



COVID-19: Thriving in our new normal

The Virtual Store

MAY 2020

COVID-19 has brought forth both challenges & opportunities.

It has accelerated the pace of digital transformation and changed the way consumers behave and interact with businesses.



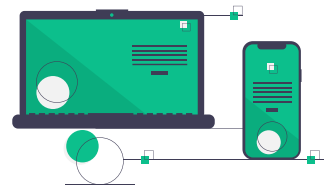
COVID-19 fuelling the digital fire

- Mass adoption of digital
- Late digital adopters have transitioned
- Retailers have rapidly moved online



Consumer expectations have shifted

- Expectation of adaption
- More and enhanced digital presence
- Increased safety measures



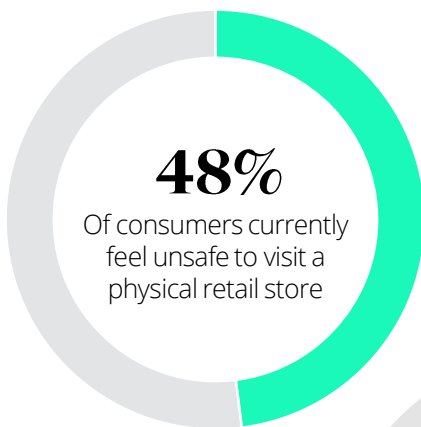
Technology has advanced

- Prior barriers have been removed
- 5G and NBN have enhanced streaming
- Ongoing advancement of eCommerce

In particular, retail has been forced to think quickly about how to best respond and adapt.



How is the interplay between personal safety and economic concerns affecting consumer spending behaviour?



Virtual technology continues to gain momentum within a retail context.

Worldwide revenues for the virtual and augmented reality (VR/AR) market will grow from US\$5.2 billion in 2016 to more than US\$162 billion in 2020. This represents a compound annual growth rate of 181.3% over the 2015-2020 forecast period.



\$1.8B

Expected to be generated by use of VR technology in retail and marketing by 2022



75%

Of the world's most valuable brands have created some form of virtual or augmented reality experience for customers or employees



80%

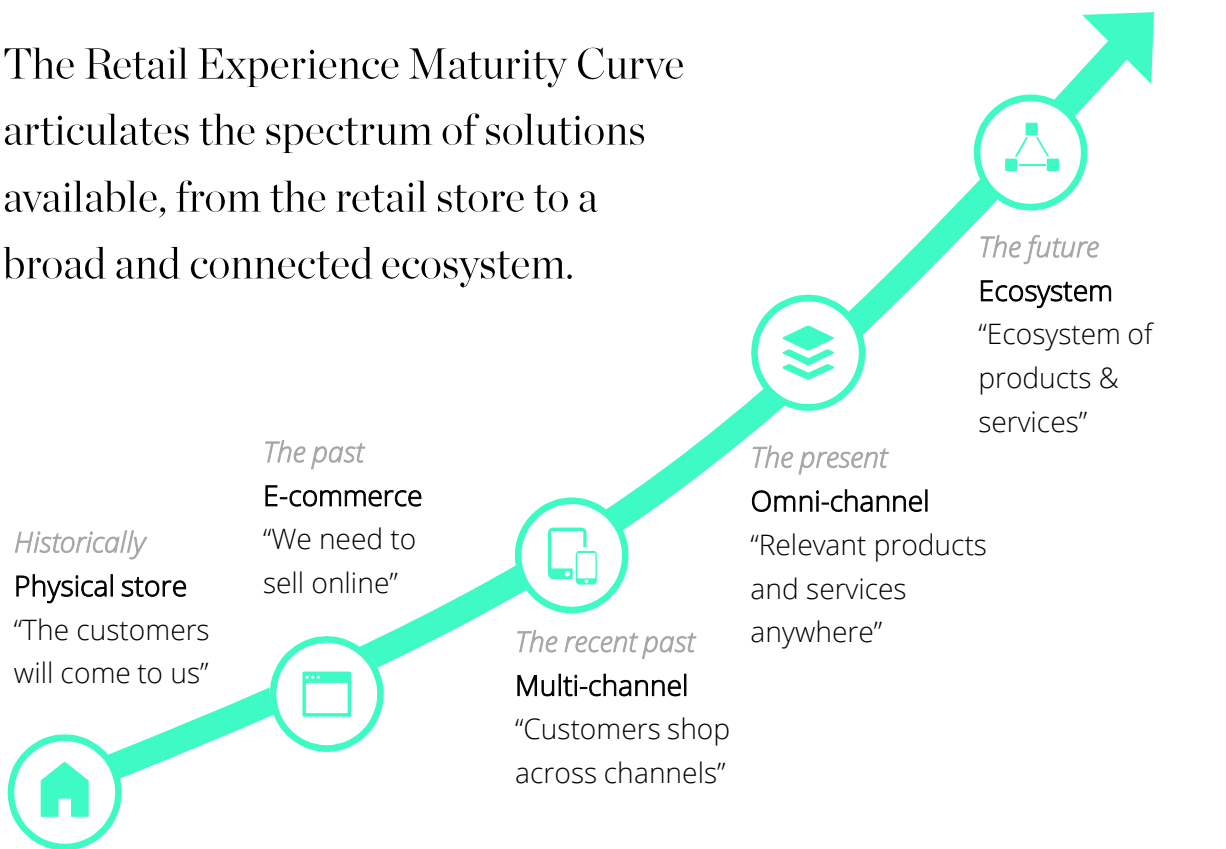
Top tech companies have already invested in AR and VR. These include Apple, Google, Microsoft, Facebook, Samsung and IBM.

How might we reimagine and transform the role and experience of the retail store in our new normal, utilising virtual technology?

Virtual tech can enrich experiences in the retail ecosystem.

A virtual store experience facilitates a richer, more natural discovery and visualisation experience through the considered application of integrated technology.

The Retail Experience Maturity Curve articulates the spectrum of solutions available, from the retail store to a broad and connected ecosystem.



RETAIL EXPERIENCE MATURITY CURVE

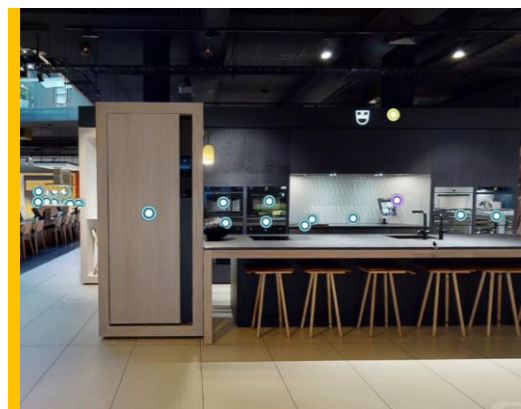
A virtual store is the digital concept of a brick and mortar store. It uses digital reality technologies and affordances to engage customers across an immersive spectrum. This spectrum ranges from partial immersion, which applies digital cues to real world contexts, to full immersion, which uses virtual reality to create expansive virtual worlds.

The Virtual Store can take on many forms.

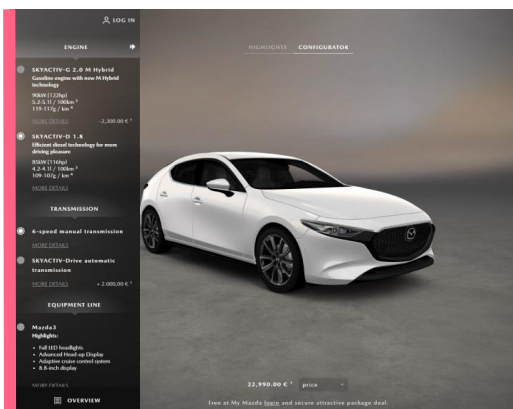
Here are four use cases, each varying in degrees of complexity



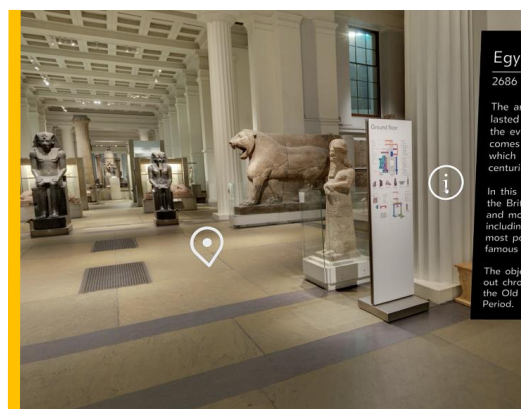
USE CASE #1: "I WANT TO TALK"
VIRTUAL CONSULTATION



USE CASE #3: "I WANT TO EXPLORE"
VIRTUAL DISCOVERY



USE CASE #2: "I WANT TO BUILD"
VIRTUAL CONFIGURATOR



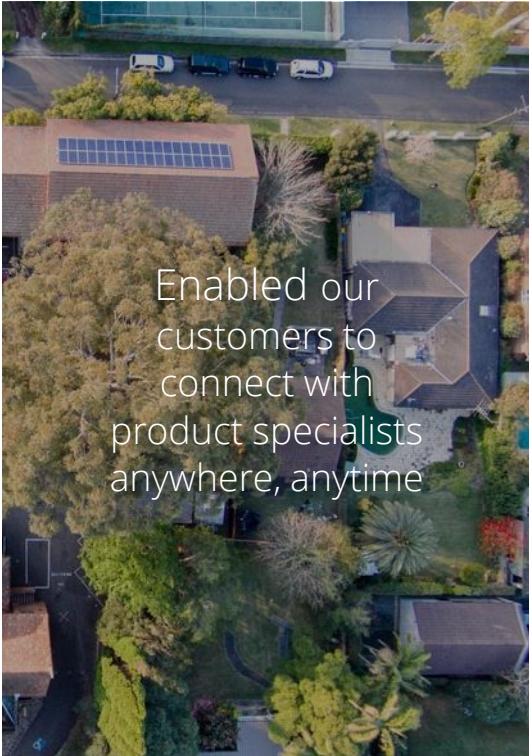
USE CASE #4: "I WANT TO IMMERSE"
VIRTUAL BRAND EXPERIENCE

KEY:

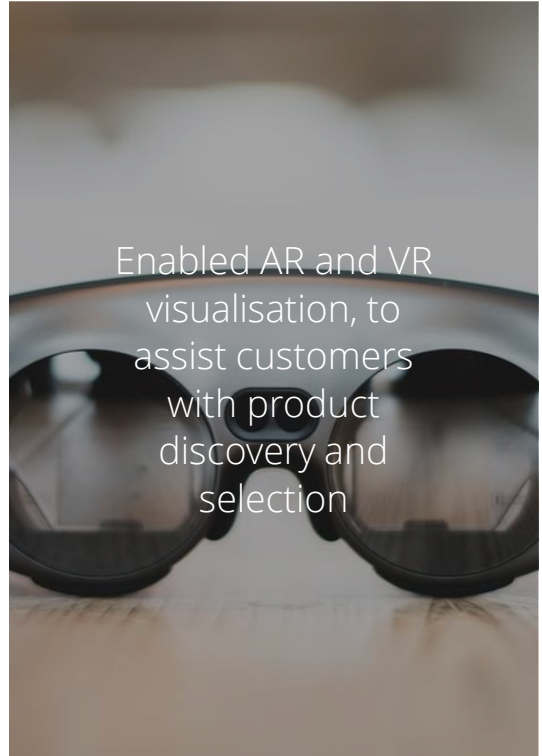
 Low to moderate build complexity (e.g. White label tools readily available)

 Moderate to high build complexity (e.g. Custom solution with unique requirements)

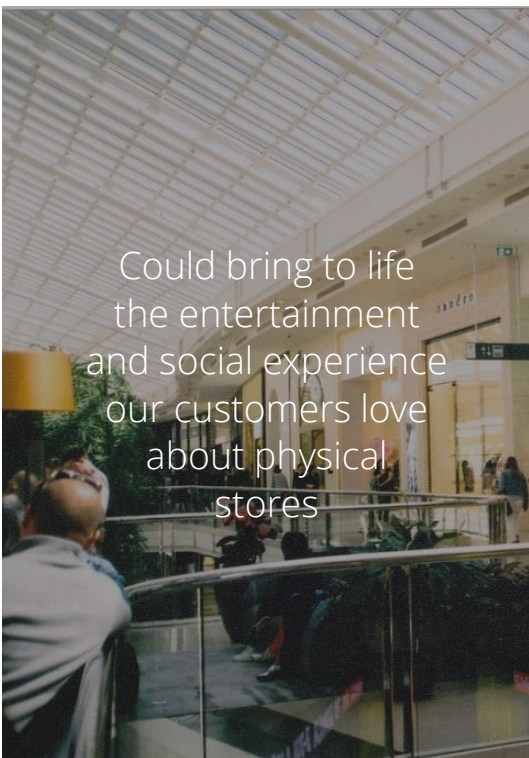
Imagine if a Virtual Store...



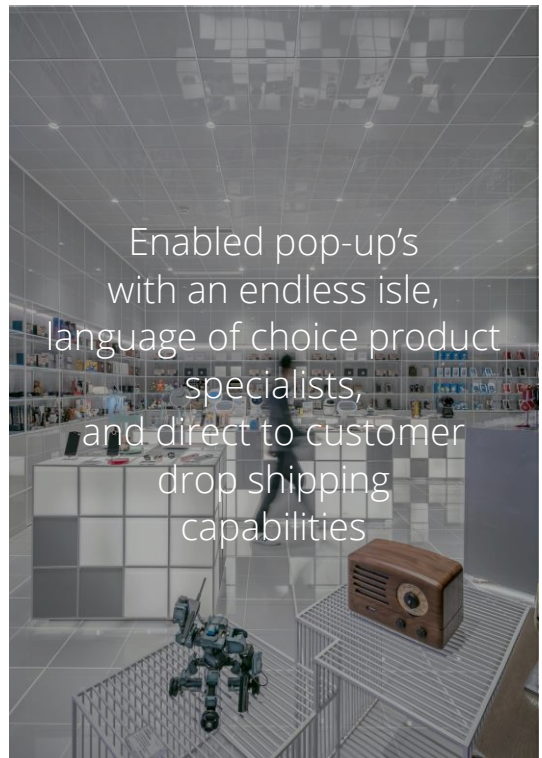
Enabled our customers to connect with product specialists anywhere, anytime



Enabled AR and VR visualisation, to assist customers with product discovery and selection



Could bring to life the entertainment and social experience our customers love about physical stores



Enabled pop-up's with an endless aisle, language of choice product specialists, and direct to customer drop shipping capabilities

Workbook on a Page: Your Virtual Store

1. What are your Virtual Store customer experience aims?

- What experience do you want to create, and which virtual channels have relevance?
- How can you align a virtual store initiative with your organisation's goals/strategy?
- How best can you connect your existing channels to create a valuable experience?

2. How will you evaluate your Virtual Store opportunities?

- What are the possible applications of virtual technology in your organisation?
- What are the guiding principles to guide a virtual-led strategy?
- What framework will you use to prioritise and opportunities and pursue initiatives?

3. How will you validate and test your virtual store ideas?

- What is the right use case to demonstrate value while minimising risk?
- What is the right technology to drive the solution, will it work in our ecosystem?
- How do we enable and measure success?

You're invited.

**We would love to
continue to
explore the Virtual
Store with you
through a
collaborative
workshop.**

Register your interest:

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Thank you.

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