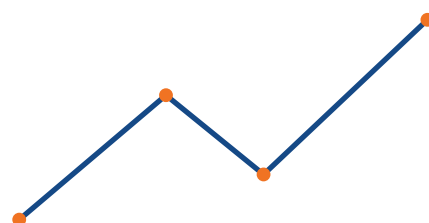


2022 RETAIL TRENDS REPORT



2022

ELEVATING EXPERIENTIAL
SHOPPING WITH AI&ML



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KEY RECOMMENDATIONS





OVERVIEW

From supply chain challenges to continued concerns about in-person purchasing, 2021 has been a year of oscillations for the retail industry.¹ With the pandemic continuing to limit in-store shopping, retailers are now turning to ecommerce-driven innovation, growth, and customer outreach; a trend that saw retail digital adoption scale from 13.8% in 2019 to 19.6% in 2021.²

2021 RETAIL IN FOCUS

Retail technology investment at its highest in five years:

\$18 billion in Q4'20



\$28.9 billion in Q1'21³

Main areas of investment:

- Experiential strategies
- App-ready retail
- Convenience for shoppers
- Contactless shopping technologies



¹<https://www.bloomberg.com/news/features/2021-11-02/supply-chain-crisis-has-central-banks-facing-stagflation-lite>



²<https://www.oberlo.in/statistics/ecommerce-share-of-retail-sales>



³<https://www.cbinsights.com/research/report/retail-tech-trends-q1-2021/>



Key technologies retailers pivoted to in 2021:

Internet of Behaviors



of the world's population, equaling over 3 billion people, will be digitally tracked by 2023.⁴

As 90% of customers are willing to share behavioral data in exchange for a more personalized brand experience,⁵ retailers are already leveraging the Internet of Behaviors to map customer behavior, collect user data, and offer a range of choices.

Privacy Enhancements



of large organizations will have implemented one or more privacy-enhancing computation techniques by 2025.⁶

With data protection laws such as the GDPR and CCPA requiring organizations to safeguard consumer data and levying significant fines in cases of data breaches, businesses are now investing in advanced privacy measures such as Homomorphic Encryption, Zero-knowledge proofs (ZKP), and Secure multi-party computation (SMPC) to handle sensitive data without compromising confidentiality. Research suggests that fines totaling EUR 272.5 million were imposed in 2021 for a wide range of violations of Europe's stringent data protection laws.⁷



⁴<https://www.gartner.com/smarterwithgartner/gartner-top-strategic-predictions-for-2020-and-beyond>

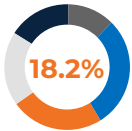
⁵<https://www.forbes.com/sites/blakemorgan/2020/02/18/50-stats-showing-the-power-of-personalization>

⁶<https://www.gartner.com/en/newsroom/press-releases/2021-10-18-gartner-identifies-the-top-strategic-technology-trends-for-2022>

⁷<https://www.dlapiper.com/en/us/insights/publications/2021/01/dla-piper-gdpr-fines-and-data-breach-survey-2021>



Hyper-Automation



The global hyper-automation market expected to grow at a CAGR of 18.2% from \$492.1 million in 2019 to \$22.84 billion in 2027⁸

In the retail industry, hyper-automation has elevated human capabilities by automating repetitive yet complex tasks such as order management, warehousing and inventory, risk management, logistics, and data monitoring, underpinning next-gen digital transformation.

With an increasing focus on elevating omnichannel shopping experiences, the year 2022 will see the maturation of extraordinary digital customer experiences that not only match, but even exceed, traditional in-store offerings. The coming months are set to see hybrid retail have a sweeping impact on the industry, with retailers combining e-commerce and physical retail to provide superlative experiences to customers.

The following are key retail trends for 2022, to embrace end-to-end innovation, accelerate growth, and strategically steer ahead of the competition.



⁸<https://www.emergenresearch.com/industry-report/hyerautomation-market>



FOCUS AREAS FOR RETAILERS IN 2022

Enabling Dynamic Logistics

With supply chain challenges causing setbacks across the retail industry, retailers integrated manual and digital efforts, adopting Intelligent Process Automation (IPA) technologies to counter and commute the effects of global disruptions.

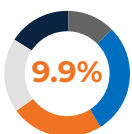


of all organisations had used RPA by June 2021, up from 13% in 2020.⁹

In 2022, automation is set to be the next big step in a successful business model. With consumers expecting instant product support and increasingly rapid deliveries, retailers will tackle anything from material handling challenges to reporting issues. And this will be settled by technology that is highly evolved and offers specialized solutions in realizing both micro- and macro-fulfilment goals.

Transforming into Future Stores

With contactless shopping quickly becoming the norm, in-person retail stores are now redefining buyers' entire shopping journeys.



In 2021, click-and-collect sales estimates rose to \$83.47 billion, nearly 9.9% of all retail sales.¹⁰

Creating a meaningful brick-and-mortar experience necessitates a modern approach—one that combines the convenience of technology, which consumers have grown accustomed to, with an inherently unique experience. 2022 will see more retail stores adapt to digital-first consumer demands.



⁹<https://www.computereconomics.com/article.cfm?id=2992>



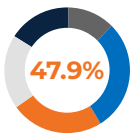
¹⁰<https://www.emarketer.com/content/click-collect-already-popular-option-finds-new-gear>



Data Monetization

Companies' efforts to collect actionable customer data from third-party platforms are being hindered by evolving global data privacy regulations.


As a result, brands are now strengthening their first-party data collection and turning to Customer Data Platforms (CDPs), establishing direct, consent-based relationships with customers.



At a CAGR of 47.9%, the global data monetization market is expected to reach USD 11,720 Million by 2026.¹¹

2022 will see retailers overcome data silos to gain a better understanding of customers' preferences. Creating targeted campaigns, personalized offers, and customer-centric products and services will be key to increased brand engagement and sales.



 ¹¹<https://www.marketwatch.com/press-release/2021-data-monetization-market-size-cagr-of-479-with-top-countries-manufacturerplayers-demand---supply-sales-and-consumption-top-companies---accenture-viavi-solutions-infosys-sap-and-key-insights-to-2027-2021-10-11>

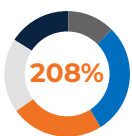


DEEP DIVING INTO RETAIL TRENDS FOR 2022

TREND 1: CONTACTLESS SHOPPING

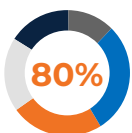
2021 in Retrospect

Never has the importance of contactless retail been more accentuated than during the pandemic. 2021 saw retailers hastening the transition to "Phygital," or the digitization of the in-store experience.



surge in curbside pickup at retail stores.¹²

Contactless shopping will be the one consistent trend in the transition from 2021 to 2022. With the growing acceptance of Near Field Communication Technologies such as Mobile Wallets and Scan-and-Go, retailers will offer checkout-free experiences while also seamlessly integrating customer profiles and data from loyalty programmes into their databases, allowing them to better understand individual customers.



of retailers agree that contactless payments make customers feel safer.¹³



By 2026, the global contactless payment market is expected to reach USD 51.07 billion, roughly quadrupling from USD 13.23 billion in 2020.¹⁴



¹²<https://www.cnn.com/2020/04/27/coronavirus-curbside-pickup-at-retail-stores-surges-208percent.html>



¹³<https://network.americanexpress.com/globalnetwork/dam/jcr:82bf7f34-848c-4bd0-84fd-6bb679c3da8b/Amex%202020%20Digital%20Payments%20Trendex%20-%20The%20Time%20for%20Contactless%20Is%20Now.pdf>



¹⁴<https://www.researchandmarkets.com/reports/4591881/contactless-payment-terminals-market-growth#tag-pos-1>



Contactless Shopping: 2022 and Beyond

To adapt to the dynamic retail landscape, businesses will leverage AI-driven capabilities that are flexible enough to address complex customer issues and augment a self-service knowledge base.

1. SEAMLESS CONTACTLESS PAYMENTS

AI-driven systems will seamlessly integrate with retailers' existing websites, requiring no customer queuing, apps, or hardware while providing a fast, contactless, and hassle-free shopping experience. Contactless technologies are also evolving into new and innovative mainstays: for instance, a food retailer in California installed kiosks enabled by facial recognition, allowing customers to make no-contact payments at checkout terminals. This improved order processing times significantly and reduced at least 3% on each transaction fee processed through card-based payments.¹⁵

2. VIRTUAL FITTING ROOMS

AI coupled with AR has given rise to touchless virtual try-on capabilities with features such as face mask identification, virtual arm swatches, and gesture control to deliver highly engaging omnichannel shopping experiences to consumers across all touchpoints. In this regard, a digital eyewear company integrated synthetic data into interactive AR simulations, allowing users to choose eyewear models from a virtual catalog and try them on. The technology has helped improve customer engagement significantly by achieving a staggering 103 try-ons per minute.¹⁶



¹⁵<https://www.latimes.com/business/technology/story/2020-08-14/facial-recognition-payment-technology>



¹⁶<https://www.fittingbox.com/>



3. CONTACTLESS COMMUNICATION

Conversational AI offers individualized interactions by leveraging Natural Language Processing (NLP) to recognize speech, understand intent, decipher different languages, and respond in a way that mimics human conversation. These applications can utilize data derived from backend operations, including customer POS data and purchase histories, to provide customers with personalized answers. For instance, a leading online travel agency leveraged NLP to help travellers find and book flights within specific timeframes, while also making personalized recommendations. This has allowed the business to diversify its customer base, enabling interactions with users in 7 different languages.¹⁷

4. LOCATION-SPECIFIC CONVENIENCE

When shoppers search for nearby store locations, AI-enhanced applications can directly notify brands and their nearby stores about such searches. For instance, on London's Regent Street, close to 100 retailers have installed beacons that trigger personalized product offerings via the Regent Street app. Bluetooth beacons and Geofencing are enabling the rise of proximity marketing here, contributing to a 7.4% increase in marketing response.¹⁸



¹⁷<https://venturebeat.com/2018/12/03/how-kayak-is-pioneering-ai-powered-voice-assistant-innovation-vb-live/>



¹⁸https://www.retail-systems.com/rs/Regent_Street_autoGraph_Mobile_App.php



Applications for Retailers in 2022

- **Visual Search:** Visual searches allow online shoppers to simply picture the product they want and search for it by uploading it to the internet. This was exemplified by a major fashion retailer, who developed a Visual Search-Part Recognition app for customers to take pictures of objects, such as outfits, billboard images, and pop-ups, and browse for them in the app. The move saw 3D and 2D graphic results hit over 95% accuracy and an increase in customer engagement.¹⁹ Although this technology is still far from being perfect in zeroing in on identical product matches, in 2022, retailers should extend their focus to improving image optimization to unlock the potential of intelligent recognition, boost product discoverability, and significantly increase conversion rates.
- **Chatbots:** According to 64% of businesses, AI-enabled chatbots will provide a more personalized customer care experience.²⁰ Considering that AI&ML-driven algorithms have the ability to collate and learn from vast amounts of structured and unstructured data, 2022 will unlock multiple possibilities for retailers to leverage chatbots in interacting with shoppers, responding to requests, and even guiding customers to relevant answers and results, thereby influencing buying decisions and customer behavior. Early adopters, however, may have to invest more time and effort in training such bots as they are still being improved for sentiment analysis; however, advances in technology will allow significant strides on this front, propelling customer engagement due to elevated 'human' interactions in the long run.
- **Voice Commerce:** 58% of consumers use voice searches to find local retailer information.²¹ This figure is expected to rise further as developers work on reducing language limitations and knowledge gaps that currently persist in such applications. Considering that discoverability will continue to be a key competitive element for the retail industry in the year ahead, AI-powered voice assistants can help analyze keywords to display relevant product suggestions, delivering results from vendors with the best AI-optimized search results. With 2022 underway, harnessing voice commerce can help brands become more noticeable and provide their customers with a more convenient purchasing experience, improving conversions and sales across popular platforms and devices.

 ¹⁹<https://slyce.it/case-studies/tommy-hilfiger/>

 ²⁰<https://www.statista.com/statistics/717098/worldwide-customer-chatbot-acceptance-by-industry/>

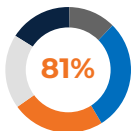
 ²¹<https://smallbiztrends.com/2019/06/voice-search-statistics.html>



TREND 2: EXPERIENCE RETAIL

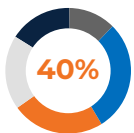
2021 IN RETROSPECT

2021 saw shifts in the fabrics of customer loyalty, with customers preferring experience positioning over mere products. As shoppers became more selective about brands, improving in-store experiences became a primary concern. Reducing the customer experience (CX) gap – the gap between what customers anticipate from their experiences and how effectively a business believes it is achieving these expectations – has therefore become even more important.



of buyers are willing to pay more for improved customer experience²²

Following a year when technological adoption saw new peaks, retail brands are now looking at prioritizing customer engagement over sales. Activating and monetizing the physical store in entirely new ways is the next step for retail, paved by a foundation of digital intelligence.



of brands say offering experiential retail will be a top priority for them in the coming year.²³



of consumers anticipate that over half of retail spaces will be devoted to experience rather than product or price by 2025.²⁴

²²<https://www.retailgazette.co.uk/blog/2020/01/westfield-releases-biggest-retail-trends-report/>

²³<https://www.shopify.in/retail/experiential-retail>

²⁴<https://www.retailgazette.co.uk/blog/2020/01/westfield-releases-biggest-retail-trends-report/>



EXPERIENCE RETAIL: 2022 AND BEYOND

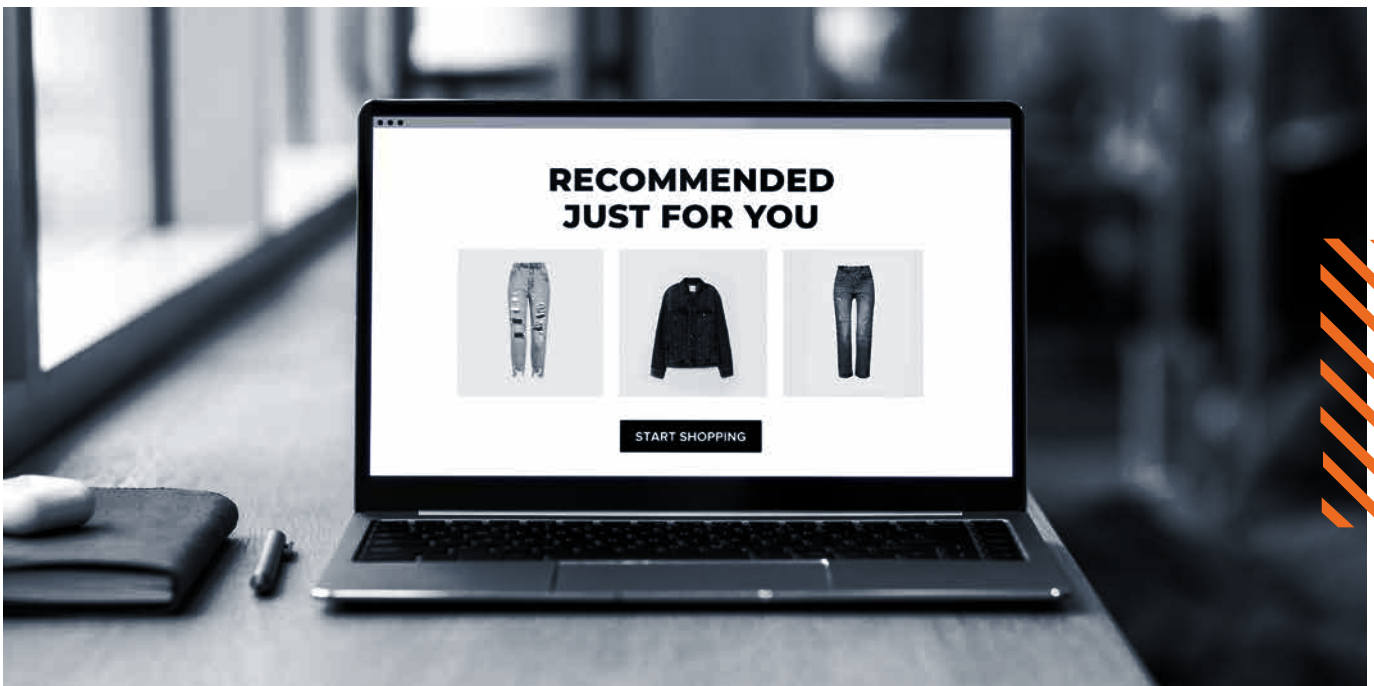
In 2022, retailers will be focusing on personalization; specifically personalizing the entire shopping experience. In-store personnel will now focus more on helping buyers shop for an identity, not just a product, something that data-driven decision-making and sales can be vital to.

1. SMART PRODUCT RECOMMENDATIONS

When consumers are still considering a buying decision, AI can help collect real-time behavioral data from multiple sources, creating instant recommendations tailored to users' interests, preferences, and purchase histories. Such technology can effectively drive a high level of conversions, resulting in higher average order value (AOV) and enhanced customer satisfaction. Research suggests that the use of recommendation engines accounts for over 35% of a global e-commerce giant's revenue²⁵, signaling the continued relevance of data-driven targeting in 2022.

2. VIRTUAL SHOPPING ASSISTANTS

Many buyers prefer to make purchases without the assistance of salespeople, yet they may require help in identifying the right product. Virtual assistants powered by AI can respond to customer queries and provide data-driven recommendations in real time. For instance, a major toy retailer in Scandinavia introduced a personalized onsite messaging application to help customers navigate through their vast product catalogue, achieving 600% return on ad expenditure and driving 25% of all in-season online sales.²⁶



²⁵<https://www.forbes.com/sites/blakemorgan/2018/07/16/how-amazon-has-re-organized-around-artificial-intelligence-and-machine-learning/?sh=e4382c173618>

²⁶<https://www.edelman.com/expertise/digital/our-work/imagination-engine-chatbot>



3. IN-STORE AUGMENTED REALITY

With in-store AR, customers will be able to scan products through their mobiles to see extensive product information, including origins, packaging dates, and ingredients, get recommendations for complimentary products, and read customer reviews. Retailers can elevate this experience by creating tailored offers, special discounts, and promotions based on the location, product, and customer data obtained through such AR applications. Leveraging AR, a Danish retailer partnered with a social media giant to establish an AR Fashion Boutique where QR codes gave customers access to the complete digital retail experience, including interactive arcade games, a virtual DJ booth, and an exclusive selection of clothing, generating 18 million impressions and strong engagement across markets.²⁷

4. IMPLEMENTING LOCALIZATION

An experiential retail store in a specific neighborhood must reflect and be consistent with the location and lifestyles of customers residing nearby. Using AI-gathered data for localized targeting, retailers can engage in community building with new customers and convert storefronts into community-focused spaces. A well-deliberated localization strategy will also give brands a chance to strongly represent how diversely inclusive they are and demonstrate their commitment to holding customer values above all. For instance, before entering the Indian market, a renowned Swedish furniture retailer utilized meticulously curated AI-generated data to analyze customer preferences, culture, income, and age groups to localize their stores and personalize product selections.²⁸



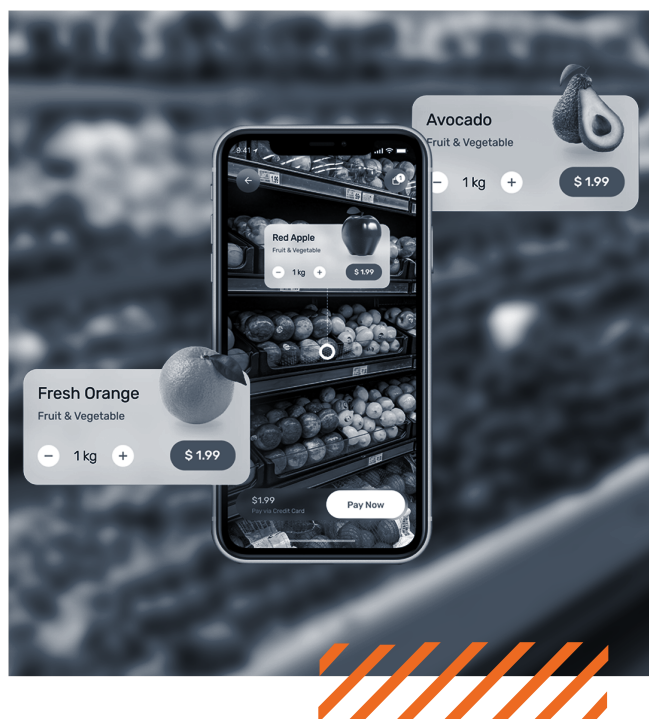
 ²⁷<https://wearesocial.com/uk/case-study/lego-ar-store/>

 ²⁸<https://wolfestonergroup.com/insights/blogs/furnishing-the-world-ikeas-localisation-mastery>



Applications for Retailers in 2022

- Engaging Product Demonstrations:** AI&ML-based applications can act as virtual toolkits and reading guides, display granular product information, and incorporate AR to virtually demonstrate functionalities for products/services. Although a significant number of high-functioning use cases haven't been developed yet, businesses are making strides in this space. Leveraging AR, a Canadian e-commerce giant allowed sellers to create 3D models of their products, offering buyers a store-like experience, potentially increasing conversions by up to 250%²⁹. Looking ahead, retailers can leverage AI to give customers rich insights into their product offerings, as part of the connected consumer experience in 2022.
- Hands-on VR Experience:** By incorporating immersive product images in ads, retailers can mitigate potential buying frictions and boost their online marketing efforts, as in the case of a major footwear retailer that recently piloted the sale of virtual sneakers, selling 600 pairs in just 6 minutes, worth above \$3 million.³⁰ Although VR technology is still in the early stages of being mobile-ready, in 2022, VR-enabled marketing can enable brands to give buyers a virtual feel of sought-after products, reassuring them of their buying decisions and commuting returns.
- Interactive Store Navigation:** With AR, retailers can offer engaging in-store walkthroughs, allowing shoppers to quickly find products. For instance, a leading apparel retailer launched an AR-mobile app to let users virtually walkthrough, scan in-store images, and try out merchandise, leading to 30,000 more engagements than usual.³¹ In 2022, early adopters with an appetite for substantial implementation costs will stand a chance to capitalize on the power of AR-driven apps that can locate products precisely, help buyers decide on optimal shopping routes, and even guide them to specific discount sections, ensuring prompt purchases.



²⁹<https://www.shopify.com/blog/shopify-ar>

³⁰<https://www.theverge.com/22833369/nike-rtfkt-nft-sneaker-shoe-metaverse-company>

³¹<https://www.enginecreative.co.uk/portfolio/lacoste-lcst-augmented-reality-retail-campaign>



TREND 3: FULFILLMENT EXECUTION SYSTEMS

TAKING SHAPE IN 2021

Industry 4.0 and the Industrial Internet of Things (IIoT) together were the norm in retail in 2021, with retailers attempting to increase interoperability between them to manage complex operations and make their businesses future-ready.



of supply chain executives boosted their spending on unique technologies during the pandemic.³²

The next generation in fulfillment execution systems will deliver adaptive, task-driven workflows based on real-time analyses of inventory, labor, and machinery data, perfectly suiting today's omnichannel fulfillment center optimization requirements.



By 2030, the warehouse automation industry is estimated to reach \$37.6 billion, at a CAGR of 10%.³³



By 2025, there will be over 4 million commercial robots in over 50,000 warehouses.³⁴

2021 saw retailers shifting from single channel to multichannel eCommerce fulfillment systems to expand outreach, setting up fulfillment facilities to operate more efficiently, enhance product deliveries, and offer faster fulfillment alternatives.

³²<https://www.forbes.com/sites/forbestechcouncil/2021/08/11/unlocking-the-power-of-predictive-analytics-with-ai/?sh=7937f2d36b2a>

³³<https://www.businesswire.com/news/home/20210621005532/en/Global-Warehouse-Automation-Robots-Technologies-and-Solutions-Market-Report-2021-2030---ResearchAndMarkets.com>

³⁴<https://www.abiresearch.com/press/50000-warehouses-use-robots-2025-barriers-entry-fall-and-ai-innovation-accelerates/>



FULFILLMENT EXECUTION SYSTEMS: 2022 AND BEYOND

Fulfillment execution will reach new peaks in 2022 as the extensive incorporation of AI will see retailers boost visibility, optimize operations, and automate various previously manual activities, all at a time when the industry prepares to cater to larger customer bases and an increased demand for rapid shipping.

1. PERFORMANCE MANAGEMENT

Using algorithms to make task completion estimates, AI can reduce much of the labor-intensive data collection procedures required with Engineered Labor Standards, or ELS-based performance management. AI algorithms can analyze taxonomical operational variables and learn based on real-world performance data collected within operations. Further, by learning statistically from historical data, ML models can make predictions more accurately and even spot anomalies when operational changes are incorporated. In this regard, a major cold chain storage retailer implemented an AI-driven smart placement system tracking the performance of several warehouse operations, resulting in a 20% increase in efficiency.³⁵

2. IN-WAREHOUSE TRANSIT OPTIMIZATION

Large volumes of process data are used by AI and ML systems to 'learn' how to balance priorities and reduce travel times through intelligent order batching and pick sequencing, adjusting for common gridlocks and slow-moving routes. Reengineering warehouse processes by incorporating AI-driven hyper-automation can help distribution centers reduce operational expenses by 30%.³⁵ This was seen in the case of a global e-commerce giant that introduced autonomous solutions in its warehouses, such as palletizers and robotic cart mobilizers, achieving 50% reductions in inferencing costs and a 20% increase in productivity.³⁶



³⁵<https://blog.setapp.pl/ai-big-data-logistics-warehousing>

³⁶<https://aws.amazon.com/solutions/case-studies/amazon-robotics-case-study/>



3. WORKFORCE PLANNING

By factoring in varying metrics such as resource availability, location and weather trends, and operational cycles, AI can automatically recommend employees for a particular shift, based on criteria including equally divided work schedules or employees who work well together on the same shifts. This can help in maintaining workplace harmony, ensuring that each employee's schedule promotes a healthy work-life balance and is optimized. AI can also help with demand forecasting by automatically considering external elements such as weather, roadworks, promotions, and material events that can affect customer demand and thus workforce availability.

4. DYNAMIC SLOTTING

Customized models and substantial engineering are required for traditional slotting solutions. By using data-driven models to determine spatial and temporal prerequisites required for a slotting model in the warehouse, AI can reduce manual engineering efforts and warehouse mapping. Further, as conditions change, the model can adjust to provide continuous process optimization. Leveraging smart pick-and-sort systems, an American shoe retailer achieved a 182% improvement in pick rates and reduced ramp up times to just two days.³⁷

5. INTELLIGENT AUTOMATION

In most pick-to-robot systems, an Autonomous Response System optimizes and directs robots to a location, with a nearby worker delivering goods to the robot based on instructions on a tablet mounted to the machine. An AI-based tool can orchestrate and optimize for both the robots' and the pickers' time by interfacing with the robots and directing workers, helping achieve intelligent order batching and pick sequencing. For instance, a renowned footwear retailer set up a fulfilment center with 30 human staff members assisted by 51 robots, which translated to a threefold increase in productivity.³⁸



³⁷<https://6river.com/case-study/crocs-pops-up-warehouse-for-peak/>

³⁸<https://www.wsj.com/articles/warehouses-look-to-robots-to-fill-labor-gaps-speed-deliveries-11621878163>



Applications for Retailers in 2022

- **Collaborative Robots:** Bots enabled with cognitive capabilities can work alongside humans, taking over hazardous and repetitive tasks, automating manufacturing processes, and thereby streamlining labour, saving time, and reducing costs. For instance, a major American retailer deployed an in-store bot to conduct real-time inventory monitoring while also interacting with customers by text or speech, helping them locate desired items in the store. The interest piqued by the device saw increased store footfall and helped free up critical time for store staff.³⁹ For retailers, 2022 is best suited to capitalize on cobots and therefore improve in-store customer engagement. While considerable investments in deploying, training, and maintaining these machines will be required, these are set to bring in significant additive value to human-retail operations.
- **Wireless Fleet Management:** Vehicles outfitted with wireless IoT technology can collect data on damage alerts, overheating risks, and potential problem areas to manage fleet operations, which can include anything from route recommendation to road risk data analysis and even driver coaching. Despite being a new implementation, with business models being largely experimental, in 2022, retailers can look at calibrating wireless fleet management solutions that use IoT sensors to monitor and manage vehicles in warehouse systems, helping improve compliance, maintenance, and monitoring driver performance and even vehicle status.
- **RFID Tagging:** RFID tags can store substantial information, and integration with IoT can allow for improved inventory management via 360° visibility and data extraction. With RFID tagging, warehouse executives can benefit from improved inventory tracking and better data sharing and connectivity, paving the way for smarter warehouses that will extend well beyond 2022.



³⁹<https://www.forbes.com/sites/blakemorgan/2020/05/13/the-3-best-in-store-robots-and-why-they-work/?sh=6c7b443737b2>



KEY RECOMMENDATIONS FOR BUSINESSES

With the retail landscape becoming increasingly competitive, businesses have long vied for an edge that's sustainable. Amid continuing uncertainty, how can retailers now thrive in 2022 and beyond? Here are key recommendations to help retailers adapt to changing consumer landscapes, while pursuing new opportunities, in 2022.

1. SET NEW STANDARDS TO RETAIN CUSTOMERS

The retailers that thrive in the future will be those that can engage their consumers, who now have more options than ever before. For this, the gold standard that future-first brands are already adopting is an omnichannel experience. Simple to use, consistent, and tailored products/services can keep customers engaged while harnessing enormous amounts of data to adapt continuously.

2. AUGMENT CUSTOMER EXPERIENCE INFRASTRUCTURE

This year, rather than focusing solely on sales, stores will deliver immersive settings. The focus on improving customer relationships and brand experience, powered by AI and AR to elevate first-party customer data, and establishing a feedback loop between the two, is the approach most likely to reshape the retail landscape.

3. REIMAGINE THE IN-STORE EXPERIENCE

Retailers will have to strategize for innovative ways to integrate immersive initiatives and provide customers with memorable in-store experiences. The "Store as Media" strategy works best when it creates a continuous loop of engagement. Therefore, brands and retailers must create an end-to-end intelligent digital media network in the store, both in the cloud and atop the shelf.

4. LEVERAGE SOCIAL COMMERCE

Retailers can now create platforms acting as tastemakers in a new era of consumer expectation for shared values, enhancing experiences in broader cultural environments. By leveraging AR-powered try-on technologies, digital gifting, virtual storytelling, and elevated commerce with a constant drive to experiment online, brands can create even more powerful narratives.



5. CREATE A GENUINE PURPOSE CENTRING ON DIVERSITY AND INCLUSION

Retailers must orient their brands around a strong and genuine purpose linked to Diversity and Inclusion (D&I) to establish a more meaningful connection with customers. Retailers ought to consider D&I as an opportunity rather than a challenge since organizations that demonstrate greater across-the-line commitment to consumers' social and ethical expectations will achieve greater customer loyalty and brand reputation in the long run.

With such a convergence of changes, retailers must steer their businesses forward by providing hybrid shopping experiences within next-generation retail ecosystems. As the industry adapts to consumers' ever-changing wants and needs, those who can distinguish themselves will continue to thrive and survive.

In 2022, retailers will need to be prepared to anticipate customer needs by analyzing buying patterns, using automation tools, keeping up with varied demand shifts in real time, and much more, embarking on a transformation journey that combines people, organizational, and technology capabilities to best effect.





FIND OUT HOW AI CAN GIVE YOUR RETAIL BUSINESS STRATEGY A BOOST!



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