THE DIGITAL HIGH STREET

RETAIL
EXPERIENCE

TECH
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THE DIGITAL HIGH STREET

INTRODUCTION TO THE EBOOK SERIES

"KPMG is excited to be working together with Tech London Advocates/Global Tech Advocates on the launch of this eBook series focusing on the tech-enabled communities of the future. "There is a great opportunity for the UK to combine new digital infrastructures with the repurposing of traditional infrastructure to enable a more interconnected world. Building a sustainable and inclusive environment that allows everyone to succeed and grow is absolutely crucial in the fast changing digital environment that we now live in. "We hope that the perspectives that this series brings from sectors such as retail, mobility, smart public space and community bring to life the opportunities available across the UK to our communities of the future."

Chris Hearld, Head of Regions, KPMG LLP

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FOREWORD

by Mark Robinson, Chair High St Taskforce

I'm delighted to have been invited to write the forward for the Retail Experience theme for the Digital High Street C2030.

What is too often overlooked when describing the effect that the pandemic, is that that our High Streets, especially in respect of experience, suffered from may pre-existing conditions that combined to create co-morbidities making our retail places especially susceptible to this nasty little virus. As much as C19 has brought forward 10 years of change in 10 months; the rise of ecommerce, the decimation of the department store, as we start 2021 I also feel hopeful that the green shoots of a more sustainable and engaging High Street.

The clone town is dead! Long live, long live.... long live what?

There is no one size fits all solution, no menu of uses that will work everywhere. If there was we would be in danger of creating dreaded clone towns again, this time with each having a food market, coworking collaborative, artisan bakers and axe throwing, well maybe not that.

There are, however certain truisms that will work everywhere. Successful places will offer an experience that reflects the unique purpose of that place, change & flexibility will be positively encouraged to promote vitality, falling rental values will encourage entrepreneurs and we will see a renaissance of independent brands alongside national brands.

Complementary mixed uses will provide a positive feedback loop encouraging other uses, breaking down the retail deserts we created; in many ways the successful High Street of the 2020s will look more like the 1920's than what we have now. If we get it right.

I also very much hope that 2021 will also be the start where technology starts to deliver for our High Streets, there has been more talked and spoken on this topic then actually delivered to date. Digital data driven insight is starting to play an increasing role in our analysis at the High Street Task Force led by Prof Cathy Parker and by Izzy Hease at Ellandi.

A digitally enhanced future has to be brought forward too, lets see 10 years of innovation in the next 10 months!?

THE OMNICHANNEL NEIGHBOURHOOD

by Mary Wallace - Retail, Consumer & Place Subject Matter Expert, IBM Services

> While we look forward to brighter days and – maybe - the 'Roaring 20s', the impact of Covid will inform consumer demands and retail expectations for many years ahead.

Many of the anticipated benefits of technology at scale frequently did not pay off, as the 'big boys with all the toys' in large organisations could not deliver to customers. In fact it was the smaller independent players with a slimmer set of core services who could move faster to help the consumer, as they were able to quickly pivot and scale where and when needed, unencumbered by heavy infrastructure. Amongst the recent noise and confusion, citizens and consumers appreciated human qualities and straightforward answers all the more. Clear and honest communication at the right time; the removal of unnecessary and distracting features; and a simplification of service and proposition became crucial in making the right decision. It's clear that what people want is not the dream of 'brand engagement' and other marketing nonsense. It's *"Do your job, do it well, tell the truth".*

These experiences will resonate for the next decade in terms of what any value proposition actually delivers, how services are designed and who is making the decisions. In these times, great, accessible digital services can brilliantly and humanely connect people and places with each other, opening up possibilities, breaking down barriers.

The world around us has changed, as have the expectations of citizens and consumers. People are demanding more from where they live – they want to shop local but need the digitally-enabled convenience of the online services that have transformed all of our lives.

Customers are looking for stores that are less centralised and more personalised to the local neighbourhood, helping to create interconnected, resilient communities.

'Omnichannel' – that overused, empty vessel of a term - is no longer the domain of big retailers. Neighbourhoods and the people in them can now benefit from the digital overlay which connects resident customers, stores, brands and local services. This decentralised model is more meaningful and valuable for people as it reaches them in their own community, locality, region.

This could mean:

- New commercial propositions with more focus on local values
- Digital + physical environments tailored to the customer profile which recognise locations that are important to them
- Big national and global brands working with local independent partners & ecosystems.
- The difference between 'utility' & 'life-enhancing' propositions
- Flexible retail service/business models that make the most of time/place/community interests and the unique dynamics of a neighbourhood
- Curation capabilities that brands can use to help drive revenue & engagement from 'place'.

It means that retail is no longer a closed shop – it's open for everyone.
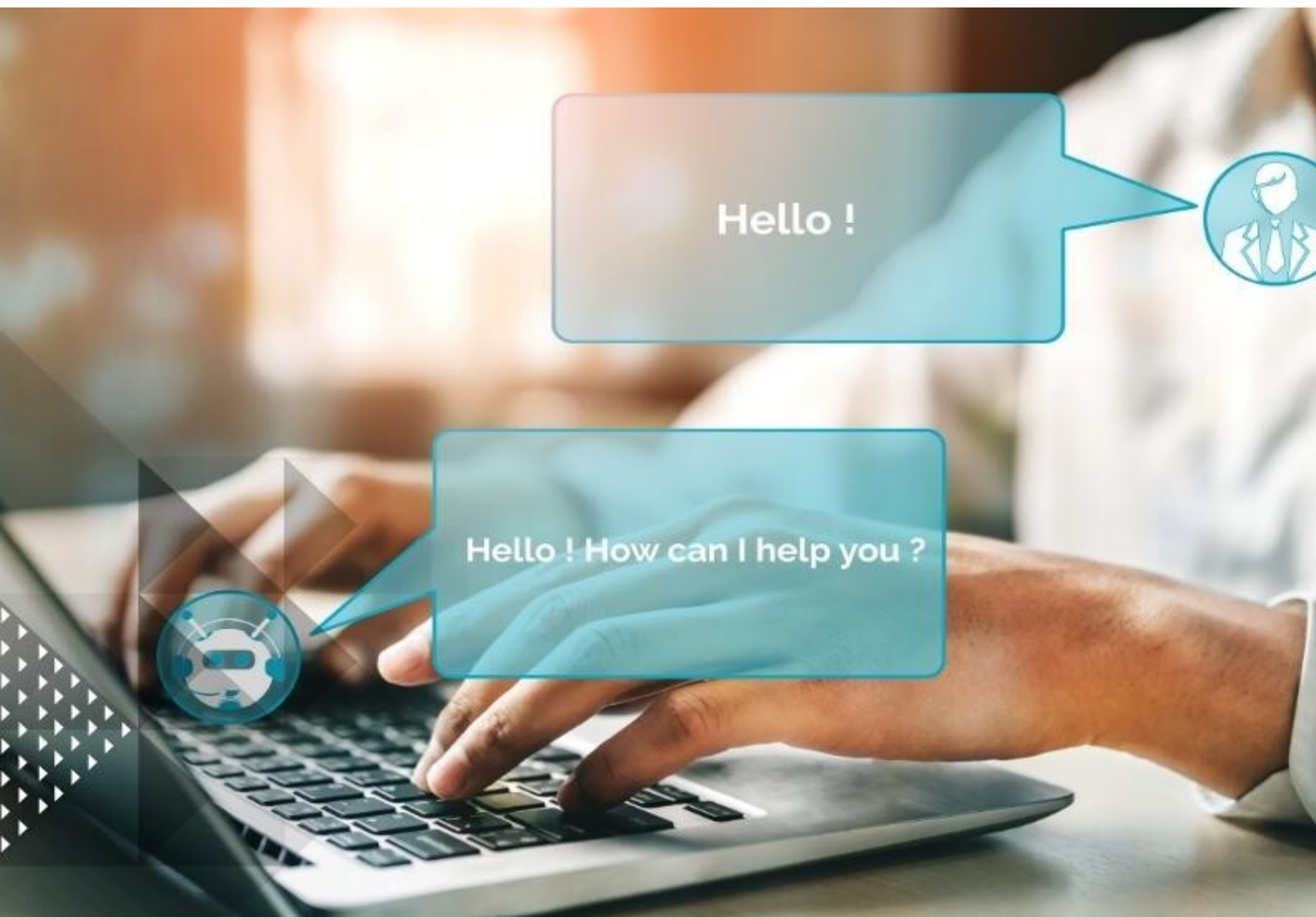
THE SHIFT TO EXPERIENTIAL RETAIL

by Brandon Willey - Founder & CEO, Hownd

Shopping centres and malls are dying. Traditional brick-and-mortar stores are drying up in exchange for purchases made online from the convenience of our homes and then delivered to our doorsteps. But despite access to products at their fingertips, consumers still crave experiences. Entertainment has been part of retail communities and centres in the past. First there were arcades, movie theatres, and even the occasional bowling alley or roller rink. Then the mid-90s and 00s saw some growth and experiments in early virtual reality and soft play kid zones.

However, they were often singular attractions, an afterthought for consumers while they were content to simply wander the centre, downtown, or high street and spend their money on food, clothing , novelties, and other goods. Enter the 2010s and the introduction of Millennials with their experience-craving mentality and spending habits. As a result of this monumental demographic shift, according to a recent study, entertainment square footage has grown by 44.7% in US and UK malls and centres between Q1 2010 and Q1 2019.

Now is the time of the experience economy and the up and coming blend of retail and entertainment, also known as retailtainment. This shift brings together full-blown immersive and entertainment-driven experiences within retail community centres with the addition of standalone events that attract guests to clever collaborations between retail, hospitality, health & beauty, and amusement & attraction industries in order to retain consumers within the physical or virtual boundaries of the shopping community and keep them spending.

The physical retail trend will continue in the direction of experience over goods and savings. It's going to be important to entertain and intrigue customers if you want to give them a reason to return to the brick-and-mortar storefront. It will become more important than ever to create experiences, holistically and collaboratively with the entire centre or high street, or simply within your own walls.

Does your own space or broader retail community serve as a destination? Can a consumer spend an entire day, afternoon, or evening with friends or family and achieve a definitive experience? In order to drive out-of-home spending and brand engagement, merchants will need to tailor targeted experiences and events for individuals that they can only get in person.

The future of retail must find ways to bridge the gap between offline and online. Brands and businesses must make sure that consumers can engage and interact with their products or services while at home online across multiple platforms like the web, mobile, social, and VR. And then, using a combination of beaconing, WiFi, geolocation, sensors, facial recognition, AR, and IoT, consumers must have a deeper and more personalized experience within the physical retail space, from digital greetings, unique offerings, or experience curation on their own devices, digital signage, and kiosks, to enhanced human interaction with relevant and real time, data-informed customer service.

As retail looks to reposition how brick-and-mortar stores fit into the consumer journey, experience has become an essential component. Merchants must look to give customers things that can't be easily replicated online, and create tactile, engaging, and shareable experiences. Brands must prioritize customer engagement and stimulate their customers' imaginations, senses, and defy their expectations by leveraging a creative blend of retail, entertainment, and experiences both online and offline while addressing consumer needs in a relevant and connective manner.

HOW CHAT IMPACTS THE HIGH STREET

by Nathan Smith - CEO, Gabba

TRUST

by Geoff Hudson-Searle - Senior Independent Digital Non-Executive Director to growth-phase tech companies and CEO of IBEM

The world of data is constantly changing and evolving. New technologies, legislations and policies pressure companies to re-examine the way they deal with data. Developing a strategy to boost customer trust to your brand is critical to your business's long-term success.

Leading companies that develop a people first approach will win in today's digital economy, according to the latest global technology trends report from Accenture. As technology advancements accelerate at an unprecedented rate – dramatically disrupting the workforce – companies that equip employees, partners and consumers with new skills can fully capitalize on innovations. Those that do will have unmatched capabilities to create fresh ideas, develop cutting-edge products and services, and disrupt the status quo.

Although perceived value is a strong driver to encourage shoppers to return for future products, it has been shown by many retailers to not be the only driver and influences based around customer service, product range, stock availability and the shopping environment also have a key role in the shopper's decision to return.

Research by Harvard Business Review shows that "increasing customer retention by five percent" can result in a "25-95 percent" increase in company profits. This is unsurprising as Bain and Company found a direct correlation between the amount of time a customer has been with a retailer and the amount that customer spends. Their research revealed that "apparel shoppers purchase 67% more per order after shopping with a company for 30 months than they spent on their initial purchase".

The amount of trust consumers put in brands is decreasing all the time, and a typical consumer will now switch brands without hesitation if they get a better offer. The famous rule of 20% of customers accounting for 80% of the turnover has turned into more like 60/40 rule (40% of the customers generate 60% of the turnover) and it is slowly evolving towards a 50/50 rule where loyal and disloyal customers generate the same amount of income.

BUILDING CUSTOMER TRUST AND LOYALTY

Truly understanding customer needs may help companies improve not only the buying experience but also their bottom line. A company's relationship with its customers is about much more than improving product ratings or decreasing wait times. Understanding the customer journey is about learning what customers experience from the moment they begin considering a purchase, and then working to make the journey toward buying a product or service as simple, clear, and efficient as possible.

The race to own customer experience is on. Companies are recognizing the importance of delivering an experience that makes them stand out from their competition. Some are learning the hard way.

Finally, my personal opinion is that the subject of whether sustainable competitive advantage has disappeared, is greatly exaggerated. Competitive advantage is as sustainable as it has always been. What is different today is that in a world of infinite communication and innovation, many strategists seem convinced that sustainability can be delivered only by constantly making a company's value proposition the conscious consumer's rational or emotional first choice. They have forgotten, or they never understood, the dominance of the subconscious mind in decision making.

For fast thinkers, products and services that are easy to access and that reinforce comfortable buying habits will over time trump innovative but unfamiliar alternatives that may be harder to find and require forming new habits.

Mona K. Sutphen former White House Deputy Chief of Staff once said "Most good relationships are built on mutual trust and respect" This powerful statement makes us understand that trust is the glue in the retail customer relationship.

RETAIL EXPERIENCE & TECHNOLOGY BY 2030 - WHAT DOES THIS MEAN FOR LONDON BUSINESS?

by Richard Burge - Chief Executive,
London Chamber of Commerce and Industry

FROM FARM TO FORK

by Mark Jenkinson - Director, Crystal Associates

Back in 2004, while at a former company, we identified six new untapped market sectors which could help deliver over £300 million of additional business – one of these was Retail.

In the year Facebook launched, two years before Amazon established AWS and three years before the first iPhone appeared, we were already exploring how we could integrate communications and mobile technology, logistics and warehousing systems, point-of-sale (POS) solutions, transport, energy and building technologies.

We claimed we had the technology and capability to improve the retail journey from "cow to plate" – I guess the current term of "farm to fork" is slightly more palatable!

So, what has changed in the last 16 or so years? Here is a brief compare and contrast, with a seasoning of personal nostalgia.

FROM THE FARM

Tracking the origin of food and other products for health and quality purposes has been a topic for some time. Although invented in 1948, it was not until the 80s and 90s that commercial applications for RFID (Radio Frequency Identification) began to enter the mainstream. Nevertheless, even in the mid-2000s we were still struggling with the cost and application of RFID tags within retail.

Technology and data solutions, including RFID, have a significant role to play in tracking produce as well as minimising waste and supporting a circular economy.

Today, sustainably produced, quality food is not only seen as vital for health and quality purposes but also addressing climate change and pollution. In the context of the European Green Deal, the EU's Farm2Fork initiative seeks to "transform how we produce, distribute, and consume food via policy change as well as investments in research and technologies".

ECOMMERCE

Online shopping, or e-commerce, was invented back in 1979 by an entrepreneur using videotex, a two-way message service. However, some say e-commerce really started, albeit in a limited way, in 1991 with the commercialisation of the internet.

WAREHOUSING / LOGISTICS

In my early career as a graduate trainee in the 1990s, I was given the "character-building" task of carrying out a very manual, mind-numbing, year-end stocktake in my first company's UK logistics hub.

Fortunately, things have moved on for me and technology!

Now, super-efficient warehousing and logistics systems are even more important than ever given the rapid rise of e-commerce. Companies like Ocado have pioneered automated warehousing systems incorporating the latest automation, robotics and control systems as bots whizz up and down aisles fulfilling millions of our on-line orders every day.

IN-STORE EXPERIENCE AND SUSTAINABILITY

Over 30 years ago during the school holidays – yes, I am that old – I stacked shelves, served customers at the deli counter, and worked on the tills at my local Co-op.

Going into my local Co-op today, I am struck that not much has changed. Yes, there are self-scanners - which people still seem to loathe – and the staff carry their annoying beeping barcode readers to replenish stock on the shelves. And there is definitely more plastic packaging!

Although the energy efficiency of stores may be better than in the 1980s, there is clearly a lot more to do. Asda were already an energy efficiency pioneer in the late 2000s and in October 2020 joined Sainsbury's by pledging to be net zero by 2040.

Who knows whether Walmart's store-cleaning robots, interactive displays, and artificial intelligence to keep stock levels consistent will hit my local supermarket soon?

What certainly has not changed, is that some people still need (socially distanced) human contact and a chat. This is especially true at the time of writing in the run up to a COVID-19 Christmas. Physical stores can still provide this, as they have done since time began.

THE (BETA) FUTURE OF RETAIL: RAMPING UP THE BLUR

by Adam Scott - Founder & Executive Creative Director, FreeState

As late as last year, at a conference on the ongoing development at Olympia in London, I heard the much trotted out adage: build it and they will come.

That it's a misquote from the baseball film Field of Dreams matters not a jot: whatever the project, it's a phrase that plays to the attractions of risk, and to the idea that – in architecture, development or urban planning - success begins with the plan made manifest.

This is just as true of the world of retail, which despite its mauling by the internet has continued to persist in a failing logic: first buildings, then space, then people. Unfortunately, it's not working, never has, and has no chance post-Covid. Better to say: Build it and they might come.

BRING ON THE BETA PLAN

Much better, then, that we substitute our build-and-they-will-come planning mantra for a much more fluid beta plan approach to retail, one that takes a leaf out of the Silicon Valley book of the product in seemingly perpetual field test.

The beta plan is the never perfect plan. It's rough and ready. It begins with making designers out of users. It involves people in its constant making, and because it does, it learns – always, and fast.

RAMPING UP THE BLUR

All of which is well and good, and easy to say, but what does a beta plan for a post-Covid real-world retail sector actually look like? Well, first, it begins with a ramping up of what you might call a blur in masterplanning between different types. This is not a call for a richer mix of uses, but rather for a richer mix of types of activity.

The Time Out Market global franchise is a fine example of this blurring of types. Eschewing templates, constantly adapting to the local, every Time Out Market possesses a retail terroir all of its own. It's site-specific. It's unique. Necessity being the mother of invention, it promises to be the model for the new retail norm come post-Covid.

Second and related, this in-a-class-of-its-own approach at the masterplan level can only work when supercharged by a similar blurring of statuary permissions for how we can legally go about programming these spaces. Finally and as a result, a recent JLL report predicts 'strengthened partnerships between landlords and retailers'. we will see a much greater blur in terms of design and operations. Meaning, retail destinations will take on the beta-learnings of the festival, which lives or dies by the quality of its programming of time and space.

BETA IT AND THEY WILL COME

None of the above, of course, is new. What is new, however, is the rate with which the present crisis has accelerated the inevitable, the blurring of different types of activities, of statutory permissions, and of the programming of our retail sites.

To design for the blur, we need think much less in terms of monolithic destinations, and much more about the real-world customer's journey across a day, month and year.

In thinking better about the quality of the experience, we are then much more likely to attract and involve people, and in attracting and involving, so the product evolves to further attract and involve.

> **Build it and they might come, perhaps once, possibly twice. Beta it and they will come – again and again and again.**

RETAIL EXPERIENCE

by Tom Atkinson - Commercial Development, TfL

People want retail experiences that are not just easy and convenient but also special, temporal and authentic.

Imagine a property portfolio with the flexibility of small, relatively unusual spaces and the scale of a great estate. Where one can curate experiences not just across an arcade of shops, a town square or shopping centre, but across a city.

That's what we have on the Transport for London property estate and it is one of the things that marks us out and makes us most excited and optimistic for the future.

We have 2,500 properties across London. Think kiosks, railway arches and high street shops. From outer London to the heart of the West End.

> Across our estate, 86% of our customers are SMEs. SMEs can fulfil the potential of place to create unique, local experiences. Like Active 360, at Kew Bridge, who operate a stand up paddle boarding company from an arch next to one of the only safe, public entry points to the river. An utterly unique coming together of property, business and location.

Smaller spaces on a wide portfolio give them the opportunity for specialism or growth, from pop-ups to a sole unit to city-wide expansion. Or are ready to be digitally enabled to allow multiple tenants and community groups to use the same space to give it life from early morning to late at night.

Smaller spaces and new ideas from SMEs mean innovation, like Dream Corporation and their virtual reality experience, Otherworld in railway arches in Haggerston. The flexibility of an arch means they can host 14 virtual reality immersion rooms, integrating heat, wind, rumble and scent effect which respond dynamically to the experience.

We'll need to be proactive in using our expertise to support these businesses, including using the best of new technologies to work in partnership with them. Leases will change or the tenant -landlord model may be upended as landlords become investors, as indicated by Grosvenor.

We'll make sure we look after the spaces in between, taking a place-led approach to mean customers enjoy being in the places our businesses are and want to come back.

For large businesses, the opportunities of smaller spaces are huge.

Global brands like Amazon, Nike and Netflix have used the Transport for London commercial estate not just to get closer to the travelling public but to be in the specific parts of London they want to be, often in a more time limited way.

They can try something new, providing the excitement of a flagship without the costs. Popping up across the city at the same time or bedding down in a borough to share experiences to drive innovation.

Big names will be using smaller spaces more as they match up the need for the reach and accessibility of online and social with the real-life experiences that show their values that cannot be replaced.

At this intersection of experience, property starts to defy definition as it helps businesses to anchor multichannel strategies covering retail, advertising, loyalty programmes, social media and more. But if becoming a blanker canvas will help retail survive, it will need new technologies to make sure it is flexible and always connected.

Small, flexible spaces and joined up estates can facilitate this innovation best.
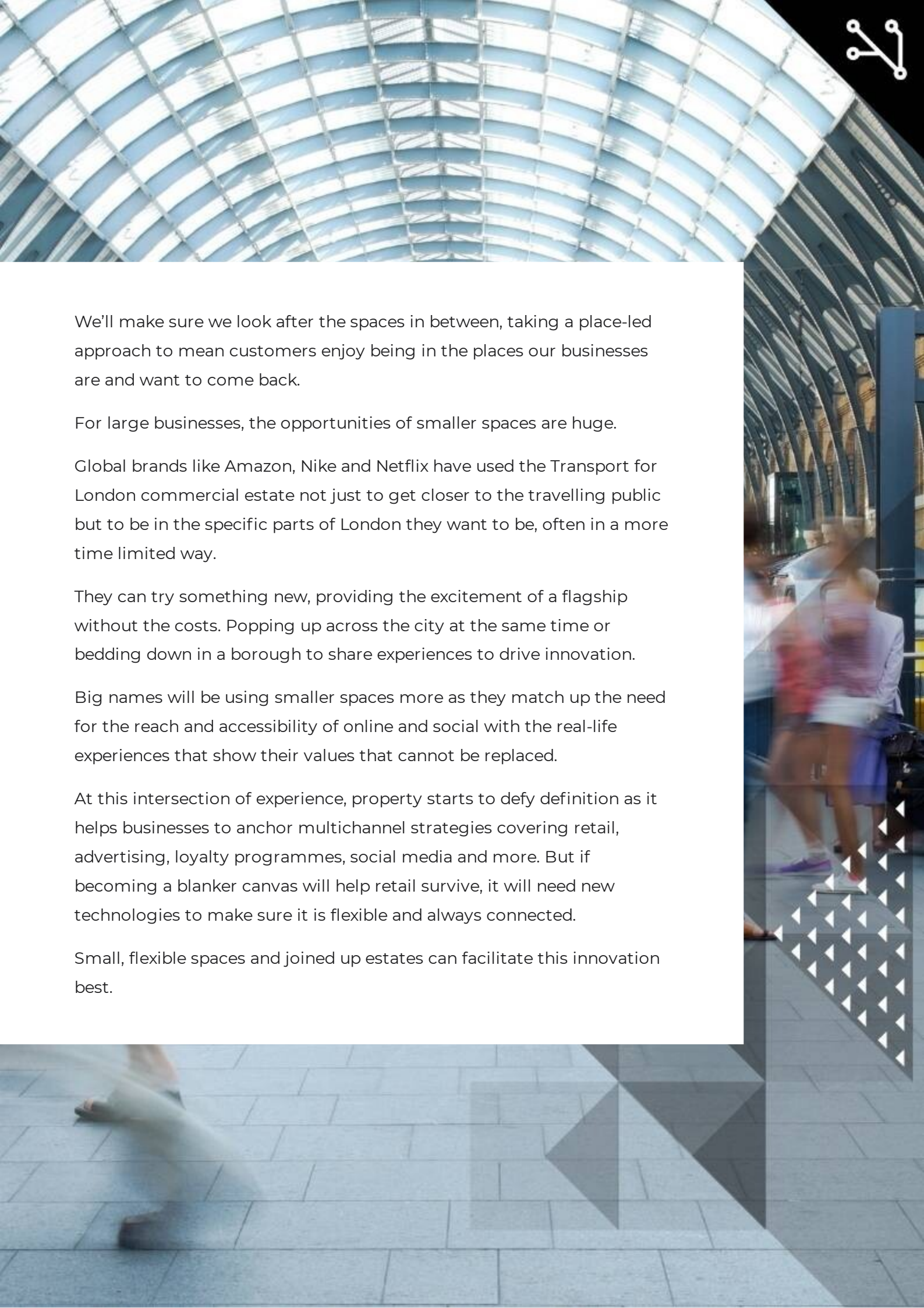
REBUILDING RETAIL: WHY CLEVER LANDLORDS WILL USE SMART TECHNOLOGY

by Andy Saull - Research Associate, Pi Labs

It has become clear that what constitutes a successful retail store in 2020 is very different from that a decade ago. The value of a physical presence to the retailers is no longer quantifiable through the amount of over-the-counter goods sold. This shift means landlords must now experiment with emerging, digital first measures of store success. However, while nearly 80% of UK retail landlords expect the COVID-19 pandemic to lead to permanent changes in the way shop rents are calculated, as much as two thirds of landlords do not have access to the data which would enable them to do so.

This has driven both Collier's and CACI's attempts to develop a 'halo' inclusive rental model. Rather than simply basing rent on store turnover, this proposed new performance indexed lease model suggests retailers adopt a low base rent, with a top up rent calculated on five different variables: store sales, click & collect sales, returns, the marketing value of a store and the online sales uplift generated in a store's surrounding area. Undoubtedly, such an approach will rely on a host of new technologies able to capture any uplift in online sales resulting from the presence of a physical store.

Start-ups such as Placense can help landlords better understand the connection between people's behaviour and physical locations by turning data from mobile apps into aggregated & anonymous real-time insights. By uncovering metrics such as customer visits, visit duration, visit frequencies, customer journey paths, gender, age groups, income levels, and mode of transport, retail landlords will unveil new insight into the quality of their location and better structure any data indexed lease.

At the furthest end of the lease innovation spectrum are retail space-as-a-service start up, Sook. Offering high-street booking by the hour at a demand driven rate, Sook propose that prime retail space is leased to them for zero base rent, instead offering landlords a revenue sharing model which at 30% occupancy breaks even and at 70% occupancy would see the landlord benefit from twice the market rate.

What we are witnessing is not the death of physical retail, but the digital metamorphosis of an industry that will emerge from the stagnant cocoon of COVID-19 with renewed purpose. Retail landlords will have to turn to new, flexible leasing models as the pandemic will only accelerate the defaults witnessed over the past five years. However, where a strong retail covenant may be linked to the size of a brand's social media following, identifying those tenants who will maximise rents as a function of in store experience and online sales will not be straight forward.

Those owners who remain passive when it comes to emerging lease concepts and the required technologies to capture the new 'digital first' indictors of store performance, such as mobile footfall analytics, customer engagement monitoring, social media interaction, and the impact of location to online sales will most likely suffer. While those who are experimental now will be one step closer towards reaching the flexible, data indexed rental model that looks set to flourish in this new retail landscape.

REINVENTING THE HIGH STREET AS INTEGRAL TO THE IoT

by Mickey Clarke - Director of Marketing, Zoku

The death knell has been sounding for the traditional British high street for decades. Recession after recession has ripped through the ranks of Big Retail, with once ubiquitous chain stores of the 20th century disintegrating into insolvency. Many of these businesses failed because they didn't adapt to the new conveniences presented by online shopping, or to the shift from blanket brand marketing to more personalized peer-to-peer influencer messaging. Absentee landlords shirk maintenance and are unwilling to negotiate viable market rents. Retail spaces either stand empty or are dominated by service-led businesses that can't be accessed online, such as tattoo parlours, barbers and hairdressers, vape dispensaries, and artisanal coffee shops. Even when successful, these businesses don't tend to attract casual shoppers, so footfall is down. COVID-19, with its enforced closures and lockdown limitations, has accelerated this process of decay.

But the high street should not be written off — far from it. Research shows that, when integrated into both the online and local community, high street retail thrives. When associated with a website or app, a physical shop can combine the vast choice and personalization of internet shopping with local availability and a tailored customer experience. Independent retailers have embraced this opportunity, utilizing social media and guerrilla marketing to find, and then build, a loyal customer base. They encourage their customers to come to the shop not just to pick up purchases, but to browse curated selections, consult experts, and even attend events such as stand-up comedy or food-tasting nights. British high streets will bounce back if retailers and other stakeholders, such as town councils, can reimagine these once-bustling public spaces as part of the Internet of Things.

That means collecting, interpreting, and using real-time customer data is crucial. Stitch Fix, an American online clothing retailer, integrated machine learning from its inception in order to learn and meet its customer needs. They draw on a combination of human stylist expertise and algorithms to curate boxes of clothing — their goal is to ensure the customer loves the style, colour, and fit of the selection so much they don't send anything back. Walmart uses the weather forecast to tweak its AI-driven stock control system. ASOS and Nordstrom recommend product sizes based on customers' previous buying (and returning) choices.

The high street of 2030 will be a fundamentally different space, thanks to the rise of augmented reality. People rely heavily on their smartphones now, but a new generation of wearable smart devices will allow us to interact with our surroundings in previously undreamed of ways. Using 3D audio beacons and augmented reality displays, shops will communicate directly and personally with customers, sending them recommendations, offers and discounts as they approach. The era of the bland, interchangeable chain-store high street is over. No more clone towns! Smart city technology will pave the way for a new focus on community engagement and localism, with a thriving high street providing the centre of activity.

CREATING NEXT-GEN RETAIL EXPERIENCES WITH LOCATION TECH

by **Marianne Slamich** & **Eva Cheng** - Marketing Team, **Pointr**

Changes fire rapidly in today's retail environment. The Covid-19 pandemic has only accelerated a digital transition that was well underway and retailers are not expecting business to go back to "normal". In 2021, they will have to make their in-store experiences exceptional, so as to give people a compelling reason to visit. Well-stocked stores, personalised recommendations, easy navigation and a seamless online-to-offline experience are just some of the prerequisites to attract shoppers.

Here are 3 ways that location technology can help retailers better understand their customers, empower their employees and enable an intelligent supply chain.

1. CREATING A GREAT CLICK-AND-COLLECT EXPERIENCE

Click and collect sales increased by 63% this year compared to last year, with an increase of basket size and purchase frequency. Walmart's shopping app has seen a surge in its number of downloads in the last year. . As usage among seniors has risen, 83% of new Click & Collect consumers stated they were using the service as a way to avoid crowds and maintain social distancing practices, convenience and to save time.

Location technology can help retailers provide a more efficient click-and-collect experience. With smart indoor wayfinding systems, retailers can put the entire retail store at the palm of their staff and guide them to searchable points-of-interests such as products, departments or amenities. By combining handheld devices with inventory systems, mobile-equipped shop associates can measure stock and product location in real-time. This allows them to pick items quicker in store or in the warehouse and fulfill customer orders more efficiently. By saving precious minutes for each order, retailers can ensure a same-day click-and-collect experience and save millions of dollars.

2. ENABLING A MOBILE STORE GUIDE FOR CUSTOMERS

Sixty-seven percent of retail customers leave the store empty-handed when they can't find what they're looking for. Retailers can help consumers quickly find items in their retail store with digital maps, smart wayfinding and product search. With geofencing, they can notify shoppers of discounts or a price match via their smartphone to help drive in-store conversions. Some of the largest US retailers work with tech-savvy companies to find their way around large stores and connect the dots between offline and online shopping. With automated digital mapping, retailers can now map hundreds of venues within seconds. A major U.S. department store retailer uses the automated digital mapping system to push their mobile store guide live across 1,000 locations, providing multi-platform shopping experience for millions of mobile application users.

3. LEVERAGING LOCATION INTELLIGENCE FOR BUSINESS DECISIONS

The real power of location technology comes from analyzing all this location data to better understand customer behaviour and to make evidence-based decisions. Location-based analytics can identify the busiest parts of the store and determine whether merchandising efforts are efficient. Retailers can analyse heatmaps, bottlenecks, customer flows and product searches, using a customer's real-time or past location data. They can see if a customer is a returning client and adapt the in-app notifications based on intelligent triggers such as time of the day, weather, loyalty data and real-time location. Large shopping malls, department stores and supermarkets globally have started to use location-based analytics to make more efficient business decisions that drive sales and increase customer loyalty.

Want to unlock location intelligence in your retail store? Get in touch with Pointr! We're the go-to company for indoor location technology. We enable location-based services such as digital mapping, navigation, location tracking, geofencing and powerful location-based analytics. Pointr works with major customers in retail, workplace, aviation and hospitality across North America, Europe, the Middle East and Asia.

THE IMPORTANCE OF EQUAL ACCESS IN THE DIGITAL TRANSFORMATION

by Antoine Boatwright - CIO, Go Instore

2020 has been an exceptional year and the digital acceleration agenda has shown just how innovative and creative we can be, and how it is possible to pivot and augment existing experiences which have not changed for a long time.

Some of these new experiences are so much more superior to their predecessors that it is unlikely that we will wish to return the "old ways" in many cases. Go InStore through video shopping has re-asserted the importance of the retail assistant and the value of their expertise whilst delivering a totally new experience to customers (i.e. have all the upsides of going into a store whilst being safe at home).

Notwithstanding this good news – because these are real good news stories – this extremely fast digital transition has shone a spotlight on a number of key issues that were known but largely thought unimportant. Some are being addressed but others are still not satisfactorily addressed. Let me just mention two that are close to my heart namely:

- Equal access irrespective of income: as a voluntary school board member, it became acutely obvious that there is not equal access to computer/devices and/or bandwidth. Both are critical if one is to create an equitable digital society. The pandemic exacerbated this as there was a paucity of supply that drove device and accessory prices up making them even less accessible whilst increasing the reliance on the internet. More needs to be done to create a secure supply of new and "safe used" devices and software. There also needs to be access to affordable repair solutions such as the restart project "https://therestartproject.org/".

- Equal access for the elderly and differently abled: as someone with an elderly parent it has become abundantly clear that the removal of many high street services and their replacement with digital only alternatives (i.e. banking etc), has been a difficult transition for which there was not real preparation. Here the barriers to usage of technology are unrelated to economic factors but more related to a lack of knowledge accompanied by fear. That last factor cannot be underestimated especially with near daily articles mentioning online scams, phishing etc... Similarly, individuals with physical impairments that make the use of devices difficult or impossible could lead to their total disenfranchisement. We need to think differently in terms of form factors, accessories, secure carer access, education, specialised support, etc..

So let's not look back! Let's accelerate our transformation into a hyperlocal digital first economy with all the benefits that provides (i.e. reduced commuting, reduce environmental impact, more affordable housing, greater equality of employment opportunity, new jobs in new industries, etc..) Let's however make sure that we make a conscious effort to bring everyone along, not only because this is the right thing to do – which it undoubtedly is - but also because it also makes good business in terms of additional consumers and entrepreneurs.

LOCAL CURRENCIES INCREASING FOOTFALL & DRIVING SPEND

by Colin Munro - Managing Director, Miconex

From our home city of Perth, Scotland where we developed the first gift card program, we have seen demand for this solution grow across the United Kingdom, Ireland, USA & Canada.

Our clients have done amazing things as we have worked together to develop this program, constantly innovating, and learning how to promote the program, create new sales channels and lock in money for local businesses.

Local businesses are the beating heart of every community. From town pubs to local shops, each business plays its part in providing jobs, services and ties that bind a community together. The act of giving a 'place' gift card is the ultimate endorsement of your town or city. It encourages advocacy, increases participation, and shines a light on everything that place has to offer while diverting more local spending into your high street.

Since we started, more than 50 communities across the UK have launched their own Gift Card programme with consistent and award-winning results:

- More than 50% of cards are purchased from outside a community as a gift to a resident.
- Customers spend on average 65% more than the face value of the card. 15% of redemptions are first-time customers.
- Awarded best use of pre-paid at the 2020 international Incentive Awards.
- Over £3M generated and secure by our programs.

Running on the existing Mastercard network, a Town & City Gift Card requires no extra equipment or training for local businesses, just registration with the scheme. It's as easy for local retailers to get involved as it is for national brands which is why there are now more than 9,500 merchants connected to our program.

MI REWARDS - SMART LOYALTY FOR TOWNS AND CITIES

Having worked with Towns and Cities for over a decade, we keep hearing the same thing "Town & City Loyalty Programmes Don't Work" Miconex has been working hard to understand why. We've listened, researched, analysed and ultimately identified why these well-meant programmes have failed to deliver to date:

- Customers love loyalty programmes but dont want the hassle of having to use multiple cards and multiple apps - it's too much hard work.
- Businesses don't want anything that gets in the way of great customer experience - if there are roadblocks at the till, the plan fails them so they will avoid it.
- However Towns and Cities, and the businesses within them, are desperate for better customer insights in order to feed into better planning and to drive spend - the only way by which you can achieve that, is via the data that loyalty programmes deliver.

Mi Rewards, is a game-changing local rewards platform that combines the best for all stakeholders.

- Customers sign up in minutes using their existing payment cards and are automatically rewarded when they spend - no more plastic to tap or scan.
- Participating businesses register in minutes, no staff training, no new hardware or software.
- Place managers AND participating businesses get access to real-time data and insights to inform plan, pivot, communicate and grow.

Programme Managers can access frictionless, automated data-driven insight and analysis which will help them and their business community.

Every participating retailer gets access to live data and insights specific to them. Offering them invaluable opportunities to plan, adjust and drive further spend and loyalty.
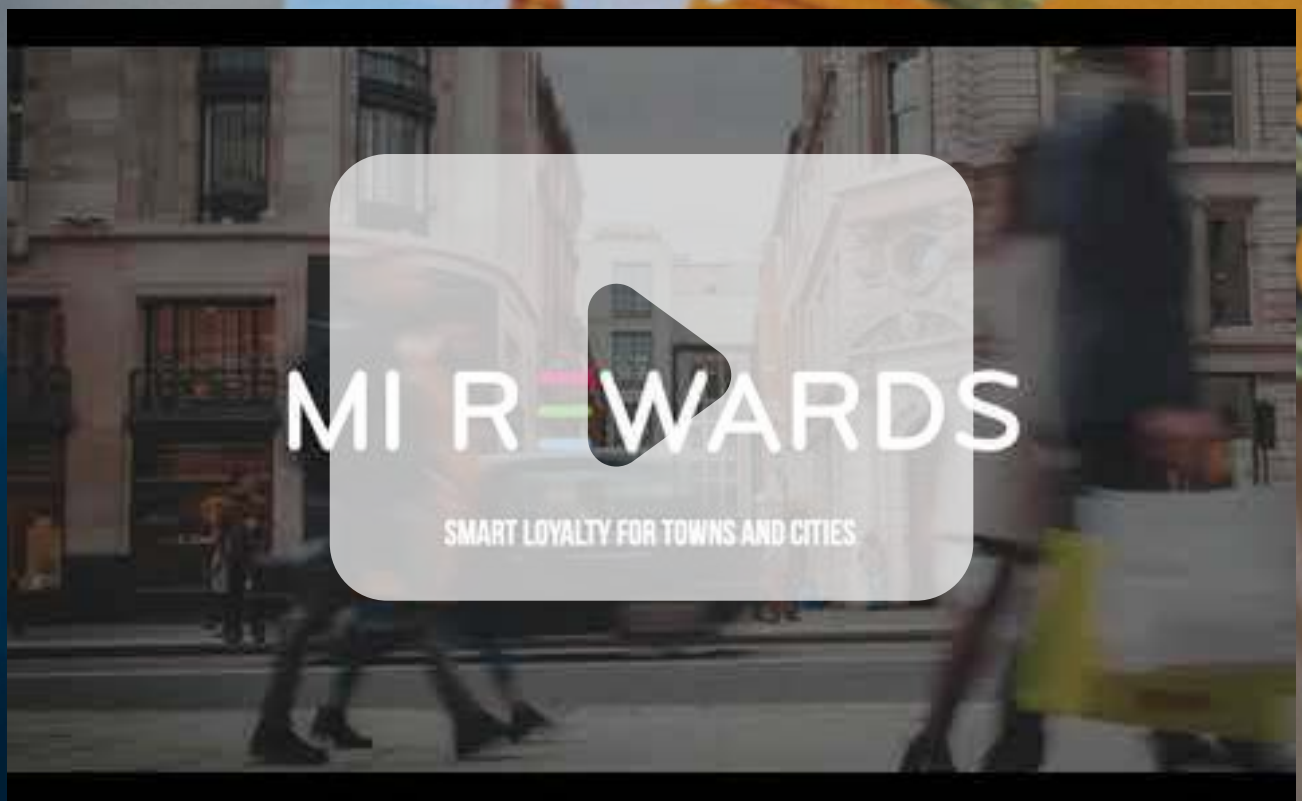
THE CRITICAL ROLE OF DIGITAL PLACE IN PHYSICAL REALITY

by Dr Jackie Mulligan - CEO, ShopAppy

When I started ShopAppy.com, over 4 years ago, I did not realise I was part of digital placemaking. I had never heard of the term! It was a year down the line, when I was introduced to the fact that I was part of digital placemaking at a seminar at the Institute of Place Management.

In 2016, the battle was centred on large versus small retail but this quickly transformed to a battle between physical and purely online retail – between place (and our emotional connections to it) and product (and our desire for convenience to get it). I do not understand why these elements are often mutually exclusive.

Perception of technology as 'the enemy' was holding high streets back. Most of the conversations on technology led by technologists and large brands used terms like omnichannel and mixed reality – which may as well have been planet Mars when compared to the everyday experience of small local businesses. Online was the killer of their businesses, but not the opportunity it could be. Reading High Street Heroes by John Timpson I was struck by the role of out- of-town retail parks as more detrimental to our town and city centres than Amazon ever could be. Whilst a town centre could not (at the time of writing) physically up sticks and move to out of town, a town or city could move online.

During Covid19, businesses that had held back from online had a bad time – the online shift was overdue and seismic. Businesses going online grew from 30% to 60%. From £1 in every £5 being spent online, it was now £1 in every £3. ShopAppy.com grew from 29 towns to over 150 towns and cities. More of the UK is digital than ever before. These digital places are proving to be crucial in resilience and recovery but not just for trade and transaction.

ShopAppy replicates places. Our places are not just shops, but markets, hospitality, b2b businesses, events, artists, attractions, experience. Real places are not purely transactional spaces, so our digital places follow their lead.

Anything digital is often seen as something for younger generations. Our digital places are improving accessibility for vulnerable people, who were vulnerable long before Covid19 struck. Forty percent of users are under 34 (a demographic lost to many classic middle England market towns and high streets) and 40% are over 50. Whilst age is a broad brushstroke, it does indicate how a digital place can benefit different groups.

For high street regulars, the connection with digital place, has helped them to stay connected to their 'friends' in the high street and market. That social role of place cannot be underestimated.

The importance of knowing our real places will survive is crucial to dealing with this existential crisis and our inability to plan ahead. Our campaigns focus on supporting local so that when we are free of restrictions, our businesses will still be there. 'Hope' is important and it is also why, when a business has been forced to close, we have been careful to ensure that at least in our ShopAppy places their digital shop front always displays 'Back Soon'.

DIGITAL HIGH STREET - 2030

By Esther Worboys - Fellow Institute of Place Management and High Street Task Force Expert

We are not the only ones wondering what the high street of 2030 will look like… In 2018, the Institute of Place Management (IPM) published their report - 'High Street 2030: Achieving Change'. In gathering evidence, the IPM ran a series of workshops around the country, asking what people would not want to see replaced in their future high street. The results make interesting reading - independent traders ranked high on the list, as did features unique to individual high streets. But what came out strongest from the workshops was the certainty that the consumer of 2030 will still want to eat and drink nice things, be in a pleasant environment, get access to the things they need, be attracted to something a bit different sometimes, not waste too much time moving around, and feel safe. And in that respect they will be no different to the consumer of 1930, or even 1830…

There is no doubt that technology will continue to affect how those requirements are delivered though. But true convenience means breaking down the barriers between physical and digital and so I believe that retail will continue to become more hybrid, with seamless transitions between the online, and bricks and mortar experience. One of the strongest proofs of this omni-channel approach is the continued migration of digitally-native brands to physical store-fronts. Also in 2018, JLL Research noted that the top 100 digital-native brands in the US had announced plans for at least 850 physical stores over the following five years.

I think this situation will be driven by a number of factors, including finance and customer service. With the UK government being strongly pressured to come up with a fairer taxation system than business rates, the financial advantage enjoyed by purely digital brands over high street stores will reduce, as will their ability to offer much cheaper prices. In addition, we only have to look at Amazon's recent problems with the new PlayStation 5 (deliveries "mysteriously" replaced with alternative items such as Nerf guns and dog food) as well as their warnings to shop for Christmas presents early to avoid shipping delays, to see how the poor customer service offered by many online retailers could easily turn consumers back to the "convenience" of the high street.

And so we will flit between the real and the virtual high street, but feeling just as comfortable in either. Innovation consultancy Future Laboratory raises the prospect of how real-time availability data could mean that instead of just being able to order an outfit you spotted online, you could be shown in real time which shops in your local area stock the items too, so you can just pop in and pick it up.

Technology will also improve our in-store experience. Smart mirrors allow customers to try on different colours and styles easily and apps let you scan and shop without needing to queue. In pilot Macy's department stores, a Virtual Reality tool which "placed" Macy's furniture into photos of shoppers' homes increased the overall basket size by more than 60%.

Technology will bring many opportunities which I believe will help to save, not kill, the high street of 2030.

# DIGITAL MASTER PLANNING ACCELERATES PLACE CREATION AND REGENERATION

By James Cons - Managing Director, Leslie Jones Architects Ltd

For those involved in the creation of high footfall hubs and destinations it is imperative that a digital eco system is considered alongside the physical masterplan. As consumers and customers, we exist almost equally in both worlds, but it is rare to see those that are involved in the creation of physical space considering how the virtual world might augment their place making ambitions.

Local businesses are the beating heart of every community. From town pubs to local shops, each business plays its part in providing jobs, services and ties that bind a community together. The act of giving a 'place' gift card is the ultimate endorsement of your town or city. It encourages advocacy, increases participation, and shines a light on everything that place has to offer while diverting more local spending into your high street.

Success in creating destinational places requires effective recruitment and retention of customers. Understanding how to drive both physical and digital footfall to a place must be centre stage in developing a central proposition that resonates with the target market. Applying the simple rules of brand architecture at an early stage in the design process will we maintain, deliver better place making design. At the centre of any brand is a promise, by delivering on this promise brands and therefore places will build customer loyalty. Customer experience is central to this proposition with the seamless progression between physical and digital interaction vital to fulfilment.
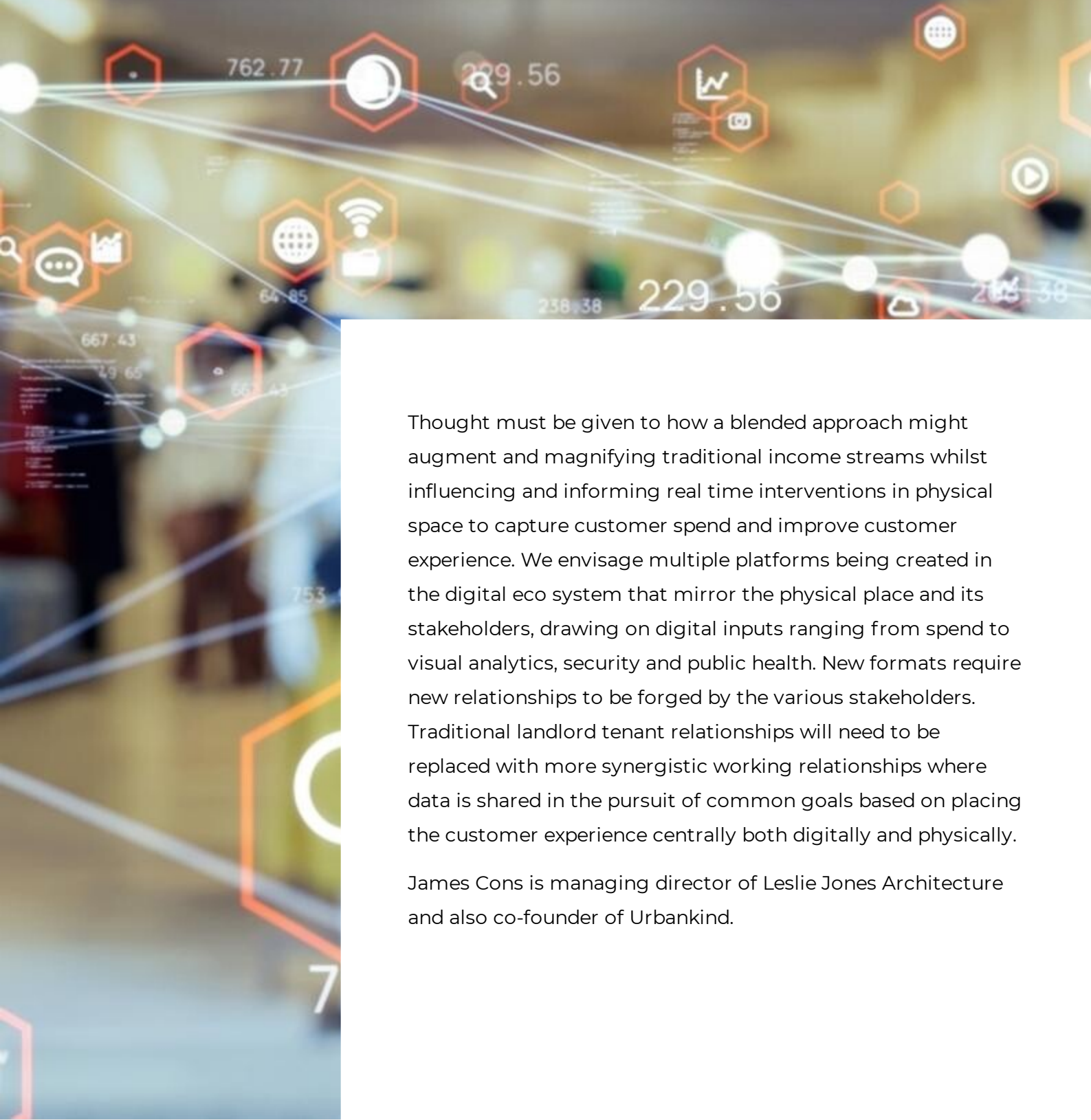
Thought must be given to how a blended approach might augment and magnifying traditional income streams whilst influencing and informing real time interventions in physical space to capture customer spend and improve customer experience. We envisage multiple platforms being created in the digital eco system that mirror the physical place and its stakeholders, drawing on digital inputs ranging from spend to visual analytics, security and public health. New formats require new relationships to be forged by the various stakeholders. Traditional landlord tenant relationships will need to be replaced with more synergistic working relationships where data is shared in the pursuit of common goals based on placing the customer experience centrally both digitally and physically.

James Cons is managing director of Leslie Jones Architecture and also co-founder of Urbankind.

OTHER BOOKS IN THE SERIES

You can read or download the eBooks here.

MOBILITY

How will we get people to places and things to people in 2030? Will people walk, cycle, take a shared autonomous ride, or even a drone? Will our streets be healthy, free from congestion and all amenities less than a minute away? This e-book attempts to answer these questions and raises a whole load more!

SMART PUBLIC SPACES

The traditional high street has focussed on physical assets:- retail property, hard infrastructure and street furniture. This e-book glimpses the future of Smart Public Space:- the criticality of digital infrastructure, the important role that data plays in helping us understand the places that we live and the need for blended, frictionless experiences that put the human at the centre.

COMMUNITY

The Community eBook will explore how innovation and technology can be harnessed to both provide better public services and more engaged and happier communities. With data and technology so prominent in the global response to COVID-19, the eBook contributors will share their views on what they've learned over the past year and how technology and innovation could be used across multiple sectors to improve not only the delivery of services, but also how they are valued by communities. You will find examples of UK and global good practice and views what barriers currently impede smart, data-led local decision making for both Government and businesses.

This eBook series was designed by www.alphapixa.com.