

The Future of Stationary Retail – The Best of Both Worlds.

July 2020

Digital isn't the end of retail. It's just the beginning.

Summary

Online shopping is booming, the Internet offers customers many advantages when shopping. However, the opportunities for stationary retail are much greater. With digital services such as shopping apps, retailers can combine the convenience of online shopping with the advantages of stationary shopping. Thanks to the digital omnichannel strategy, retailers can merge the best of both worlds in their brick and mortar stores and offer a unique shopping experience.

■ Development of online vs. stationary retail in figures.

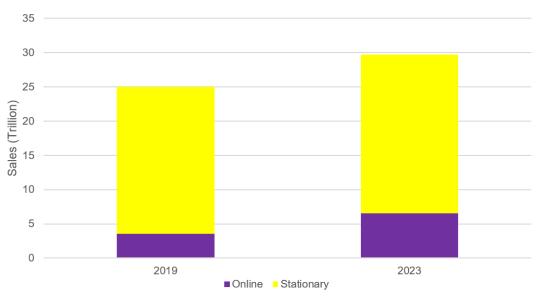
More and more people are making their purchases online. The Corona crisis in particular has strengthened the online sector. In 2019, around 19 percent of goods worldwide were ordered online, and studies predict that this figure will rise to 22 percent by 2023. However, absolute figures, such as growth in the retail as a whole, must also be considered. The sales volume will grow from 25 trillion in 2019 to almost 30 trillion in 2023. **Stationary retail will therefore remain dominant in the future.**

In concrete terms, this means that stationary retail continues to account for the majority of sales. In order to strengthen its own **competitive position**, it is important to offer customers new, benefit-generating features. Digitization opens up the possibility of **transferring the convenience of online shopping to stationary retail**.



Total Retail Sales Worldwide

Source: emarketer



Source: https://www.emarketer.com/content/global-ecommerce-2019

■ Advantages of stationary retail vs. online retail.

Each channel offers its own advantages. Some of them are almost not transferable to the other channel. For example, online shops are accessible 24/7 and from any location. Copying these benefits will be difficult to implement for stationary retail. A haptic product comparison, however, will not be possible in online shops - from today's perspective.







Advantages stationary retail

- Testing and trying out products
- Comparison of products in size, feel/haptics, function, etc.
- Immediately available.
- Freshness in food.
- Trust in the merchant, e.g. in payment, product authenticity.
- Advice.
- Social contacts.
- Shopping as entertainment.
- Support with setup, e.g. electronics.
- Uncomplicated and fast return.
- Simple handling of warranties and guarantees.
- Brand experience.

Advantages online retail

- 24/7 availability.
- Available everywhere, regardless of location.
- Extensive product information such as ratings and product descriptions.
- Larger product range.
- Easy to find, no long searching.
- Simple product and price comparisons.
- No waiting lines.
- Delivery to the desired address.
- Recommendations based on preferences and buying behavior.

■ Shopping Apps - Transfer of advantages of online shopping to stationary retail.

Digitization offers amazing opportunities for stationary retail. The advantages and conveniences of online shopping can also be offered in Brick & Mortar stores through digital services.





Digital services can be offered via smartphone apps, kiosk screens or innovative solutions such as smart and interactive mirrors in the fashion sector.

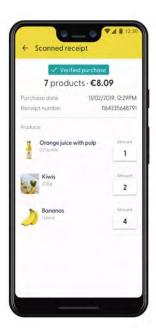
Smartphone shopping apps in particular already offer many options that provide the convenience of an online shop. The smartphone will become the mobile companion for every purchase. Examples of digital services and functions are:

Advantages of online retail	•	as a digital service in stationary retail
Extensive information on products, such as ratings, product descriptions.	•	Customer scans barcode on product and receives additional information.
Simple product and price comparisons.	•	If the product information is structured, a simple product and price comparison can be offered in the app via barcode scan or product search.
Quickly find the products you are looking for.	•	Product search function combined with indoor navigation.
No waiting lines at the cash desks.	•	Scan & Go - the customer scans the product with the smartphone, pays directly in the app and receives a digital receipt.
Personal recommendations based on preferences and buying behavior.	•	If a Scan & Go app is used, individual recommendations for products can be suggested.
Delivery of the purchase to the desired address.	•	If the app connects to the e-commerce system, online shopping functions can be offered. Customers buy in the store and then have the goods delivered to their homes. This is attractive if, for example, the desired color or size is not available at the moment.









Example for the digital service **Scan & Go** (Shopreme)

■ New Retail - The future of stationary retail is a digital customer experience.

The future of stationary retail is digital and offers consumers a whole new shopping experience. Digitization allows the best of both worlds - online and offline - to be combined.

New Retail is the name given to this trend of **reinventing stationary retail**, strongly influenced by Alibaba in China, where eCommerce systems are already linked to traditional stores, e.g. in the <u>Hema Supermarket</u>.

New Retail refers to the **complete integration of the online shopping experience into the offline purchasing process along the entire value chain**: the seamless merging of all channels for a unique customer experience. The customer's smartphone plays a central role in the shopping process. Shopping apps accompany customers throughout the entire shopping journey, from searching, gathering information, selecting, paying and delivering products to after-sales services such as guarantees..





digitalize retail

Shopreme offers the shopping app for digital services in stationary retail. The core is the Scan & Go app, which is already successfully in use at Billa Austria, Munich Airport and Möbelix. Customers scan their products themselves, pay directly via their smartphone and can leave the shop without queuing and losing time.

Through shopreme, customers experience a new, unique convenience. Retailers profit from the digital shopping experience of the customers and inspire with additional services.



For Customers:

- Save time no waiting lines at the checkout
- Multilingual product information with multimedia content
- Quickly find products using indoor navigation to the desired product
- Shopping list, also in combination with indoor navigation
- Personalized recommendations
- Online payment option with all common methods
- Connection of loyalty programs, customer clubs and voucher campaigns
- Contactless shopping (social distancing)

For Retailers:

- Better communication and interaction with customers
- Savings and increased productivity at the POS
- Cross- & Up-Selling through personalized recommendations
- Digital, fiscalization compliant with law.
- Integration of vouchers and promotions
- Control for age-restricted products as well as secured good
- Employee app with live monitoring.
- Analytics GDPR compliant
- Possibility to connect to the e-commerce system
- Integration with Electronic Shelf Labels

You want to make your stores fit for the future?

Contact us, learn more about your digital opportunities or simply book a demonstration of the shopreme solution.

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