DELIVERING FOR THE NEW CONSUMER
The Move to Ubiquitous & Ultra-Personal Shopping

Prepared by RILA’s (R)Tech Center for Innovation and Accenture
The very nature of what it means to be a retailer has been completely transformed. Today’s engaged consumers have fundamentally different needs and desires. With the freedom to buy anytime, from anywhere, in any way, they expect more from their brands than the simple purchase of a product. They want relevant, meaningful, “lovable” retail experiences that connect deeply with their lives.

Decades of conventional thinking about retail is being upended. Shopping today isn’t just about buying something you need, it is about fulfilling consumers’ desire with a service they trust in the moment.

The evolving definition of retail

**FROM**
“Buying economic quantities of goods and selling them on to consumers.”

**TO**
“Fulfilling consumers’ desires with a service they trust in the moment.”

This new definition of retail has profound implications. It means retailers must be ready to meet customers on their terms, offering something that fulfills their wants and needs in each moment. Ultimately, it means weaving the retail brand into the fabric of their lives, and helping them fall in love with everything it does and everything it stands for.
Putting purpose front and center

What makes a person fall for a brand? Its purpose. A purpose is a bold affirmation of a company’s core reason for being in business. It conveys what the retailer stands for—its heritage, its ethics, its social values, its emotional connection with consumers.

Purpose is an essential part of building consumer trust, creating a workplace culture in which everyone feels they are working for a greater cause, and developing deeper, more profitable relationships with customers.

The latest research from RILA’s (R)Tech Center for Innovation and Accenture highlights some of the most effective ways a retailer can use digital technology to communicate its purpose and connect with customers.

Based on the views of nearly 3,000 consumers, as well as about 100 retail industry executive decision-makers, this research identifies the trends driving consumers’ fast-evolving needs and expectations—and the most compelling retail innovations and technologies that can meet them.

The standout conclusion? With shopping ever more ubiquitous, and with the desire for personalization reaching new heights, retailers must be prepared to rethink what they do, taking advantage of their deep expertise to become trusted advisors for their customers and curators of truly meaningful consumer experiences.

The changing consumer: Demanding new experiences

Consumers do not approach shopping like they used to. From a desire to connect with brands, through a vast array of new retail touchpoints, to a fast-growing preference for expertly curated individual experiences, our survey reveals the key ways consumers are changing.

Ubiquitous shopping: Purchasing anytime, anywhere, in any way

Digital technology has liberated the retail experience. No longer tied to the local store, the nearest mall, or the big-box outlet, shopping now happens anytime, anywhere, and in any way. Shopping is an increasingly “invisible” activity, embedding itself seamlessly into new digital and physical channels, using ever-more natural gestures and simple conversations, managed through broader connected ecosystems of businesses, consumers, and social platforms.
Just think about how ubiquitous shopping plays out in an everyday scenario...

A commuter arrives at her local bus stop a few minutes early in the morning. As she waits, she sees an ad for the latest running shoes. She snaps a picture on her phone, finds the item for sale, and makes a purchase there and then.

On the bus, she pre-orders a latte and picks it up at the coffee shop next to her office, bypassing the line in the store.

Later, she remembers she has friends coming for dinner that evening. So she uses her grocery store’s voice-enabled app to browse recipe ideas and arrange a delivery for when she gets home.

On the bus back, she chats with friends on social media, asking for ideas for what to wear to an old schoolmate’s wedding. Having found the perfect option from a local rental store, she books a fitting right away, including accessories, via the store’s chatbot.

As she does so, she notices the store is hosting a wine tasting event that weekend. So she instantly sends out an invite for her friends to join her there.
What is driving ubiquitous shopping?

These radically different kinds of shopping experiences mean a retailer can take a more integral role in the moments that matter to consumers. Going far beyond the simple act of making a purchase, retailers can leverage new technologies and emerging touchpoints across the integrated digital marketplace to embed themselves in their customers’ everyday lives.

The question is: are today’s retailers maximizing the opportunity? Our survey suggests they may not be.

While two-thirds (65%) of industry executives view online commerce as the driving characteristic of ubiquitous shopping, and over half (53%) cite mobile purchases as key, just a third (33%) say new technology like voice commerce is top of mind.

We believe this approach is too narrow. It suggests a large number of businesses may be at risk of missing out on the next big thing in shopping. Voice-recognition technologies, for example, are acquiring an ever-stronger foothold in retail—and they’re taking the commercial battleground right into the heart of consumers’ homes. In the US alone, one in every five households with a wireless internet connection is already using a smart speaker, making nearly 19 million US homes ready for voice shopping.

What do retailers see?

The good news is that retailers understand the scale of the disruption facing commerce. Our survey reveals a vast majority (94%) of retail executives who believe ubiquitous shopping represents a complete transformation or significant change for the industry. And a similar proportion (93%) foresee the same degree of disruption for their own businesses.
Exploring the shopping styles in the age of (R)Tech

With consumer needs and expectations evolving so quickly, retailers need to ensure they’re always on the pulse of today’s shopping needs. That means understanding why consumers shop in the way they do. In the soon to be released report, Shopping Styles in the (R)Tech Age: RILA considers what motivates (R)Tech Millennial or Gen Z shoppers and identifies their ten most important shopping styles:

### The Basics

1. **Necessities**
   - I, as a shopper, know exactly what brand I want, or I don’t think there’s enough of a difference to care

2. **Grab & Go**
   - I want it now

### Research & Consult

3. **Compare & Consult**
   - I sort of know what I need, but I want more information before I buy

4. **Fix It**
   - I want a specific service to improve myself or something I already own

5. **Deeper Meaning**
   - I want to support a cause and feel good about myself

### Meet & Hang

6. **Learn & Do**
   - I want to have fun and leave with something new: a skill or an item I made

7. **Socialize**
   - I want to be with people and foster experiences together

8. **‘Gram Worthy**
   - I want novelty and bragging rights on my social media channels

### Swap & Simplify

9. **Recycle & Upgrade**
   - I want a new one, but my old one is worth something

10. **Rent**
    - I want to use it or try it without being responsible for it

The report has a clear call to action: retailers must consider how their customer experiences satisfy each relevant shopping style.
## 6. Learn & Do:

**Shopping for your brand’s expertise**

The Learn & Do shopping style calls for retailers to provide fun and engaging learning experiences—while also giving customers something long-lasting to take home with them. But what does that mean in practice?

<table>
<thead>
<tr>
<th>Must haves</th>
<th>Things to think about</th>
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<tbody>
<tr>
<td><strong>Turnkey Experience.</strong> For beginners and big groups, stress-free learning experiences require two things above all. First, that expectations are set accurately. Second, that all necessary materials are provided or available for purchase. For their arts and crafts classes, Michaels specifies upfront the class type (adult or kid-friendly), skill level, instructor name, recommended age, and whether or not materials are provided.</td>
<td>Can your shoppers simply show up to your learning experience? What happens if they come unprepared (e.g. not wearing activity-appropriate attire)?</td>
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<tr>
<td><strong>Amazing Instructors.</strong> Instructor–customer interactions are a unique opportunity to make a positive personal connection that will forever color a customer’s impression of the brand. The Home Depot offers many Do-It-Yourself courses, each led by an expert store associate who teaches correct techniques and safety precautions for home projects that need to be done properly.</td>
<td>Do you have teachers skillful enough to meet the needs of both beginners and enthusiasts?</td>
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<td><strong>101 and Beyond.</strong> By providing unintimidating introductions for newbies, craft-honing workshops for enthusiasts, and a path forward for everyone in-between, a company showcases its skillset as a one-stop-shop and specialty in its product category. Sephora’s Beauty Classes offer expertise ranging from teen makeup to smoky eye to age-defying—with something for every potential customer in between.</td>
<td>Can shoppers of all skill levels find something new to learn?</td>
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<td><strong>On-Demand.</strong> Follow-up blogs to complement a class, online how-to videos (perhaps using AR or VR), or “ask an expert” opportunities—these can all help customers turn curiosity into passion. Lululemon’s YouTube channel offers core customers guided meditations and yoga-gear how-to’s, while also reaching out to new audiences with instructions like “how to tape your hockey stick like a pro”.</td>
<td>How can you showcase your organization’s expertise and engage customers—even when they’re not in store?</td>
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**Ultra-personal shopping: Retail tailored just for you**

Savvy brands are now able to collect, update, and consolidate data from a wide range of consumer channels. It means they acquire a 360-degree view of the customer—and the preferences, motivations, relationships, and passions that drive them.

Indeed, our survey reveals a strong and growing consumer desire for personalized expertise. We have seen a huge rise in interest among all consumers for personalized design ideas, recipes, service suggestions and other recommendations, both in-store and online.

Take design ideas as just one example. Whether it is wardrobe suggestions tailored to individual customers’ tastes, or interior design advice that recognizes a shopper’s specific needs, demand for this form of curated expert service has risen by a third in just two years.

Curated service is growing particularly strongly among younger consumers: in our survey, over two-thirds (69%) of Millennials expressed interest in these personalized brand experiences.

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<th>Expert services</th>
<th>Overall 2016</th>
<th>Overall 2018</th>
<th>Millennials</th>
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<tbody>
<tr>
<td>Design ideas</td>
<td>46%</td>
<td>61%</td>
<td>69%</td>
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<tr>
<td>Recipe ideas</td>
<td>44%</td>
<td>54%</td>
<td>64%</td>
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<tr>
<td>Service suggestions</td>
<td>44%</td>
<td>49%</td>
<td>52%</td>
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<tr>
<td>Personalized recommendations</td>
<td>57%</td>
<td>63%</td>
<td>69%</td>
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**CASE STUDY**

Consider how The Vitamin Shoppe’s “health enthusiasts” impart their expertise through an informative personal in-store shopping experience. Trained to advise on the suitability of each of the store’s products for individual shoppers, these employees are helping customers choose exactly the right supplements for their health and wellness needs. Moreover, the company is extending its expert advisor ethos consistently across all channels. Not only is it developing a host of new digital wellness resources for its web and mobile applications, it’s also actively building social media communities of customers, nutritionists, and other specialists. The goal: to help customers find answers to all their health and wellness questions.
**Being brilliant at the basics**

Whether consumers are shopping for necessities, or simply want to grab and go, convenience is an equally important part of ultra-personalized shopping. With time their most valuable commodity, shoppers look for more than just relevant products and services—they are looking for brands to make their shopping quicker and easier. Our survey shows this, revealing large numbers of consumers who are positive about personal convenience-focused services. Consumers said they like reminders to replenish products as they run low (54%) and digital shopping lists to make purchasing easier (69%).

**CASE STUDY**

Consider the rapid rise of super-convenient cashier-less shopping in China. Companies like BingoBox are opening a suite of cashier-free convenience stores across the country. By labelling each item for sale with a RFID tag, consumers can simply walk in, pick and scan the products they need, pay through WeChat, and walk out. These companies have plans to make their stores even more user-friendly. With intelligent image recognition software, the checkout process will be able to phase out RFID and automatically record the items customers choose—no scanning required.

**A foundation built on data and trust**

Ubiquitous and ultra-personal shopping relies on one critical ingredient: data. As American consumer preferences evolve, retailers are embracing innovative technologies that help them learn more about their customers. Retailers’ goal is to provide consumers with unparalleled services and products anytime, anywhere, in any way. The retail industry also understands that consumer data should be treated with utmost care.

Our survey shows consumers want to be able to opt out of giving access to their data (84%) as well as limit access to certain types of personal data (84%).

But consumers are willing to provide their data in return for something they value. Indeed, our survey reveals they are most interested in exchanging their data for automatic credits for coupons and loyalty points (64%), access to exclusive deals (60%), the ability to gain points and rewards (56%), and special offers for items that interest them (53%).

- 64% interested in **coupons and loyalty points**
- 60% interested in **access to exclusive deals**
- 56% interested in **gaining points and rewards**
- 53% interested in **special offers for items of interest**
Getting data-use right can be a difficult balancing act. Over two-thirds of consumers (69%) say they do not want to be greeted by name by a store associate they don’t know, and well over half (59%) say the same about associates knowing what is in their online basket or on their wish-list.

Retailers must also make sure they are learning the right lessons from their customer data. Tried-and-tested metrics and ‘gut feel’ just don’t deliver the margin-growing insights they once did. Only by analyzing customer data on an enterprise scale can retailers develop a true picture of how each individual is behaving and how each product is performing. And that is vital for their future profitability.

New business models should be centered around specific user needs and shopping styles. Product teams should be leveraging data-driven creativity to better understand the audiences they are actually designing for. And marketing promotions should be grounded in granular insights about the profitability of individual products and customers.

In this way, customer insights can be weaved throughout the whole business, reorienting the retailer’s organization around the high-value loyal customers with the biggest impact on the bottom line.

Key questions your retail data needs to answer

How can retailers be sure they are maximizing the value of the information they hold? Below are simple questions retailers should be asking themselves when it comes to utilizing consumer data to enhance the shopping experience.

1. **What percentage of your upcoming revenue plan** will come from your existing customer base?

2. **What’s your rate of acquisition** of new customers?

3. **What’s your rate of repurchase** from 1st to 2nd, 2nd to 3rd, 3rd to 4th, 4th to nth? and how do those rates trend over the course of a 12-month period?

4. **What percentage** of your customer base is loss-making?

5. **How much of the inventory** your customers want to buy do you have in stock?

If retailers can answer these key questions clearly, they should be in pretty good shape. If it is anything less, it is time to think about radically upgrading data and analytics capabilities.
The changing retailer: Adopting technologies that enable new experiences

Our survey of industry executives reveals how retailers are exploring and implementing technologies that enable the ubiquitous and ultra-personal shopping experiences customers now expect. However, highlighting three of these enabling technologies in particular—image commerce, blockchain, immersive—exposes some serious gaps in current retail thinking.

**Image commerce: High anticipation**

A large majority of retailers (84%) rightly see image commerce as important or very important to their future success. With this innovative technology, consumers can take a picture of a product wherever they see it, whether that is outside the store, on a billboard, or anywhere else. The technology will then identify the product, help them purchase it, or offer recommendations related to it.

Retail executives view image commerce as a highly anticipated tool to engage consumers. More than half of consumers say they’re interested, and over a third say they can’t wait to use it or are already doing so in some form. In fact, most consumers said they’d potentially shift at least half their purchases to retailers offering image commerce.

While the significance of this technology is recognized by the industry, our survey also suggests investment is slow-moving. Less than a third (29%) of executives say they are heavily investing in making image commerce a reality.

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<tr>
<th>Percentage</th>
<th>Description</th>
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<tr>
<td>56%</td>
<td>of consumers are interested in image commerce</td>
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<tr>
<td>63%</td>
<td>would consider shifting at least half their purchases to retailers offering it</td>
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<tr>
<td>37%</td>
<td>can’t wait to use it—or already are</td>
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**But just**

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Blockchain: Early days for retailers

Unlike image commerce, blockchain was notably under-appreciated by executives. Two-thirds did not rank it in their top-five impactful technologies. This suggests its potential to enable new customer experiences and disrupt commerce—enabling frictionless transactions, creating trusted single sources of truth between organizations, providing supply-chain transparency—is not yet recognized within the industry.

CASE STUDY

There are examples of adoption. Consider how Walmart is working with a group of global food giants to explore how blockchain can track food products through every stage of the supply chain in real time. This technology has the potential to help the retailer tell consumers a verifiable and trusted story about the sourcing and provenance of their products. JD.com has similar plans to use blockchain to help Chinese consumers understand the source of their fresh meat products, tracking them all the way from the Australian farm where they were reared.

Immersive: Under-recognized potential

Immersive technologies, such as virtual reality (VR), augmented reality (AR), and mixed reality (MR), are another potentially under-recognized capability. From consumer-facing applications that enable digital representations of products to be visualized in the home, to behind-the-scenes capabilities that support employee training or hyper-efficient warehouse processes, these technologies will have major implications for retailers.

CASE STUDY

Take ShelfZone, a VR store simulator created for large-scale retail trade and consumer goods companies. It can create highly realistic virtual representations of shops, supermarkets, and even shopping malls, augmenting the experience with features like voice recognition, AI, and social recommendations. It lets consumers with a VR headset do their grocery shopping through an intuitive and convenient AI-enhanced digital experience.
Our survey shows a clear consumer appetite for immersive technology—a majority say they are already using it or can’t wait to use it for furniture purchases, home décor, and the like. Consumers are also excited about the possibilities it holds for consumer electronics purchases, with Gen Z and Millennials the most in favor. However, less than half of retailers view the technology as very important, and only a third are investing heavily in it.

56% of home décor and electronics consumers are already using immersive technology—or cannot wait to do so

63% of retailers think the technology is very important

But just

37% are investing heavily in the technology

The heart of retail: Meeting consumers wants and needs

The trends we identify in our research—ubiquitous and ultra-personal shopping, and the data and enabling technologies that support them—suggest a key conclusion: consumers crave immersive and streamlined shopping experiences from their retailers.

Whether it is offering design know-how to help consumers improve their homes, curating recipe ideas to help them eat well, giving old products a second life through re-selling or donating, or personalizing recommendations to ensure they don’t miss out on that ideal experience, brands must leverage not only new technologies, but a personal touch to offer consumers something they truly value—in the moment they truly need it.

Being a trusted adviser is a core element of a brand’s purpose. By articulating that purpose clearly, consumers will truly know the brand, what it stands for, what it can offer, and how it can enhance their day to day life. Retailers must meet consumers where they are in order to create the genuine, meaningful, and personalized products, services, and offers that resonate with their customers—anytime, anywhere, and in any way they want to shop. Whether its in-store, on-mobile or from the comfort of their couch, consumers are expecting more from retail brands. It is up to retailers to utilize innovation to continue to streamline and enhance the shopping experience in order to meet consumers wants and needs.
Get it right, and retailers won’t just be positioned to offer customers what they desire—they’ll also bring higher revenues. The data is clear: consumers are willing to spend 31 percent more with retailers who score highly on purpose. And in apparel and health and beauty, spending jumps even higher—to 75 percent and 67 percent respectively. That’s a finding every retail business should take notice of. Purpose is a core foundation of successful retail strategies.

This is a transformative time for retail. Consumers are changing. Retailers and brands are changing. A series of new technologies are enabling that change. By placing trusted, personalized expertise at the heart of their retail purpose, and using technologies to connect the broad range of retail touchpoints that now exist, retailers have a unique opportunity—to create new services and experiences that weave into the fabric of their customers’ lives, and to maximize the possibilities for ubiquitous and ultra-personal shopping today.
NOTES


ABOUT ACCENTURE

Accenture is a leading global professional services company, providing a broad range of services and solutions in strategy, consulting, digital, technology and operations. Combining unmatched experience and specialized skills across more than 40 industries and all business functions – underpinned by the world’s largest delivery network – Accenture works at the intersection of business and technology to help clients improve their performance and create sustainable value for their stakeholders. With approximately 449,000 people serving clients in more than 120 countries, Accenture drives innovation to improve the way the world works and lives. Visit us at www.accenture.com.

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RILA is the trade association of the world’s largest and most innovative retail companies. RILA members include more than 200 retailers, product manufacturers, and service suppliers, which together account for more than $1.5 trillion in annual sales, millions of American jobs, and more than 100,000 stores, manufacturing facilities, and distribution centers domestically and abroad.

ABOUT THE (R)TECH CENTER FOR INNOVATION

The (R)Tech Center for Innovation, an initiative of RILA and Accenture, has a mission to help retailers navigate the industry transformation, and to spur the adoption of the “(R)Tech” term within the retail innovation ecosystem.

Visit www.rtech.org to learn more about the (R)Tech Center for Innovation’s activities and to engage in the conversation.

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