

A With me today is Mark Hughes, a specialist in marketing strategies. Mark, what do you imagine the retail store of the future will be like?

B I often ask myself that question. When we walk into a store, will we be served by fleets of gleaming robots, using built-in facial recognition technology to adjust each sales pitch to a person's current mood or past spending preferences? Will there be voice-activated personal assistants, downloading to your smartphone the availability, colour and fit of any and every garment? Could there be floating, holographic product displays on the shop floor that change when a customer walks by? No checkout counters when you leave?

A You imagine the store of the future as being bricks and mortar, then?

B Not necessarily. Will shoppers make all their purchases from their own homes, using virtual fitting rooms via virtual reality headsets? Will drones then drop deliveries on the front steps?

A These innovations sound quite fanciful.

B They may sound fanciful, but none are hypothetical. They all exist, they're being tested, and they could be rolled out in as little as a decade.

A But is this the sort of shopping experience that customers really want?

B That's the crucial question, and many leading retailers and fashion brands are saying: "No, that's not what our customers want". Retail professionals are having to deal with an ever more volatile and unpredictable shopping environment and their long-term survival depends on their ability to anticipate and cater to consumers' desires, often before consumers themselves even know what they want.

A So there's a race on to find out how and where people will do their spending?

B The race to find that answer is heating up. One recent report concluded that stores will continue to play a critical role, with seventy-five per cent of sales still occurring in a physical location in 2025. But what may well change is a store's primary purpose. We'll have to stop thinking in terms of e-commerce, *or* bricks and mortar, *or* omni-channel sales, because the coming new retail era will be one of augmented retail...

A By "augmented retail" you mean ...?

B Augmented retail is a blend of the digital and physical which allows the shopper to move seamlessly between the two realms. People don't wake up in the morning and think, "I'll be online this morning" or "This afternoon I'll go offline". It's rare that we're purely one or the other; we tend to switch constantly between the two worlds without noticing it. Harnessing this behaviour is a major challenge for retailers.

A You recently organised a day-long event where you unveiled some new technologies which your company has developed to help brands and boutiques bridge the worlds of online and offline. Could you give some concrete examples of what these technologies can do?

B One is the magic mirror concept. It's a virtual make-up selling tool that's used in-store and allows users to try on different looks that are digitally superimposed onto their faces in forty seconds. They can then send photos of these different looks to their email address so that they can look at them later or share them on social sites.

A Do you agree with what one study concluded, that a sizeable proportion of consumers want human interaction and access that goes far beyond a credit card transaction?

B Yes, I do agree with that. Those retailers who are using technology and data to create shopping experiences which recognize that every person is different and has different needs are more likely to come out on top. One well-known British fashion retailer was originally a bricks and mortar boutique but he now makes ninety-five per cent of his sales online. Nevertheless, he still considers that boutiques and physical events are vital marketing opportunities. If time is the ultimate luxury and people want a higher return on investment of their time, you need to give them a good reason to be in a physical space. So he organises in-store series which offer talks and designer meet-and-greets.

A Are the young a big challenge?

B There's no question that a certain demographic of consumers, particularly those under thirty-five, are demanding the ability to have any product they want, whenever they want it.

Outline

What sort of shopping experience do customers want? Retail professionals are having to deal with an ever more unpredictable shopping environment and their long-term survival depends on their ability to anticipate and cater to consumers' desires, often before consumers themselves even know what they want. The coming new retail era will be one of augmented retail, blending the digital and physical to allow the shopper to move seamlessly between the two realms. Retailers who are using technology and data to create shopping experiences which recognize that every person is different and has different needs are more likely to come out on top. If time is the ultimate luxury and people want a higher return on investment of their time, you need to give them a good reason to be in a physical space.

Questions

1. Do you prefer shopping in physical shops or online?
2. Are there products you prefer to buy in a physical shop and not online?
3. What services do you expect from a shop?
4. What sort of shopping experience do you want?