

Interactive retail opens the door to market growth



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Virtual reality (VR), wearables and connected technology offer unique opportunities for retailers. The development of interactive retail opportunities is opening the door to market growth and a host of new deployments. Connected homes sales, for example, are expected to reach more than \$490 billion in revenue by 2019. Growth is predicted to be much faster than smartphones or tablet devices at an annual compounded rate of 67 percent over the next five years.

Smart technology is now employed in business, health care, construction, education and more. Doctors are using smart glasses to see inside patients' veins while construction workers use them to look inside piping and walls. VR devices can train surgeons, law enforcement, the military and college students by simulating real scenarios. And connected cars and homes were a major theme at this year's International Consumer Electronics Show in Las Vegas.

While more and more retailers offer experiential retail, VR, wearables and connected products offer unique interaction that, as of yet, is nearly untapped. According to David Anzia, senior vice president of sales, Frank Mayer and Associates Inc., "The potential is endless, and that's where brick-and-mortar companies can use their imagination to drive traffic. The possibilities are absolutely limitless."

These technologies can disrupt conventional marketing by pushing consumer engagement while collecting data and driving in-store traffic. With the development of wearables like Oculus Rift, a VR head-mounted display now owned by Facebook, consumers can experience merchandise firsthand.

“Wearables and the Internet of Things (IoT) represent a major shift in personal computing experience, and the public’s fascination with their potential can be serviced at the point of sale to entertain, delight and draw traffic,” said Thomas Fowler, chief marketing officer for Recon Instruments.

Breaking the retail barrier

The price of some wearables and connected products, joined by lack of consumer awareness, has hampered widespread adoption. But interactive retail is a game-changer that can break the in-store barrier.



“Most consumers have limited experience with the IoT and wearables so the ‘magic factor’ of showcasing what is possible is sure to engage. Properly executed, the combination of the IoT, wearables and VR creates a destination experience that will bring consumers into retailers; then deliver an immersive experience that transcends traditional transactional experiences,” Fowler said.

Recon Instruments, a smart eyewear company, took on the sporting goods arena with its interactive display of Recon Jet sunglasses. In both counter and free-standing retail configurations, a video loop features an intelligent display where consumers can experience the sunglasses behind the safety of a secure glass case.

ROBO 3D, a designer and marketer of personal 3D printers, broke the in-store barrier with its interactive endcap display at Best Buy stores. The merchandiser showcased both the printer and 3D printout examples while consumers interacted with an educational video on the printing process.

However, “the cost of interactive displays will need to be closely watched,” according to Anzia.

Retailers should also ask these key questions:

- How do you create a consumer VR experience and drive ROI?
- How will the VR wearables be secured to the display with the main focus on consumer usage?
- How will consumers feel about putting on a full-headset that is worn multiple times during the day?
- How will content be uploaded and updated? And, how will the retailer monitor what is viewed on the VR headset?

But, Anzia maintains, “VR has the chance to change the retail experience. This technology may be exactly what it takes to entice consumers to shop in-store and increase traffic at brick and mortar locations.”

Retail will face other challenges in breaking the barrier such as staff training, knowledge of changing technology and “expertise to present it properly to consumers,” Fowler said. “Store

staff will need to evolve from pitching products, features, benefits and price to curating and shepherding experiences for consumers.”

Retailers will also need to create self-serve options for consumers that are independent of staff. A crucial factor is ensuring the technology is quickly and easily understood by the consumer. It's critical they understand what the demo is, how to activate it and how to experience it on their own. The requirement to make this a replicable, stable experience for every consumer, every time, will need to be addressed with great care, according to Fowler.

Connecting consumers to in-store interaction

Connected retailers can offer a host of opportunities to benefit consumers. Connected sales professionals can retrieve information about what consumers want to drive in-store traffic. Wearables present convenient payment methods throughout brick-and-mortar locations, ending long lines waiting behind a cash register. PayPal recently launched an app enabling customers to check-in at local stores and pay and view transactions via the Samsung Gear 2 Smartwatch. Wearables give consumers and retailers the chance for constant connection and continual engagement.

Toys “R” Us launched an interactive kiosk that allows shoppers to order a product if it's not available and pick it up at a later date. VR can take this one step further. Imagine a consumer wants a pair of shoes in a color that's not currently in-store. VR headgear can provide that consumer a virtual try-on with the desired color without ever having to leave the store.

“As mobile computing and gaming move into the augmented and virtual reality arenas, millions of consumers will need to ‘try before they buy’ which represents a great opportunity for the brick and mortar environment,” Fowler said. “Likewise, for companies selling products that have nothing to do with VR, the potential for these technologies to deliver fantastic product presentations is nothing short of magical. Imagine, for example, using VR to take a realistic tour of the inside of a new car or to experience what your living room would feel like with freshly painted orange walls vs. their current white.”

“VR has the ability to put the customer into the environment for which the product was intended. An example would be if a client was looking at a cherry door sample in the kitchen department at a big box retailer. They could then put on a VR headset and view the cabinets in a complete kitchen environment,” Anzia said.

In-store retailers still control between 94 and 97 percent of the market despite online retail growth, according to Harvard Business Review. Wearables, VR, and connected products now



allow brick-and-mortar the chance to up its game with innovative sales opportunities that disrupt the traditional in-store experience.

“Consumers have many options when it comes to shopping venues so delivering a magical customer experience in every environment is particularly important today.” Fowler said. “When a customer enters a brick and mortar store, they expect more than product selection; they expect an experience that they can’t get in the online shopping world. Certainly virtual reality products deliver in that regard and distinguish the brick and mortar experience from online options.”

What to watch for in 2016

Entries into the VR and wearables market are growing daily and, according to Fowler, retailers and consumers can expect to see developments in smart wrist worn products that improve efficiency for customers. The most well-known is the Apple Watch, but this category will engage traditional fashion watch brands like Tag Heuer, Fossil and others, he said.

Another area will be the connected home: “Ecosystems that drive the connected home and Internet of Things will intersect with smart eyewear and smart wrist wear. The cool factor in this ecosystem can’t be underestimated,” Fowler stated.

Of the endless possibilities, Anzia named a few that are likely to make their mark in-store, including kitchen cabinets, paints, lighting, apparel and shoes, sporting goods, fitness and educational how-to products.

“VR will allow the consumer to experience the product in so many ways. We are at the forefront of this great experiment,” he said.

About the sponsor:

Frank Mayer and Associates, Inc., based in Grafton, WI, designs, engineers, prototypes and produces retail merchandising displays, interactive programs, kiosks, store fixtures and store environments that provide competitive advantages in the retail environment by engaging the consumer with solutions that maximize client objectives and increase sales. Our in-house resources of design, engineering, production art, state-of-the art model shop/prototyping, assembly, distribution/logistics and customer service provide an environment of tightly integrated resources for complete program management from initial creative through store delivery that allows us to be flexible to program demands. For more information, please go to www.frankmayer.com.