CX THROUGH
TECH:

REIMAGINING
RETAIL

The past few years accelerated
retail tech capabilities to achieve
what used to be impossible.
Can it continue to deliver in 2024?

CXPOSÉ.TECH

FOREWORD

Deloitte has classified six buckets of factors that influence our expectations of retail. All these crystallise interesting trends for us, like hybrid retail where gaming becomes a channel for retailers, or social commerce that disintermediates the relationship between brands and retailers as social media platforms develop capabilities to operate retail ecosystems. Supply chains also undergo huge changes to become diversified and move closer to the consumer.

But, what does all this translate to for consumers? We have to only look at ourselves and the expectations we have, to visualize the landscape for retail in 2024.

Research shows that brands generating strong experiences have seen their market share soar up to 58%. Retailers and brands have the priceless opportunity during these uncertain changing times, to shape frictionless and convenient retail and eCommerce experiences with technologies like AI, omnichannel engagements, augmented reality, digital payments, and yes, connectivity.

This eBook also wants to also highlight the role of a core enabling technology which is often overlooked. Robust connectivity and internet infrastructure is critical for a number of cutting-edge retail technologies and business models. It allows creating seamless omnichannel experiences that blend physical and digital worlds, as well as reaching new customer segments by overcoming geographical barriers.

For example, deployment of EdgePoint Infrastructure's In-Building Coverage (IBC) solutions (in tandem with Malaysia's leading mobile operators) will enable seamless mobile connectivity throughout a few millions square feet of retail and property space. This will help to power retail technologies within the space and drive convenient payment services.

We recognize that strong connectivity forms the backbone for delivering the convenient, engaging retail experiences that modern consumers expect and even demand these days.

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RETAIL TECHNOLOGIES

EXPERIENCES-DRIVEN DIGITAL TRANSFORMATION

Cutting-edge technology to enhance customer experience is at the forefront of the unprecedented evolution of the retail landscape. For example, the phenomenal rise of eCommerce, coupled with shifting consumer expectations, has spurred retailers to adopt innovative solutions that bridge the gap between online and offline channels.

Technology is a critical enabler for this the essential role of retail technology cannot be emphasized enough.

CXpose.tech has highlighted how important data management is to extract actionable information for ThinkVal customers like Spa Esprit. The Spa Esprit Group is a Singaporean-based homegrown hospitality brand with a very diverse portfolio of over 15 retail beauty and food and beverage brands under its umbrella. This diversity led to the use of different kinds of IT systems to power their operations not just across Asia, but also London and New York.

What this can usually mean for organizations especially in hospitality with several brands and multiple touchpoints, is extreme data chaos. Any effort to start AI projects would be extremely challenging, and yet Spa Esprit wishes to embark upon that journey because of the immense benefit they expect to reap from AI technology.

AI and automation are embedded into more customer-facing retail technology solutions over time which can blur lines between the two, but the key distinction is that automation specifically reduces manual labor requirements.

But, this is not all the reason that retail automation is important. Other reasons include:

1   **ENHANCING THE CUSTOMER EXPERIENCE**

Retail automation technologies like AI assistants, computer vision, and robotics can help create smoother, more personalized shopping journeys for customers. This includes tailored recommendations, easier product discovery, contactless checkout, efficient fulfillment/delivery, and immersive virtual try-ons.

The potential for increased convenience and reduced wait times is very real with 24/7 customer service availability, personalized recommendations and deals, ability to visualize products in home before purchasing, and also more engaging, interactive in-store experiences.

Automating tasks like inventory management, forecasting, order processing and fulfillment allows retailers to operate more efficiently and cost-effectively. This is critical as consumer demand fluctuates and expectations around speed and convenience increase.

Many retailers struggle with labor shortages and turnover. Automation can augment the workforce, handling routine tasks so employees can focus on higher-value customer service roles.

In the case of Spa Esprit, the organization had decided to go back to the drawing board and focus on the data requirements of each individual department like finance, human resource, and even the different lines of business.

3

DATA-DRIVEN DECISION MAKING AND
ENABLING NEW BUSINESS MODELS

The software, sensors, cameras, and other technologies that enable automation also generate massive datasets that can be analyzed to optimize everything from assortment planning to supply chain logistics. This creates opportunity for recent innovations like unattended/cashier-less stores, self-checkout kiosks, robotic inventory management, robotic pickup/delivery, AI-powered customer service chatbots, smart shelves and dynamic pricing displays, augmented reality product visualization, automated micro-fulfillment centers and many more. All these in turn create potential for new business models.

In essence, retail automation addresses key pain points around staffing, efficiency, and customer experience - while also opening up new innovative service models. When implemented thoughtfully, it can be a win for retailers and consumers alike.

In this section, we dive into some of the most impactful retail technologies that are shaping the industry today. We aim to uncover the future of retail, where technology empowers both retailers and consumers, creating a more personalized, engaging, and convenient shopping experience for everyone.

Key Retail Trends and Technologies

Hyper-Personalization Redefining Shopping

AI and machine learning is rapidly becoming a significant tool for retailers to analyse customer data and to deeply understand individual preferences, behaviours, and purchase history. This enables retailers to craft personalized shopping experiences unique to each customer.

Through analysing vast amounts of data, retailers can anticipate customer needs, deliver targeted marketing campaigns, provide relevant recommendations, and even offer personalized discounts.

According to Boston Consulting Group's Personalization Maturity Index, retailers consistently witnessed a 25% increase in revenue after scaling their advanced personalization capabilities, with customers 110% more likely to basket more items while 40% could increase spending beyond what they had planned to.

In the dynamic retail landscape, hyper-personalisation is no longer a luxury but a necessity. creates a sense of connection, making customers feel valued and understood. It fosters loyalty, encourages repeat purchases, and ultimately, drives sales. Striking the right balance, however, is key to successful hyper-personalisation. Retailers must go about this without being intrusive, respecting privacy while offering tailored experiences.

Flexible Financing with BNPL and Embedded Payments

For a lot of modern shoppers, payment flexibility is a major appeal factor when purchasing directly at the point of sale. Buy Now, Pay Later (BNPL) and embedded payments has emerged as a game changer, providing customers with a flexible and convenient alternative to traditional payment methods.
These options integrate financing into the checkout process, allowing customers to split payments into smaller, manageable instalments (some instances with no interest or fees), without the need for credit cards or loans.
Appealing to a wide range of shoppers, BNPL is popular among those who prefer to avoid the high-interest burden of using credit cards and, with lack of access to traditional financing, prompting them to make purchases that they might otherwise postpone or abandon altogether.
Adobe Analytics data showed that BNPL is expected to drive over $81 billion in online spend in 2024, which is considered a new record as shoppers embrace more flexible ways to manage their budgets.
Embedded payments take this concept further by seamlessly integrating various payment options directly into the retailer's platform. This eliminates the need for customers to navigate to external payment gateways, creating a smooth and convenient shopping experience.

Besides just seamless and personalised shopping experience, the gamification route is also fast gaining popularity to enhance customer experience. It is essentially a strategy to inject elements of fun and play into a customer's shopping experience.

To foster an enjoyable shopping environment, retailers provide many forms of gamification: loyalty programs that offer points and badges for purchases, interactive quizzes that unlock discounts, augmented reality experiences that turn stores into virtual playgrounds, and even scavenger hunts that lead to hidden rewards. Euromonitor International's Voice of the Consumer: Digital Consumer Survey revealed that 22% of digital consumers participate in loyalty programmes to receive exclusive experiences while 34% are attracted to access to exclusive rewards.

Gamification works because it is designed to resonate with people's natural desire for competition and achievement, and make the overall shopping experience seem more like an adventure. It drives customers to interact with a brand more, spend more time in online stores and share their experiences or promote them to others.

For retailers, gamification can lead to increased customer engagement, loyalty, and sales. It presents an innovative way to stand out from competitors, collect valuable customer data, and create buzz around the brand.

Transforming the way consumers discover and purchase products online are shoppable videos. Designed to provide an immersive shopping experience that combines entertainment with convenience, these interactive videos integrate product information and purchase options directly (through incorporating clickable links or product tags) into the video.

Taking the need to search for products separately out of the equation, shoppable videos embed clickable links or product tags within the video and viewers can easily explore and purchase items. Besides providing convenience for shoppers, this technology also offers multiple benefits for retailers. Among them include increased engagement and gaining valuable insights into customer preference,

Up to 80% of consumers are likely to make purchases from brands offering interactive content, according to a study by Deloitte, while a survey by gen.video revealed that 53% of respondents aged 18 to 29 say they have purchased a product after watching recommendation videos from influencers.

The versatility of shoppable videos is also another plus. Easily used across various platforms, from social media to websites and even live streams, retailers can now reach wider audience, tailor shopping experiences to different customer behaviours and boost conversion rates.

## Bridging the Physical and Digital Worlds with In-Store Augmented Reality

In-store shopping experience is now scaling new levels with augmented reality (AR) by overlaying digital information onto the physical environment. With smartphones or AR glasses, customers can now experience interactive product information, virtual try-ons, and captivating product demonstrations.

It can be as simple as using your phone to scan a QR code to reveal detailed specifications, customer reviews, virtual demonstrations and even personalised recommendations. Designed to bring products to life, in-store AR provides customers with a more engaging shopping experience and a great deal of information on their potential purchase to empower them to make informed decisions.

Cosmetics giant L'Oréal witnessed a surge of 150% in virtual try-ons which indicates that the company's investments in its consumer-facing AR technology is bearing fruit. Interactive experiences like AR are also poised to drive more in-store consumers with GlobalData's new Future of Physical Retail report anticipating a 5.1% growth in physical retail in 2024.

This technology bridges the gap between online and offline shopping, providing customers with the convenience of online search while enjoying the tangible experience of a physical store. For retailers, the benefits are endless. It enhances customer engagement, increases their duration of stay at stores, and also reduces the prospect of returns by allowing virtual try-ons before purchase.
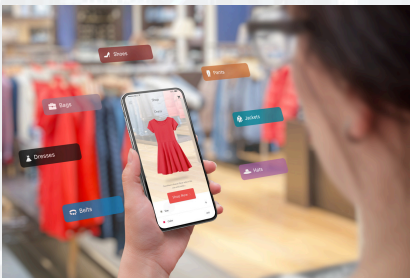
Smarter Shopping with AI-Driven Personal Shopping Assistants

AI-powered chatbots and virtual assistants are fast transforming the online shopping landscape. These virtual assistants leverage AI to understand customers' style, preferences and needs and guide them through their shopping journey, answering queries, offering product recommendations, and providing personalised assistance.

This technology analyses key factors such as purchase patterns and even social media activity to create a comprehensive profile of a customer's preferences. Based on this data, product recommendations such as clothing, accessories, beauty and décor will be delivered to them and this could also include great deals and discounts. However, these personal shopping assistants can do more than just provide suggestions. They help take the guesswork out of shopping with abilities such as answering questions, providing advice, styling tips and, on the whole, facilitate customers in making buying decisions.

According to research by Gartner, the fastest-growing segment in the contact centre forecast is the global conversational AI and virtual assistant market, driving 24% growth in 2024.
AI-driven personal shopping assistants are a powerful tool for retailers to enhance customer engagement, customer experience, customer satisfaction, increase sales and foster brand loyalty. They provide a scalable way to offer personalized service to a large number of customers, leading to higher engagement and conversion rates.

Key Retail Trends and Technologies

Thanks to technological advancements and evolving customer expectations, the traditional retail landscape is evolving into a dynamic ecosystem where innovation thrives, and the customer is firmly at the centre. From the rise of hyper-personalization to AI-driven personal shopping assistants, everything points towards a future where technology empowers both retailers and consumers.

The future of retail is not just about embracing technology for the sake of innovation. It's about strategically implementing these tools to enhance the customer journey at every touchpoint. This involves seamlessly integrating online and offline channels, providing a consistent and personalized experience across all platforms.

The key for retailers is to embrace this change, to experiment with new technologies, and to always keep the customer experience at the forefront of their strategies.

A survey by CommerceNext shows a positive indication from e-commerce enterprises with 42% planning further tech investments in 2024 to boost business. An IDC survey suggests improving customer experience is a core focus of 42% retailers in their digital transformation efforts.

Retailers who adapt and innovate will not only survive but thrive in this exciting new era of retail. Consumers too can look forward to a future where shopping is not just a transaction, but a personalised, interactive, and enjoyable journey. The future of retail is filled with exciting possibilities for both retailers and consumers alike.

Muniff Kamaruddin
CEO
EdgePoint Towers
Sdn Bhd

EdgePoint Transforms Retail Connectivity for Sunway Group, TRX City Sdn Bhd., and myNEWS Holdings Bhd

EdgePoint Infrastructure, a leading telecommunications company in ASEAN deserves special mention for changing the retail connectivity game with solutions that power seamless payments.

EdgePoint Towers Sdn Bhd's CEO, Muniff Kamaruddin had recognised the importance of strategic parnerships to make this happen and brought along three partners, Sunway Group, TRX City Sdn. Bhd., and myNEWS Holdings Bhd., on a retail connectivity journey that aimed to enrich the experiences of customers and merchants alike.

Muniff shared that strategic partnerships are crucial for the company to provide wider access to connectivity throughout Malaysia. "These initiatives are one of the many steps we are undertaking to support our vision of providing wider access to connectivity across all population segments. We recognise the pivotal role of seamless connectivity in today's increasingly cashless society that has gained significant traction among Malaysians and are committed to working closely with our strategic partners who share our vision. We are always on the lookout for partnerships where together we can unlock the vast potential of telecommunications with innovative solutions that pave the way for a more connected experience."

Through its partnership with Sunway Group, EdgePoint upgraded telecommunications infrastructure across Sunway Pyramid, Sunway Pyramid Convention Centre, and Sunway Medical Centre, where it deployed refreshed neutral hosted In-building Coverage (IBC) systems at the mall and convention centre which will enable seamless mobile coverage throughout, in line with the Group's target to provide seamless connectivity towards catering to the annual footfall of 42 million coming through Sunway City Kuala Lumpur each year.

With The Exchange TRX, EdgePoint facilitated high-speed, seamless mobile connectivity throughout the mall, enriching the experiences of shoppers and merchants alike by providing In-Building Coverage (IBC) solutions with all of Malaysia's leading Mobile Network Operators (MNOs), enabling high-speed, seamless mobile connectivity throughout the 1,300,000 square feet of retail floor space in the mall with over 400 stores and services.

By deploying technology-neutral telecommunications infrastructure, EdgePoint has also significantly improved capacity and coverage across myNEWS and CU outlets in the Peninsular. This collaboration ensures that customers enjoy seamless, efficient extended coverage and enhanced 4G/5G network capacity when conducting cashless payments using eWallets, debit cards, and other digital payment methods.

As EdgePoint continues to form innovative partnerships, providing an elevated customer experience and top-notch service quality remains a key priority for the company, reinforcing its commitment to supporting Malaysia's connectivity objectives.

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