

FUTURE STORES

TRENDS REPORT 2022





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The Future Stores conference resumed in person in Seattle after a 3-year hiatus due to the pandemic. A gathering of retail executives in operation, design, digital and technology took to the stage to share how they are integrating a hybrid approach to their instore experience by balancing high tech with high touch. From the conference, two trends emerged to the forefront as essentials in creating the next generation of store experiences.

TREATING STORE ASSOCIATES LIKE CUSTOMERS - "Build for them and with them."

The conference dedicated one track to the store associate experience – but the topic spilled into every facet of the event with retailers highlighting their focus on store associates in nearly every session.

As stores reopened after the pandemic, the associate became the #1 customer for many retailers. Associates needed to feel safe in these physical locations, and they also had 20-30% more work – in addition to cleaning and queue management, retail associates now supported BOPIS orders and curbside pickup, online returns, and greater workflow management. Retailer HQs needed to provide store teams with support and tools to help them manage this increase in workload. Most retailers talked about achieving this through automation – and determining what tasks to digitize to ensure associates can focus on "moments that matter" with customers.

By enabling associates to focus on customer relationships, retailers can rely more heavily on the frontline to inform and educate HQ on customer insights and engagement, as well as innovation and product planning. James Quill, VP Retail at Pacific Sun, uses the frontline to innovate – educating them in the broader retail strategy, and arming them with technology that shares data and insights between HQ and stores. This increases associate engagement in the brand, while enhancing the holistic view of the customer from marketing campaigns to the in-store experience.

Walgreens recognized that associates have a high expectation of the tools they used to support customers. As such, they created a panel to bring associate voices into the product development cycle, resulting in double the adoption rate of a new POS technology.

The conversation around physical and digital experiences centers – rightfully – on the customer's experience of the brand at retail. The takeaway for physical and digital is the prioritization of the voice of the associate in store design, experience planning, tools and technologies – and to keep this voice actively engaged in two-way conversations with corporate HQ. By creating connected experiences that are great for associates, we create great customer experiences.



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2. SOCIAL FUELS BRICK AND MORTAR

Retailers are embracing social in their stores, beyond "bullshit Instagram moments" – social fuels everything from associate engagement to hyper localization to inventory management.

Localized merchandising and product recommendations: RFID-tagged apparel feeds the fitting room with reviews and ratings, locally relevant trends, and sizing considerations – all driven by a combination of social, online, and in-store customer data. This data is also shared with associates who get a holistic picture of what customers in their community are saying and buying.

Extending the brick & mortar community: In-store associates are influencers and social ambassadors, and retailers such as American Eagle give them the tools and ability to broadcast from the stores. They showcase their own style and American Eagle's brand, selling to their followers and increasing sales through localized events.

Social goes beyond ratings and reviews: Retailers are looking across social for ways to feed their store experience. Retailers recognize that their customer's shopping journey often starts with an Instagram feed or Pinterest board or a move to sell something on Facebook marketplace. Other retailers see online communities of fans sprout up on social, without any brand involvement, and have sought ways to connect store ambassadors to those hubs.

Connecting social into brick and mortar stores extends beyond captivating selfie moments and unboxing videos – it is core to a two-way conversation and a key source of data to bring locally relevant moments and products to customers.









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