



## The Future of Stores

### Emerging Digital Trends

Emerging digital technologies are changing many parts of our lives—from how we do our jobs to how we put dinner on the table—driving expectations of convenient, customized digital experiences, and lightning-fast, always-on connectivity. Retail is, of course, no exception; the latest generation of digital technology has expanded beyond online shopping to shape the in-person retail experience. Retailers are increasing spending on smart displays, interactive kiosks, smart signage, even augmented reality (AR) and virtual reality (VR) product trials.

Exactly which of these innovations will become industry foundations remains to be seen. But Deloitte sees the ability to deliver measurably improved experiences as key—including more information, convenience, and engagement for customers and increased operational effectiveness for store employees.

#### **The fight for digital mindshare**

So far, the bulk of in-store digital innovation has been on the customer side, with retailers attempting to augment the in-store experience with online components—for example, pairing the convenience of

online shopping with the speed of in-store or curbside pickup. Consumers are so used to online shopping, in fact, that they browse in-store merchandise while checking out the competition's prices on their phones. In response, retailers have turned their attention to the fight for "digital mindshare." For some, that means wooing customers with compelling digitally integrated shopping experiences. Others, taking advantage of ubiquitous smartphone use, as discussed in Deloitte's [2023 retail industry outlook](#), have redefined the sales footprint as "everywhere." Whatever tack they take, retailers should ensure a fast, simple, and seamless digital experience.

### Enhancing customers' in-store experience

When it comes to in-store experiences, many retailers are shooting for fun, engaging, and fulfilling—but those same adjectives can mean very different things for, say, a luxury brand and a convenience retailer. The key is to use digital tools to accentuate and improve the benefits of an in-store shopping experience. Some customers like to hold products in their hands, or to compare options side-by-side. Others enjoy the social aspects of shopping with friends, or the thrill of spontaneous finds. And of course, there's the immediate gratification of coming home with a new purchase. Savvy retailers often find ways to digitally enhance such valued in-person experiences.

### Making work easier and more productive for sales staff

Using emerging technologies to improve the employee experience is at an earlier point in its evolution—but in today's tight labor market, it's gaining real momentum.

Store employees are required to do their jobs efficiently and, of course, help customers. Emerging digital technologies can give them full, real-time access to product options, availability, pricing, and delivery—at least as much information as customers can find on their phones, if not more. Salespeople's devices should also support scanning and inventory search

and offer fast and reliable connectivity. Enhanced location services could, for example, ping an employee when a customer is about to arrive for curbside pickup, or guide floor staff to the exact location of the product a customer is looking for. Store employees could also benefit from combining location services with the internet of things (IoT) to streamline inventory and restocking tasks.

### How retailers can get started with 5G

Retailers looking to incorporate emerging digital technologies will likely need to address both technical and strategic considerations. Technically speaking, emerging digital technologies require fast, consistent, and always-on connectivity, at a level Wi-Fi would struggle provide—which means storewide 5G connectivity. 5G also harnesses the power of customers' smartphones without the need to connect to store Wi-Fi, for a more seamless digital experience.

On the strategic front, new digital technologies are, in a word, cool. You'll need to weigh the desire to build a fancy new app (because you can) against the ease of building on a proven, familiar platform. You'll also have to contend with an overwhelming number of consumer choices. Why should a customer open your app when they already have too many favorites? To make a solution "sticky," you must understand what customers

value most about your specific shopping experience, as well as their unmet shopping needs—then meet both conditions with a simple, appealing digital experience. That could mean developing a custom app, using native smartphone functionality to enhance the in-store experience, or otherwise augmenting the best parts of in-person shopping.

Retailers that want in on the action need to remember retail is a two-actor drama. The best emerging retail technology makes the experience easier and more engaging for both shoppers and salespeople. Start by identifying a problem you're trying to solve, or something either group needs that you don't yet provide. Survey both employees and customers to understand their needs. Then identify a solution and test it out. Go for small wins that add up to a better experience over time—and a big win for the long-term brand relationship.

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