

**MARKET BEAT**

# The Future of Retail

New technologies are helping to reinvent shopping.



**CASHIER-LESS SHOPPING IS ON THE HORIZON**

**6%**

of consumers surveyed have experienced an autonomous or “unmanned” store, but...



**39%**

say they would be likely to use one in the next 12 months.

**A**cross America a host of transformative technology innovations are arriving at storefronts to reinvigorate the shopping experience and the broader retail sector. The result is a revamped and reengineered industry; adapted to address a more digitized consumer by melding the physical and online realms.

The amplification of online sales operations gave many retail businesses a lifeline during the health crisis, however, the digital transformation of physical stores has quietly grown apace. Technologies once thought of as science fiction, such as robots, digital payment systems, cashier-less stores and even augmented reality have established a beachhead in retail and may soon become table-stakes in retail strategy.

### A Look at Some Developments

Robotics is one tech area retailers are now leveraging to support business operations. From cleaning systems to inventory management, robots are focused on improving operational efficiency. For example, Sam’s Club is deploying automated floor scrubbers across its 600 stores and other retailers are following suit. Giant Food Stores has deployed ‘Marty’ — an inventory management robot — to 172 stores in four states. And across the pond outside London, Ocado Technology operates a robotic warehouse for picking and packing groceries for home delivery.

Customer service is another aspect of the retail environment where technology is transforming the in-store experience, particularly at the checkout counter.

Mobile payment systems combined with a rising tide of cashierless stores are empowering customers with more options at the point of sale.

The appearance of self-checkout lanes across retail has arrived. Consider Amazon now operates more than two dozen Amazon Go convenience stores in the U.S., and recently opened its first store in the U.K. Powered by Amazon’s “Just Walk Out” technology, Go stores use a mosaic of sensors and deep learning technology to detect merchandise shoppers take from shelves and then track them in a virtual cart. Customers use the Amazon Go mobile app to enter stores and automatically pay when they leave with their goods.

### Is the Future of Retail ‘Faceless?’

Maybe. The point is consumers endorse frictionless shopping like cashierless stores. CTA’s *COVID-19 Impact: Retail Innovations* study (Oct 2020) found 39% of U.S. consumers are likely to use them over the next year.

CTA’s research also found more than half (56%) of U.S. consumers say they plan to use contactless or mobile payment

solutions where available. Broadening acceptance of services like PayPal or Apple’s Apple Pay among consumers and storefronts suggests we are destined for a (mostly) cashless future. Already, the global digital payments market is valued

at \$6.6 trillion this year (up 40% from two years ago) and forecast to grow to \$10.5 trillion by 2025, according to analysis by Finaria, a global finance and investment company.

Augmented Reality (AR), once an experimental technology at retail, is redefining experience shopping in a

very 21st century context. The latest AR retail trend bridges physical stores and ecommerce by creating digital shopping experiences that combine the energy of in-store shopping with the convenience of online shopping. In fact, IBM’s *2020 U.S. Retail Index* report concludes the pandemic has accelerated the shift to digital shopping by roughly five years.

How is this happening? One example is prescription glasses retailer Warby Parker has developed an app that lets consumers virtually try on different eyeglass frames.

When we consider how substantially technology is refashioning retail, terms like ‘omni-channel’ take on new meaning. These innovations will likely make delineating sales between online, mobile and physical stores more challenging as these shopping experiences become inextricably linked and intertwined. ■

“**The pandemic has accelerated the shift to digital shopping by roughly five years.**”

— IBM’s 2020 U.S. Retail Index

