

TECHNOLOGY TRENDS

Technology is driving major changes in consumer shopping behaviour and today's retailers must adapt to survive. With 2016 underway, we highlight three technology trends set to transform the retail landscape in the year ahead.

Augmented reality

While much of the hype around augmented reality (AR) and wearable devices has been focused on consumer technology, a new report from Beecham Research suggests that it will be business applications that drive growth over the next five years. The report points to retail as one of the most dynamic markets, where AR offers a new way for people to interact with information hands free, to provide a greater depth of control and access to knowledge.

'AR technology and wearable devices blur the lines between computer and human environments, and provide a more immersive and interactive experience,' says Matthew Duke-Woolley, market analyst at Beecham Research. 'While it is still unclear where the consumer "killer-apps" will appear, there is real momentum building around business-use cases that will gain pace over the next two years with more product releases, real-world deployments and market acquisitions.'

Jonathan Chippindale, CEO of Holition - a creative services agency that specialises in emerging technologies - believes that more and more retailers will be integrating the online experience with the in-store experience through digital technology in 2016. 'As the online environment becomes more aggressive and easier to access for consumers, brands on the high street are feeling the pressure to find new ways of interacting with them,' he says. 'Augmented retail offers an extra sense. One that involves and offers consumers an experience with the brand rather than one shop, four walls, sales assistants and the product.'

Chippindale claims that AR is capable of creating an enchanting experience covering usefulness, realism, playfulness and an element of surprise. 'One key point is that technology has to be beautiful to work and seamless integration of the app as part of the shopping journey is critical,' he adds.

Richard Cope, senior trends consultant at market intelligence agency Mintel, agrees that virtual and augmented reality technologies present businesses with an opportunity to provide in-store experiences: 'While cost will preclude VR and AR from entering everyone's homes, it will be increasingly embraced by businesses seeking to variously entertain and reassure consumers, in a bid to win their attention and their custom.'

Big data

This year, Murray Aitken, design director at Household, predicts that retailers will really start to get under the skin of their big data, capitalising on the wealth of data harnessed through analytics to create more responsive and of-the-moment retail experiences, beyond marketing communications. 'Although still cautious, customers are becoming more comfortable sharing their personal



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information with brands if they are guaranteed a better and more relevant experience,' says Aitken. 'Being transparent about data collection and use will build a stronger connection with customers so retailers can reap greater loyalty.'

It's a trend that Chris Chubb, digital director at Green Room, agrees will impact retail this year. 'I believe in having good data,' he notes. 'Once you have good data, it can be turned from information to intelligence to predictions. Good data requires good technology to capture it. Many retailers still have multiple systems that are siloed and ineffective, and 2016 will see improvements in this area.'

Green Room's store design concept for Dubai-based retailer Sun & Sand Sports included the installation of store heat mapping, linked to demographic data and viewable from a tablet. Using this intelligence, the retailer is able to identify cold spots within the store and reorganise merchandise accordingly.

'Good quality, well analysed, technology sourced data is the key to good customer service and can create a real competitive advantage for retailers,' says Chubb.

Contactless payment

With contactless payments on the rise, more and more retailers are expected to adopt the technology in the coming months. 'Contactless was one of the real success stories of 2015,' reflects Adam Tregaskis, head of retail at The Market Creative. 'Wide consumer adoption drove the new limit of £30 and now some cards allow high-value contactless payments of up to £100 by entering a pin on a mobile device, further boosting use.'

'As we've seen repeatedly, convenience is a major factor in adoption of new technologies and contactless delivers this in spades,' says Tregaskis. 'A cashless society will be the future and ultimately retailers will miss out on valuable sales if they fall too far behind the curve and fail to keep up with how shoppers want to buy.'