

## Innovation

## An invisible touch

As the pace of technological change accelerates and the digital and physical worlds converge in store, what do the next few years look like for consumers? John Ryan looks to the future

ONE OF the retail mantras of the last few years has been that customers are becoming channel blind and will use whichever happens to suit their needs at the moment of purchase. This simple idea is underpinned by a complex effort on the part of retailers, as they struggle to keep pace with their customers' multichannel requirements.

For landlords and retailers alike, the starting point is probably wi-fi. Kevin McKenzie, global chief digital officer at Westfield Labs, the San Francisco-based digital-research outpost of developer Westfield, says: "It was obvious to us that consumers make almost all their decisions using technology and so it seemed to us that we needed to put this at the forefront of our efforts." Practically, this means helping shoppers to remain online. "To us, wi-fi is

as important as electricity," McKenzie adds. All good — but once shoppers are equipped with their mobile devices, phones, tablet, "phablets" [hybrid, large screen phone] and suchlike and have the capacity to be online everywhere, what happens next? The answer appears to be a lot, but it's not obvious. The physical and online worlds may be converging but, by any analysis, they are just different ways of garnering sales. The important point is that they do not become an end in themselves.

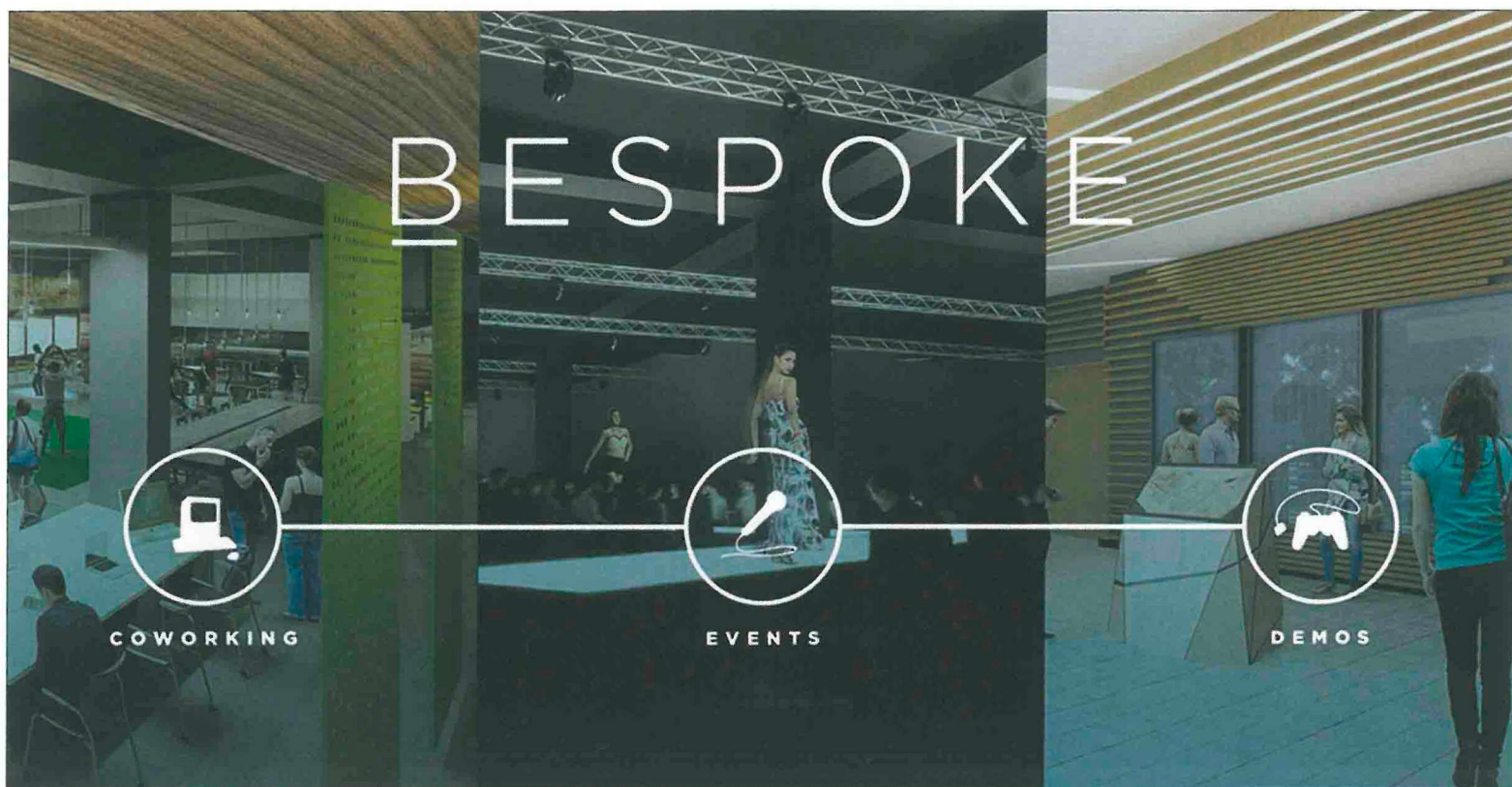
**"To us, wi-fi is as important as electricity"**

**Kevin McKenzie**

Guy Smith, head of design at fashion retail group Arcadia and the man charged with creating interiors for formats as different as Topshop and Evans — a UK chain aimed at plus-size fashion shoppers — puts the point succinctly: "The pieces of technology that most shoppers have in their pocket are far in advance of what we can put into stores. Our efforts are directed at contacting them through this, therefore, and not to put large numbers of screens and kiosks in our shops."

Practically, for some, this has meant iBeacons. For the uninitiated, these are relatively cheap pieces of technology that allow retailers either to track where shoppers with mobile devices might be in a particular area of a shop, or to send opt-in messages to those wanting to know things about, say, products, prices or





Community and technology: Bespoke at Westfield San Francisco

promotions. The ultimate example of this in use is probably the Pro-Direct store just off London's Carnaby Street. Here, beacons have been placed behind the interior's perimeter panels to track where shoppers head in-store, making it more straightforward to identify the store's merchandise hotspots.

This is certainly interesting, but while there was a great deal of noise about beacon technology in the latter half of 2014, things have gone ominously quiet in 2015. This perhaps indicates a technology that will go the way of the QR code, which was used by retailers as an in-store marketing tool in the early years of the current decade.

It is also worth noting that the plethora of screens that were installed in stores in the early 2000s has not added a great deal in terms of incremental revenues and, for this reason, the

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#### DO NOT MISS

##### Workshop Google

How To Leverage Online Marketing Solutions To Drive In-store Traffic And Revenue?  
Wednesday, November 18, 15.30  
MAPIC Innovation Forum

## FARMING THE CITY

Urban farms:  
A growth opportunity



THE ENGAGEMENT Migros development fund has supported UrbanFarmers in its creation of Farm Scout, an app that helps city dwellers to check the farming potential of roof spaces, courtyards and unused urban areas. It can determine whether a location is suitable for simple vegetable gardens or even commercial rooftop agriculture using aquaponics (fish breeding and plant cultivation). It can also be used to connect with others interested in urban agriculture and potential partners,

including possible users, such as local restaurants.

"One third of personal environmental pollution results from food. Committed pioneering projects such as UrbanFarmers demonstrate new ways we can produce good food with less impact on the environment," says Thomas Vellacott, CEO of WWF Switzerland.

The Farm Scout app will be available free of charge at the end of 2015 in the App Store and from Google Play.

#### DO NOT MISS

##### Farming The city

Monetising Empty Commercial Rooftop Spaces With Urban Farms, by Urban Farmers  
Wednesday, November 18, 11.30  
MAPIC Innovation Forum

#### DO NOT MISS

Shaping the retail real estate era: smart experiences  
Thursday, November 19, 9.30  
Oxford room



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# Innovation

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rush for in-store hardware has slowed, according to observers.

The notion, therefore, that the store of tomorrow may well look similar to the pre-digital one has some credence inasmuch as the convergence of physical and online does not necessarily amount to large amounts of clunky hardware in store environments. The retailers' experience has, to an extent, put paid to this.

The challenge that faces physical shops and online retailers is to take the best elements of the opposing medium and make them available to the consumer. This may well be why we are increasingly seeing big-name online operations such as Google and eBay opting to set up shop-in-shops, or even the occasional standalone outlet — the need to have a foot in both camps, as it were, is as pressing for the virtual retailer as for those with the largest brick-and-mortar estates.

David Dalziel, creative director and founder of the eponymous design consultancy Dalziel & Pow, makes the point that shoppers will increasingly be visiting stores where innovation and things digital are melded as part of the initial store design

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## INNOVATION: RETAIL IS DETAIL POPS UP AT MAPIC

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Netherlands-based pop up specialist Retail is Detail will be at MAPIC to showcase some of its work in what has become an increasingly important aspect of retail environments. The company estimates that in the last year, the sector produced over £2.5 billion in retail turnover in the UK (equivalent to 0.7% of total UK retail turnover) and in the next 12 months the sector's growth rate is set to outstrip the wider UK retail sector by more than double, with consumers projected to increase spending in pop-ups by 8.8%.

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process, rather than being layered on top. "Technology is something that can be integrated from the beginning [when designing a store], which should mean that it actually has a longer life," he says.

So where does this leave the shopper and the retailer? Retail technology is evolving fast and perversely, if observers are to be believed, the more it becomes part of the store, the less we may be aware of it. Innovate and become invisible might be what shoppers are headed for, as the line between the physical and the digital continues to blur. Less (apparent) may really prove to be more.