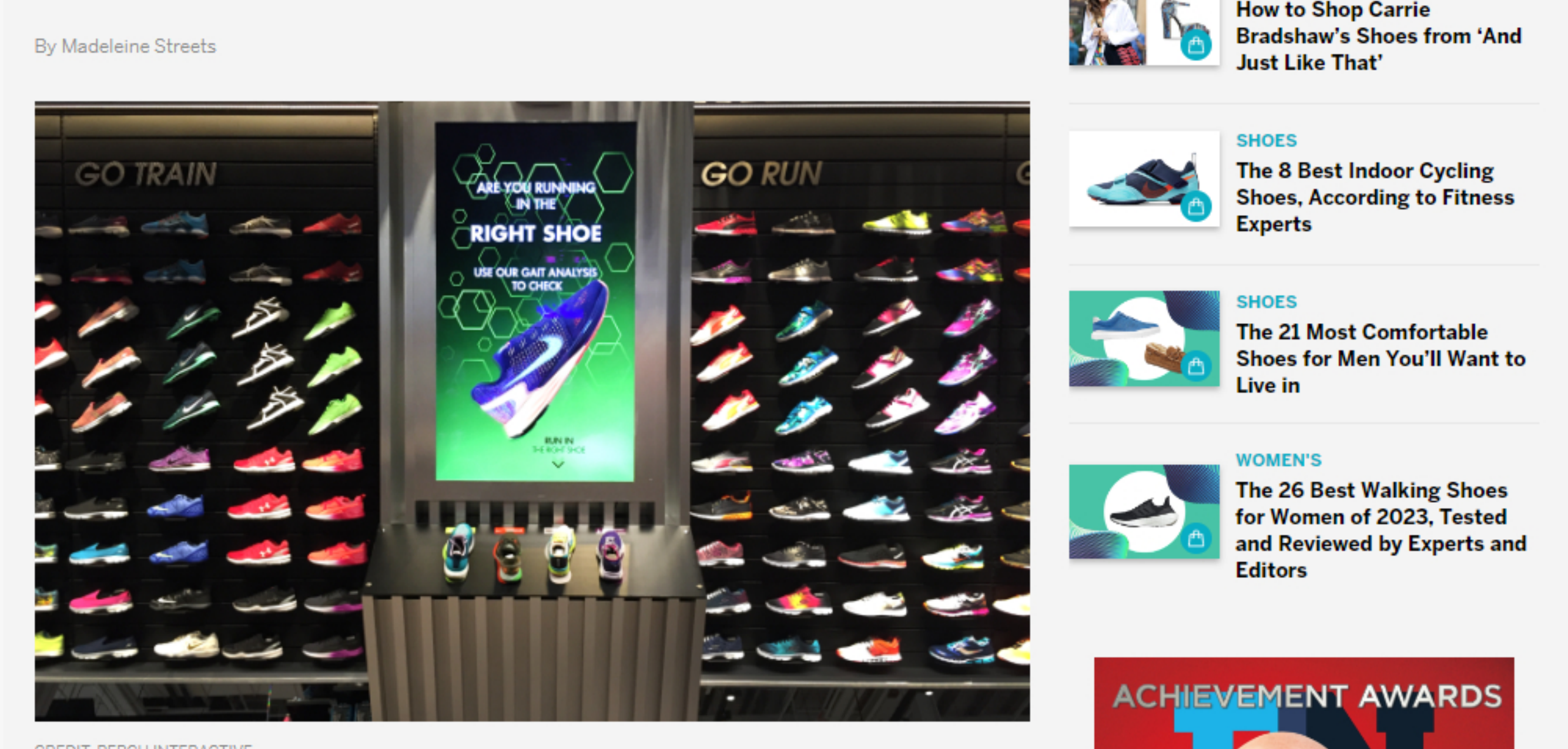


The Experiential Innovations Helping Stores Compete with E-Commerce

By Madeleine Streets



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Traditional brick-and-mortar retailers continue to feel pressured by digital competitors, thanks to the steady ease of shopping, fast delivery times and endless aisles.

But several experts are suggesting in-store sales channels could benefit from embracing some of e-tail's best practices, such as a more efficient checkout process and by offering an experiential element for customers. A number of technology companies are helping retailers and brands achieve this mix of style and function.

At Perch Interactive, for instance, the focus is on elevating traditional product displays by adding an interactive component. When a customer picks up an item from the shelf, the motion triggers an accompanying digital display that then shows important product information, styling advice and recommendations for similar items.

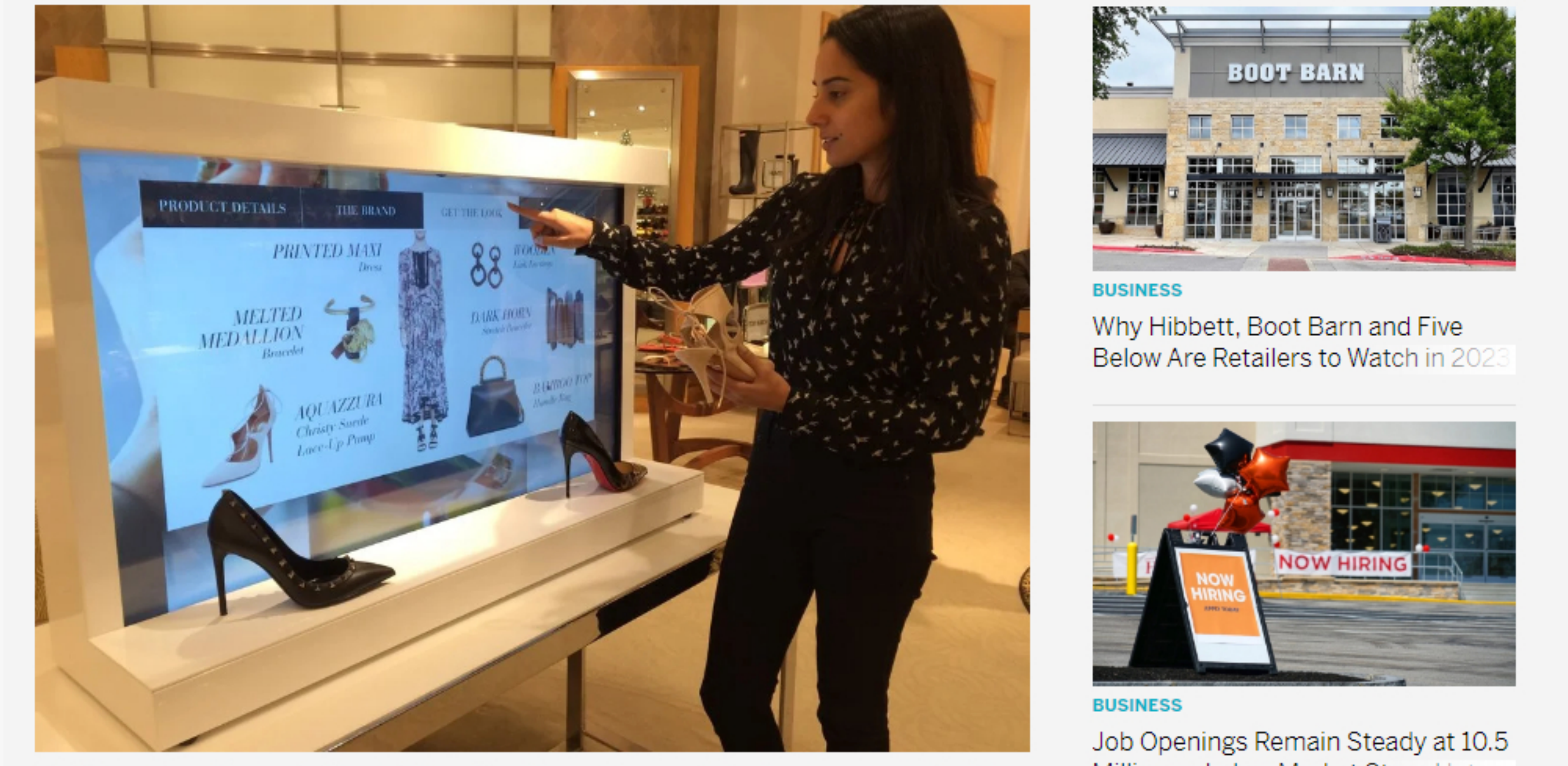
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person.



The interactive displays by Perch Interactive allow sales associates to demo product with dynamic visual aids and pull up useful information instantly for the customer.

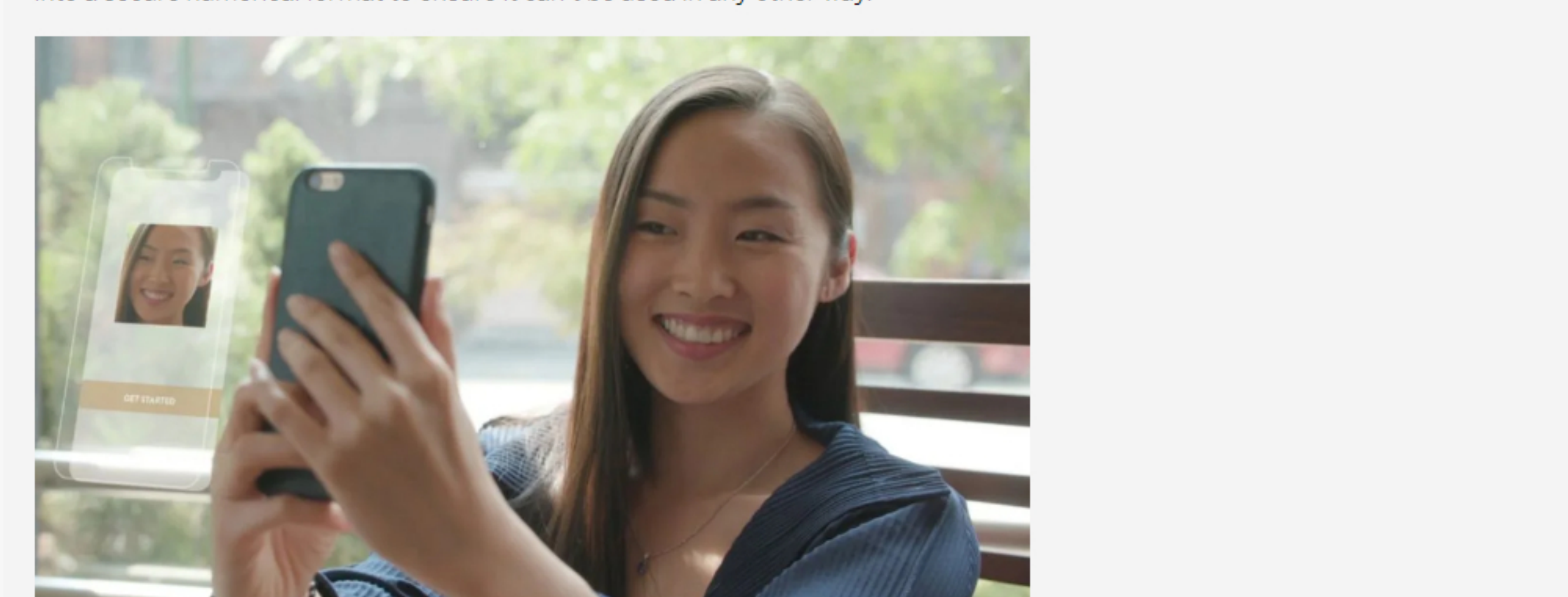
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What's more, Wreckler said, the technology keeps customers engaged in the store rather than prompting them to look up product information on their phones. The displays increase dwell time in the physical location and could lead to a 400% increase of average ROI per deployment. For example, at Neiman Marcus, the incorporation of Perch Interactive displays resulted in a 39% sales lift in women's shoes and 45% in men's shoes, according to the department store.

"Right now, if you walk into a store, you see plenty of brand messaging, but a catchy slogan does not help you make a product choice," said Wreckler.

Customers don't just visit shops in order to see the product firsthand; the physical interaction with the brand itself is also a critical component in developing a relationship with them. To that end, startup platform Preciate is helping companies improve in-store service and develop their own customer communities by powering loyalty programs with facial recognition software.

Through the Preciate software, customers can create a profile with a retailer using a personal photo. This enables the retailer to identify when that shopper visits any physical location of the retailer, using discreet cameras and the uploaded photo as a reference for facial recognition. A spinoff of a security company, Preciate emphasizes privacy and security; no in-store images are stored, and the profile photo is converted into a secure numerical format to ensure it can't be used in any other way.



Preciate asks users to take a photo of themselves and upload it to their account with a retailer, so they can access personalized service with every visit.

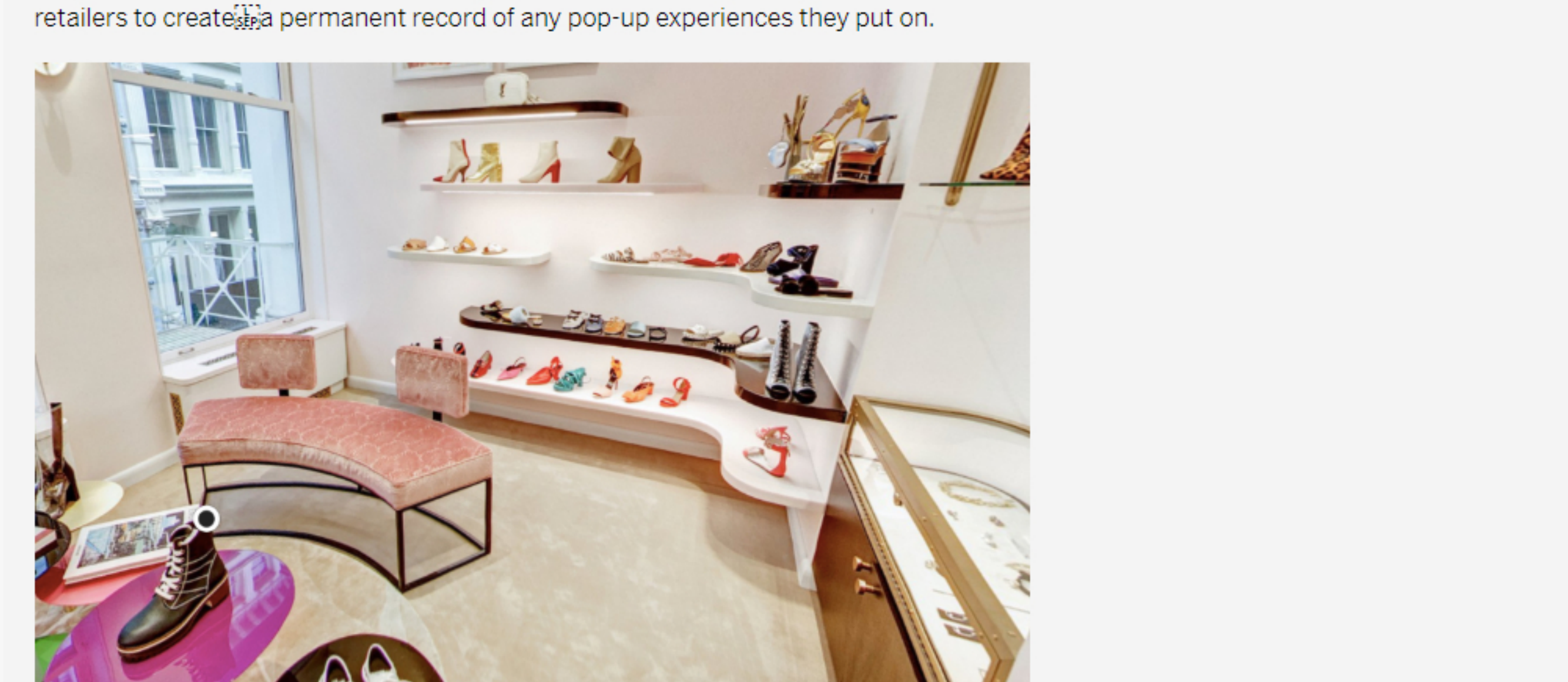
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"In the previous generation of loyalty clubs, usually you only got to know that the customer who walked in was a loyal customer when they checked out," said Eyal Fisher, co-founder and VP of R&D. "Most of the loyalty clubs are actually just about out-of-store engagement like emails or SMS, but nothing happens in-store."

With Preciate, whether the visitor is a loyal online customer physically coming in for the first time or a regular shopper of one location who is trying a new outpost, the sales associate receives a push notification when he or she comes in. The notification links to the customer's purchase history, browsed items and products that were abandoned in the cart, to drive tailored recommendations. Shoppers can also add details to their profile for more personalized service, from their size to preferred beverage — and whether they like to be approached by staff.

"It's all opt-in, which is very important," said Laura Siegel, head of business development at Preciate. "If you choose to have your credit card information as part of your profile, there's also an option when you're in the store to have a phone-free, cardless checkout experience with 'pay by face.'"

But it isn't always an option for a consumer to visit a retailer's flagship. That's why some are creating online versions. Obsess AR is a platform that uses proprietary mobile and web-based VR and AR technology to generate shoppable virtual stores that can be accessed through a retailer's website. The result is a 3D, 360-degree view of a store that customers can explore and shop, thus increasing ROI on real estate. It also allows retailers to create a permanent record of any pop-up experiences they put on.



Obsess AR turned the Soho location of Farfetch retailer The Webster into a shoppable virtual destination, so that customers around the world could experience the store digitally.

CREDIT: OBSESS AR

"We worked with Tommy Hilfiger to launch a virtual version of the pop-up store for their collection with Zendaya," said Neha Singh, founder and CEO at Obsess AR. "Using our platform, the beautiful store was able to be kept alive virtually past the time it was open in the physical location. Customers from all over the country who couldn't make it to New York were able to shop the collection via this interactive branded digital experience and also engage in other branded activities like getting their horoscopes and tarot card readings."

For retailers, capitalizing on their real estate presence is crucial to getting customers to return to shop, both through online and online channels. As customers begin to expect more efficiency and more creativity from the in-store experience, investing in the technology to achieve this could be what gives stores the needed edge.

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