Gaining these granular insights will allow retailers to create even more connected store journeys, designed to enrich the consumer experience and drive loyalty through pre-purchase awareness through research, transactions and even to post-purchase contact.

IDENTIFYING CUSTOMERS' STORE JOURNEY EXPECTATIONS

In the fifth edition of the [State of the Connected Customer](#) report, released May 10, 2022, [Salesforce](#) shared insights from **13,020 consumers** and **3,916 business buyers** from around the globe.

88% of customers felt the experience businesses provide is as important as their products and services — an increase from **80%** in 2020.



80% → 88%

Amid uncertain times, **88%** of customers said that trust increases in importance during periods of change, with an increase in consumer trust of companies to **52%** from **48%** in 2020.



48% → 52%

To ensure that companies are leveraging data in ways that will allow them to gain valuable consumer insights while also earning shoppers' trust, Kelly Thacker, SVP of Product Marketing, Commerce Cloud and CMO of Retail and Consumer Goods for Salesforce, recommended retailers ask themselves:

- How am I helping to bridge physical and digital experiences?
- How am I unlocking transparency and trust in ways that customers really expect?
- How fast can I deliver?

"If I'm at [Nordstrom](#) and I don't see the shoe I want, I can go online to the mobile app and get that experience or the associate can come to me and he or she can ask me what my name is — all of a sudden they have that rich customer 360 profile," said Thacker in an interview with *Retail TouchPoints*. "They could then know exactly what shoe size I am, what preferences I want, and they could deliver an even better experience. **They can make sure the loyalty program in my app also connects to the physical experience they have at checkout.**"

Aligning the journeys consumers experience digitally and physically requires creating paths that allow customers to move easily between these **two** experiences, and also learning from this aligned path. Utilizing digital tools in-store to educate customers about products on the shelves establishes trust with consumers while creating ease and greater confidence in their purchases.

"The adoption of QR codes was high during the pandemic, accelerating our ability to use those as interesting solutions where they could provide further product information," said Rob Avery, VP of Professional Services at [STRATACACHE](#). "It could be a takeaway if, for example, **I'm looking at a very high-end product and I like it, and maybe the digital signage experience has given me a ton of information, but I want to take it back to my spouse and talk about it.**"

At the core of any of these initiatives must be a sense of remaining authentic. Regardless of the amount of technology a retailer incorporates into its store journey, these features must fortify the relationships retailers have with their customers — not drive them apart. With digital upgrades to the in-store journey, retailers must rely on authenticity, noted Christine Sturch, Principal of Special Projects and Design Manager for **Whole Foods Market's** global team.

"It can't just be in there for trend, and it has to be truly authentic — you can't really measure that, but you can feel it," Sturch said in an interview with *Retail TouchPoints*. "That really is **No. 1** because you can really feel when a brand is trying hard to be cool and hip, or relate to a consumer category or group or demographic, and it feels forced. **It has to feel grassroots or organic, and that's really where it shines.** You just get a sense that it was designed correctly for the consumers and it feels like a comfortable shopping experience."





DATA TRANSPARENCY CRUCIAL FOR CONSUMER TRUST IN CONNECTED JOURNEYS

Q&A with Rob Avery, VP of Professional Services, STRATACACHE

Retail TouchPoints (RTP): What are the most important connected store trends for retailers to focus on?

Rob Avery: Personalization has been around for a long time. With technology, loyalty apps, computer vision and everything from license plate readers to facial recognition, all the IoT features that we can offer know who you are while you're there.

How can you make the experience as seamless as possible? Through personalization, which dovetails into buy online, pick up in-store, I can use that kind of concierge or white glove experience. People are going to continually expect that.

RTP: What challenges have retailers faced regarding designing a connected store journey?

Avery: A lot of the same challenges faced by my team as we focus on creative and development with a heavy focus on UX — many retailers face the same things when they're trying to understand the customer and work backwards. By leading with UX, we try to understand the personas that we're helping solve problems for. [Using] first- and third-party data, retailers understand what customer activity was like online and mapping that to what's happening in the store. There's definitely a gap there. And if we give transparency into why we're collecting data as we're building up these solutions, customers will be a lot more accepting of it.

RTP: What are some of the most useful solutions in connected store design that retailers have embraced?

Avery: Sometimes it's simple. Sometimes it's complex. We have hardware that is an embedded player with a screen on **23-inch** or **47-inch** shelf-edge displays, and it's great when used in conjunction with buy online, pick up in-store. During wintertime, if my order is ready and I pull into a special parking spot, it would be great if an outdoor board showed me where I am in the queue and when my stuff will be ready so I don't have to get out of the car. It's that transparency for the end user customer, or even the back of house staff.

Using QR codes that allow the customer to change content they're seeing on screen are useful. We're trying to make sure to deliver a similar in-store experience that is comparable to the experience and expectation a customer has when using **Amazon** or a brand's site reviews, videos or product information. In-store, rather than having to get out my phone and start researching, how great would it be if that information were at my fingertips?

RTP: How has IoT facilitated the development of connected store design?

Avery: A customer came to us when sales were dipping among a certain product for which they were once the **No. 2** seller in the region. This business wanted to examine user behavior after rolling out a new planogram and had a hypothesis about customer behavior. We used heat maps along with the door counter. The client had a native app so we were able to do some Bluetooth stuff. But we wanted to see all customers, not just somebody with a loyalty app. We relied on **three** stereoscopic cameras that showed the hypothesis was wrong. We developed a new planogram and the company went from approximately **30,000 units** a year per store to **70,000**, and ended up becoming the **No. 1** seller of the product. It's IoT but it's relatively simple.

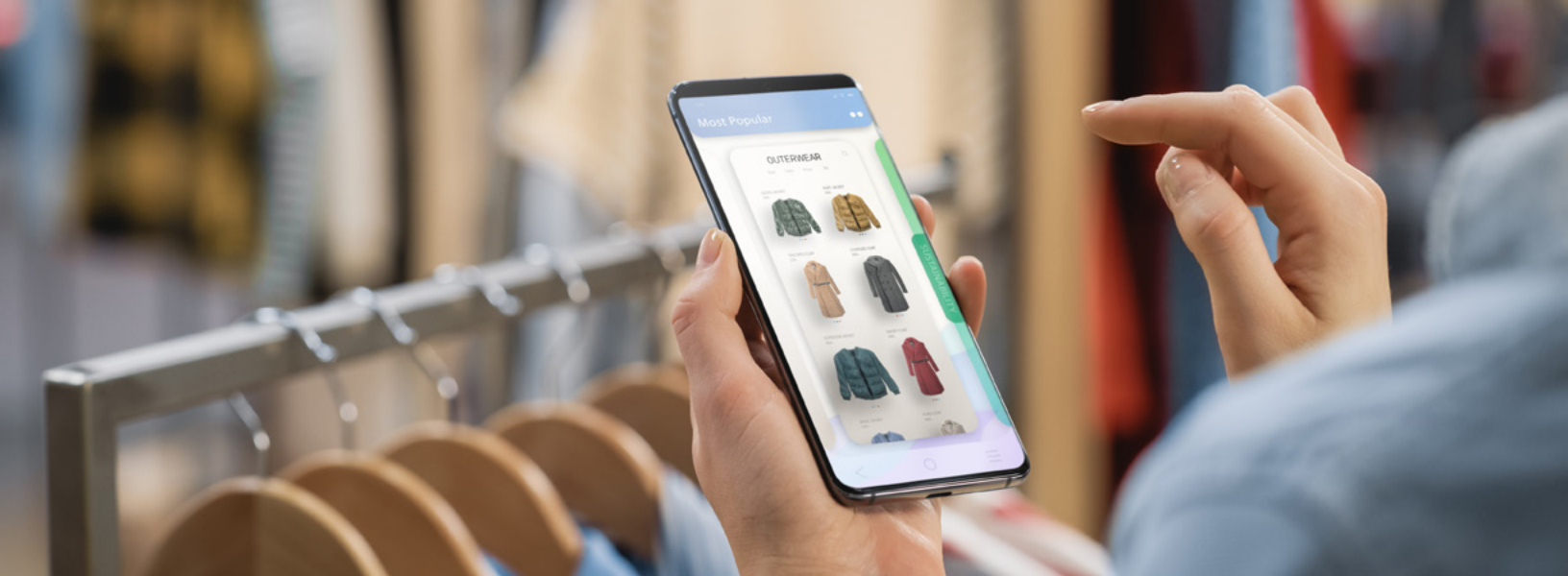
Other customers go toward the other end of the spectrum. Another retail customer in Thailand wanted an SDK (software development kit) and a native app. They have a geofence and we used an IoT device embedded in parking spaces. When customers showed up, through the native app, they said 'I'm here.' The brand wanted a tight turnaround for the customer.

RTP: In what ways have interactive digital signage and kiosks enhanced the customer experience?

Avery: Having UX at the core of the tech we're building creates that North Star. How do you make the experience fun? How do you make the store different than online? Give people a reason to come.

Leaning into kiosks, enhancing the customer experience, we're now showing how we can do personalization where people would scan loyalty app badges. If you're a large retailer, you're scanning loyalty information but we don't want to be creepy about it. You've given us information that helps with personalization. It's going to bring users back to the seamless fun, novelty and delight all day that is different from shopping online.





CONSUMERS REMAIN IN THE DRIVER'S SEAT

When considering how to develop a connected consumer journey, retailers must always keep in mind that their customers are driving the experience. Retailers can track what consumers want and need from their store journeys via features within retailer mobile apps, digital signage, geolocation and connected packaging — and even from some unexpected sources.

At navigation technology firm **Waze**, the company has expanded beyond guiding drivers to their destinations to aid retailers in connecting with these consumers while they are on the road, through in-app advertising and data collection. Liz Franz, Head of Retail for Waze, revealed that the company leverages driver data from more than **140 million** monthly active users of the platform, and has found that navigations to U.S. retail locations have increased **4%** year-over-year for Q1 2022 compared to Q1 2021, including an **8.9%** hike in trips to shopping centers and an **8.8%** rise in those to department stores. Entering summer 2022, Waze data has shown an average increase in navigations to retail locations of **11%** as the app's users drive **25%** more miles than other seasons.

“Throughout the pandemic, we saw errand travel rebound more quickly than leisure, travel and even commuting; the nature of when those errand trips occurred, however, began to show more variance, with navigations spreading into working hours versus being more isolated to nights and weekends,” Franz said in an interview with *Retail TouchPoints*. “Waze understands how people move, which makes it incredibly useful to retailers as they look to reach new customers. With these types of insights in mind, Waze can work with retailers to locate where their customers are going to be and effectively reach them with contextually relevant messaging.”

Preliminary stages of customer journey mapping provide valuable opportunities for retailers to create enriching experiences for their customers. For retailers that are planning strategies, this is only the beginning of meeting consumers on a connected store journey.

“Stores can be integrated in new ways, thanks to internet-connected devices,” said Scott Schoeneberger, Managing Partner at design-focused technology firm **Bluewater** in an interview with *Retail TouchPoints*. “When all these devices work in concert, navigating the store feels like a homogeneous experience rather than a series of discrete steps. When used smartly, connected devices make stores more immersive and accommodating. Retailers can use data from their technology to identify trends and fill in gaps.”

CONNECTING THE DIGITAL DOTS TO ENHANCE A PHYSICAL STORE

As retailers consider how they want to align their digital components with brick-and-mortar experiences, encouraging collaboration among different departments is crucial. The 2022 *Retail TouchPoints* Benchmark Survey, **Connectivity, Community and Collaboration: Inside the New Era of Store Design**, revealed that design teams are engaging in more frequent collaboration with their marketing and IT colleagues in addition to co-workers in other fields.

This all-hands-on-deck approach allows retailers to cultivate more well-rounded approaches to consumer journey development. The use of IoT tools such as digital signage, RFID-enabled products and tags as well as QR codes allow retailers to better understand the pain points felt by customers and provide solutions, according to Cameron Worth, Founder and CEO of digital marketing agency **SharpEnd**.



“If you look at the work that we’ve done with **Levi’s**, we created a whole in-store donation system across Europe, where you can bring your old denim into the store, you can put it through a recycling station and build out this interactive experience that delivers credit directly to your Levi’s app, and then you’re allowed to go and make further purchases. **So that’s really being very respectful of what the role is of the technology in-store, which is to drive conversion.**”

— Cameron Worth, SharpEnd

Retailers are being tasked with constantly creating new methods that provide experiences consumers are unable to find elsewhere. Additionally, innovation must also support store staff as they become empowered to forge connections with customers, learning their needs and solving their challenges through first-class service.

“The future of retail is a continuum of multilayered digital environments in which invisible streams of data — collected and analyzed by devices, sensors and AI — drive personalized experiences to enhance shopping for customers while optimizing operations for the retailer,” said Leslie Hand, Group Vice President of **IDC Retail Insights** in an interview with *Retail TouchPoints*. “These digital experiences are omni-locational, crossing over traditional concepts of brick-and-mortar and ecommerce, and require a robust, modernized infrastructure that ensures connectivity of the customer, the merchandise, the store and the employees.”



LEARN MORE...

STRATACACHE

STRATACACHE provides a full scope of consumer engagement technology and services to the world's largest restaurant, retail, brand and service companies. STRATACACHE's digital solutions use smart digital displays, advanced sensors and cutting-edge artificial intelligence to customize the guest experience, enhancing profitability, customer satisfaction and speed of service. With more than three million digital displays operating in 28 countries, STRATACACHE is the global leader in advanced retail marketing technology.

800.244.8915

team@stratacache.com



retail TouchPoints®

Retail TouchPoints and *design:retail* give all members of the retail world access to a vibrant community that combines insights, inspiration and opportunities to interact with their peers. We sit at the intersection of the art and science of retail strategy, providing granular data, high-value commentary, and aspirational success stories to help readers optimize customer experiences across all channels. Touching all facets of the retail ecosystem, including store experience and design, workforce management, digital marketing and engagement, and omnichannel optimization, our editorial content, multi-media resources and events take timely news and trends and transform them into tactical takeaways that meet the unique needs and priorities of our executive readers.

201.257.8528

info@retailtouchpoints.com



ABOUT THE AUTHOR

Dorothy Crouch, Senior Editor

Dorothy covers the retail industry at large with a focus on design in store and as an element of omnichannel strategy.