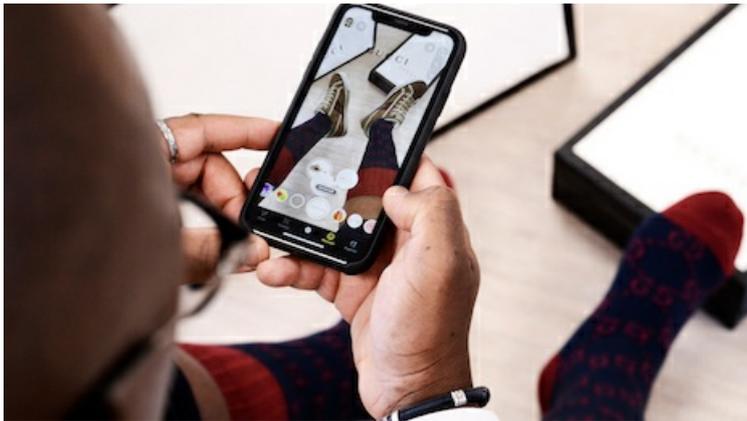


RETAIL

Retailers, brands turning to tech to improve CX: Euromonitor

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Snapchat users can now use AR tech to virtually try on Gucci footwear. Image courtesy of Gucci

By SARAH RAMIREZ

COVID-19 accelerated the adoption of connective tech tools in retail, with about three in 10 consumers using augmented reality or virtual reality when shopping for apparel, furniture or other household goods.

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According to a joint [retail tech report](#) from global market researcher [Euromonitor](#) and the [National Retail Federation](#), 73 percent of retail professionals report the pandemic has quickened their company's tech-related investments. These investments span different areas of the retail experience, including online discovery, online purchase, in-store shopping, payments and fulfillment.

"Technology will continue to be used to improve operational efficiencies and elevate the customer experience, positively impacting brand perception as a result," said Michelle Evans, senior head of digital consumer at Euromonitor International, in a statement.

The report is based on a November 2020 industry survey with 454 respondents working at retailers or consumer brand manufacturers and a March 2021 consumer survey with 1,000 respondents from 20 countries each.

Tech in retail

While AR and VR are becoming more commonplace, these technologies are still primarily used for gaming. Only 42 percent of internet-connected consumers have used AR and VR commercially, but this population is growing.

Of consumers who have used AR or VR in the last year, 30 percent used it to shop for clothing, household goods or furniture, up from the 2020 survey. More than 20 percent have also used AR or VR activities when trying on makeup.

Globally, almost 30 percent of consumers have used livestreaming to make a purchase within the last month, with half of these consumers making an apparel or accessories purchase. Shoppers are primarily drawn to commerce livestreams for discounts or product information before purchasing.



Tmall Luxury is embracing livestreaming. Image credit: Tmall

Livestreaming, however, varies in popularity based on geographic and age demographics.

Among Chinese consumers, 63 percent made a purchase through livestreaming in the last month followed by 29 and 28 percent in the United States and United Kingdom, respectively. Globally, 46 percent of consumers between 30- and 34-years-old have used livestreaming to make a purchase.

In addition to livestreams, online consultations and virtual consultations are some of the ways retailers are trying to digitally connect with shoppers. More sophisticated experiences include virtual try-ons, and will likely become more commonplace in the post-pandemic era.

Already the percentage of "minimal" online shoppers those who do not use digital during the research and purchase parts of the customer journey, or only use digital for one shopping category has fallen from pre-pandemic levels. Ecommerce has grown sharply, with millennials and Gen Xers driving the largest increase in digital engagement at the purchase stage and more baby boomers embracing digital at the research stage.

More than half of retail professionals reported that these shifts have led to the expansion of mobile applications or other platforms. Other tech-related initiatives that saw acceleration include personalized recommendations, enhanced site search or navigation, improvement of omnichannel capabilities and improvement of delivery efficiency.

The exponential growth in ecommerce does not mean in-store shopping will fade away, but it is expected to evolve.

From 2020 to 2021, global consumers are showing increased interest in in-store technologies such as facial recognition, virtual fitting rooms, QR codes and touchless checkout. Nearly 40 percent of consumers believe scan-as-you-go, smart carts and walk-in, walk-out technologies such as those deployed in Amazon stores would improve their in-store experiences.

Additionally, 45 percent of retail professionals believe AR or VR will help enhance more in-person shopping experiences in five years.



Scanning QR code on Burberry's classic trench coat in the Shenzhen, China social retail store. Image courtesy of Burberry

As stores are reimagined, so are payments.

Use of digital wallets has increased and may help retailers combat shopping cart abandonment by improving the checkout experience. Three-quarters of connected consumers have abandoned online shopping carts, with 44 percent citing payment-related reasons and 51 percent pointing to delivery-related reasons, such as unexpected shipping costs.

Free delivery and free returns are the most desired delivery features among global consumers, while less than a quarter view click-and-collect as an important fulfillment option despite retailers increased investment. Meanwhile, Chinese consumers are the most receptive to new delivery methods with 70 percent comfortable receiving a delivery via drone or robot compared to the global average of 40 percent.

In the short term, retailers and brands are actively investing in cloud technology to improve website performance, supply chain management and omnichannel offerings. AI is also being used to improve website searches and customer engagements.

Long term, technologies such as blockchain for supply chain traceability, AR or VR to enhance the pathway to purchase and AI for customer service will continue to become mainstream.

Luxury applications

Innovative luxury brands and retailers are among those leading the way by incorporating more technology to improve customer experiences.

Last year, British fashion brand Burberry opened the luxury sector's first social retail store in Chinese tech hub Shenzhen, binding the physical and social worlds in a digitally immersive retail embrace.

The store, backed by Tencent technology in an exclusive partnership, is designed as venue for exploration, inspiration and entertainment, letting shoppers experience Burberry and its products in person and on social media ([see story](#)).

Burberry has also embraced AR technology to enhance in-store experiences ([see story](#)), as well as engage consumers at home.

The fashion label introduced a new augmented reality experience inspired by the ocean themes of its spring/summer 2021 campaign. Available on the Burberry ecommerce site or app, consumers can virtually view the new Pocket bag in their own surroundings and design their own seashell sculptures to frame the handbags ([see story](#)).

Others have turned to digital technology to improve traceability.

In fall 2020, U.S. leather goods house Mark Cross relaunched its men's collection in the United States with an emphasis on sustainability and supply chain transparency.

Each item has a built-in TrueTwins digital chip, which will be implemented in all Mark Cross collections going forward. Using a digital passport mobile application, owners can learn more about the production of their pieces ([see story](#)).