

Digitally Connected Retail

The digital response to sustainability challenges is accelerating, and bringing opportunities for retail growth.

Digital innovation has been transforming retail value chains in recent years, particularly in response to the challenge of sustainability within the fashion industry. From raw materials and manufacture tracing, to consumer labeling and customization, digital innovations are spurring new levels of connectivity.

New business models will need digital solutions to meet consumer expectations of seamless, customized experiences that include information on responsible sourcing and sustainable manufacturing practices. The brands and retailers that thrive will adopt and adapt technology to support customer interactivity—a critical element of the competitive fashion landscape.

Here are four connection points transforming sustainable retail and the consumer experience.



#1 Connected solutions: Traceability & Transparency

Radical visibility underpins changing business models, as product doubles as a window into the complete supply chain. Traceability and transparency can protect brands and consumers from the grey market and counterfeit goods. It can monetize circularity, such as re-commerce and recycling markets, drive seamless omnichannel, and enable the capture of required sustainability data.

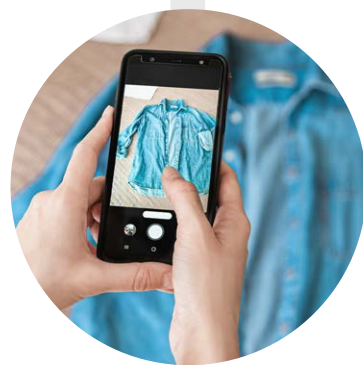
72%

of millennials believe that brands should make it easier to buy/consume sustainably, and 71% of them would support a mandatory simple labeling standard for products that can be used to determine how sustainable a product is.¹

Stella McCartney has partnered with Google and Current Global to track the environmental impact of cotton and viscose. The goal is to use machine learning to build a tool that gives brands a clearer insight into their supply chain.

71%

of millennial and Gen Z sports fans agree that brands have an important part to play in the social conversation about current issues.²



#2 Connected solutions: Towards Circularity

Giving products a digital identity enables circularity. From fabric labels that go beyond enhanced care by linking to recyclers, to resale markets that can embed products into online gaming, connecting consumers to products will drive circularity, which in turn drives transparency, engagement, marketing and new revenue streams.

33%

of waste is mismanaged globally today through open dumping or burning. Waste generation is expected to increase from ~2 billion tonnes in 2016 to 3.4 billion tonnes in 2050.³

48%

Nearly half of Americans bought an item through resale in 2020.⁴

adidas' Infinite Play program leveraged atma.io by **Avery Dennison** to facilitate reuse, allowing owners of adidas clothing, shoes and accessories to return them to the brand, where they can be repaired and sold again, or recycled if they are beyond repair.



#3 Connected solutions: Digital Consumer Engagement

Digital innovators are finding new ways to connect products to customers, deepening relationships through personalization and customization. From curated offerings, driven by AI, to bespoke offerings at scale, product becomes a strategic digital marketing channel, increasing loyalty and spend as it reduces waste.



In the future, **Ralph Lauren** stores may not have as much ready-made product in them. Piloting "Create Your Own" garments online, the brand has a goal to let customers create the product of their choice from scratch, a concept testing in stores that imagines a very different, and connected, future.⁵

Avery Dennison partnered with **Ambercycle**, a post-consumer garment recycler, to attach digital labels to their newest collection of recycled garments. These labels feature a QR code that links to an app outlining how that specific garment was produced and how it should be looked after.

91%

of consumers say they are more likely to shop with brands that provide offers and recommendations that are relevant to them.⁶



#4 Connected solutions: The Future of Retail

Digital innovation is redefining retail at all junctures, changing the future of consumer experience. In-store theatre and immersive storytelling are upgrading traditional retail with smart fitting rooms with interactive mirrors that can share product traceability or help to get you a different size—all powered by RFID. Voice shopping is set for rapid growth with the proliferation of home smart speakers.

66%

of in-store shoppers and 63% of mobile ones agree that shopping technologies and innovations improve their experience.⁷

60%

of shoppers want to see products online in 3D and augmented reality, and are willing to pay more to get it, driving significant reduction in returns.⁸

250%

The increase in conversion rates when consumers viewed 3D products in augmented reality.⁹

References

- ¹ Accenture Pulse survey: Purpose of Brands, June 2021
- ² Kantar U.S. MONITOR, Q1, 2020
- ³ What a Waste 2.0, World Bank, 2018
- ⁴ Offer Up, 2021
- ⁵ Fast Company, June 2021

- ⁶ Accenture Pulse survey: Purpose of Brands, June 2021
- ⁷ National Retail Federation, 2019
- ⁸ Harris Poll
- ⁹ Shopify 2020