

ICE COBOTICS

Retail Tech Trends 2023

IMPROVING CUSTOMER EXPERIENCE & EMPLOYEE SATISFACTION



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Introduction

The changing retail landscape is showing no signs of slowing down. The pandemic was a disruptor and accelerator for sure, but the rapid pace at which retailers adapted to consumer behaviors has also helped to propel the shifts.

Behind this rapid pace of change is technology. Without the speed and efficiency at which technology has helped retailers adapt, the industry could have been left behind.

Instead, swift adoption and continued investment in diverse types of technology platforms, based on consumer demands, continue to play a key role in how the retail industry shows itself as a leader in innovation

This is significant as keeping up with the advancements is no longer an option, it is necessary.

Consumers want seamless shopping, from their home to inside the store, they want healthy, clean, sustainable practices, and positive experiences; technology is behind making all these things work.

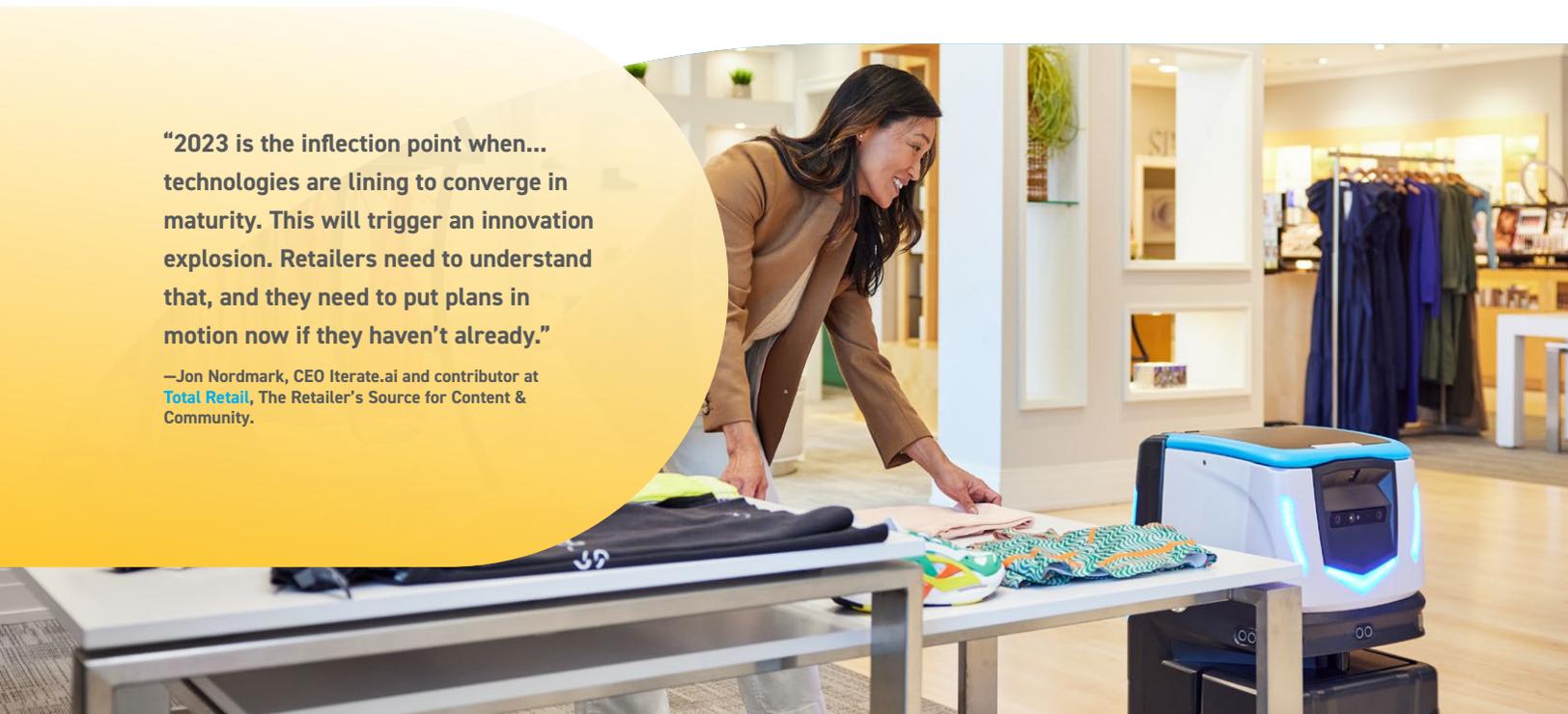
According to Brian Solis at [Forbes](#), ***“...customers expect brands and retailers to not only keep up change, but also enhance customer experiences. Those that don’t, will pay the ultimate prices. Most shoppers (80%) said that they will abandon a retailer after three bad experiences.”***

To support exceptional service, create positive experiences, keep stores stocked, and employees happy, retailers will need to upgrade systems and bring in innovative technologies.

Here is a list of the top technologies that have led the way in 2022 and will continue to develop and expand in 2023.

“2023 is the inflection point when... technologies are lining to converge in maturity. This will trigger an innovation explosion. Retailers need to understand that, and they need to put plans in motion now if they haven’t already.”

—Jon Nordmark, CEO Iterate.ai and contributor at [Total Retail](#), The Retailer’s Source for Content & Community.



Hybrid Shopping Experiences

Shopping no longer begins and ends in one location.

Shopping takes place across platforms and is increasingly more complicated for retailers to track and understand. This is because consumers are using all available tools and expect retailers to provide seamless and personalized experiences along the way.

From using store apps to delivery service apps, to scouring websites and then deciding whether to order delivery, pick up, or to shop in-store, consumers have options and sometimes use all of them before making a purchase.

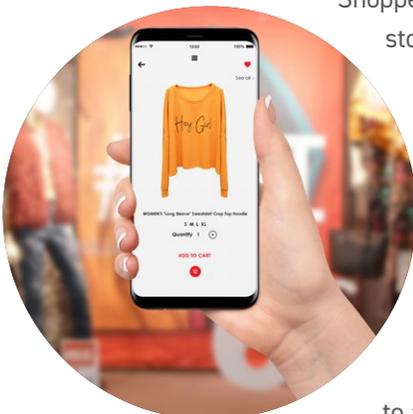
Hybrid shopping is the act of starting the shopping experience online and finalizing the experience in or at a store. BOPIS (Buy Online Pick Up In-Store) is a primary example of how the hybrid experience began and through which it continues to evolve.



One of the troubling parts of this is that customers are not as loyal as they used to be. This is because the sheer number of "ways" to shop, and the experiences shoppers have along the way, play a key role in customer loyalty for today's retailer.

Consumers can afford to be less loyal as they can now easily access goods through multiple platforms, all from the palm of their hand.

Shoppers can search out items at competing stores without having to step foot in the store. Plus, if the overall shopping experience is better at one store, they are likely to be a repeat customer where their experience was better.



Customer experience can be defined as anything from cleanliness of the store, support from staff, knowledgeable employees, fast and easy chat functions, smooth delivery, pick up, or check out and more. Each experience is a chance for a consumer to analyze and assess the retailer.

The more invested a retailer is in understanding customer behaviors and catering to a positive experience, the more likely they are to gain a "loyal" shopper; who often spends more money at the store.

Customer Experience Management Platforms

What this boils down to is that retailers need to invest in customer experience management platforms (CEMP's) that allow them to better understand what consumers prefer at each step of the journey, and to personalize the experience in some way.

Since technology allows customers to be involved in the shopping experience at all times of day and across platforms, the pressure is on retailers to provide the best possible experience no matter where the shopping happens.

As [Forbes](#) notes, ***“The customer’s experience is always-on and shaped by every engagement they have with your brand, including every process, person, and technology. Unified customer and engagement data and engagement platforms are instrumental in ensuring a desired 360 end-to-end experience and connecting to insights that make true personalization possible.”***

More sophisticated CEMP tools can support retailers in making sure no matter the path a consumer chooses, the experience is seamless.

EXTERNAL STUDY by Hitachi Solutions

According to Hitachi Solutions, one of the main trends for retailers in 2023 is to update to CEMP's (customer experience management platform) that allow them to do the following:

- Gain a 360-degree view of shoppers across all channels and interactions, so that they may better understand consumer behavior and map customer journeys
- Ensure that branding and customer service are consistent, regardless of whether the customer is interacting with a retailer’s website, mobile application, or a sales associate at their nearest brick-and-mortar location
- Gain real-time inventory visibility, generate accurate demand forecasts, and automate replenishment, so they can ensure that the right products are in the right place at the right time
- Offer flexible fulfillment options with complete visibility into order status and location
- Provide multiple payment options, such as BNPL, mobile wallets, and loyalty program points, so that customers have the flexibility to choose their preferred payment method (Hitachi Solutions).

“The path to purchase has become fragmented and immersive. Brands must develop one-on-one relationships with consumers across platforms such as social media, messaging apps, and livestreaming to remain relevant”
-Angelica Munson, Global Chief Digital Office cited by

-Angelica Munson, Global Chief Digital Officer, Shiseido, cited by Sales Force

Social Shopping

Another tool gaining popularity is shopping through social media platforms.

According to [Bloomberg](#) **“Social commerce, defined as transactions that take place entirely within the context of a social-media platform, will reach \$1.2 trillion by 2025, up from \$492 billion in 2021...”**

As e-commerce and app spending rose during the pandemic, social media platforms increased shopping options within their apps to be a part of the influx of shopping from the phone.

Social media users can now shop directly within the app and are not redirected out to a 3rd party site—this keeps users scrolling and, in the apps longer.

The social media platforms make the act of shopping easy for users by saving contact and card information within in the app.

The increase in social shopping is expected to continue to grow in popularity with Gen-Z and Millennials leading the way, according to the [Bloomberg article](#).

“The trend [social shopping] is being driven primarily by Gen Z and Millennial consumers, who are expected to account for 62% of the spending.” -Bloomberg

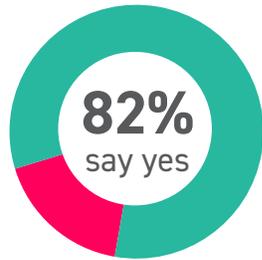
The use of this technology can be particularly helpful for smaller brands as they can target consumers that may not otherwise have discovered them.

In addition, social media users report wanting to support smaller brands and are likely to become more loyal customers to brands that align with their social and political views.



EXTERNAL STUDY by the Influencer Marketing Factory

Have you ever discovered a product on social media and purchased it directly on your phone?



82% Yes 18% No

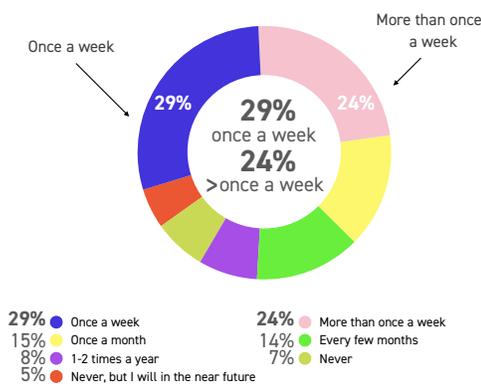
Rank these 3 players based on how they helped you to make a purchase via social media:



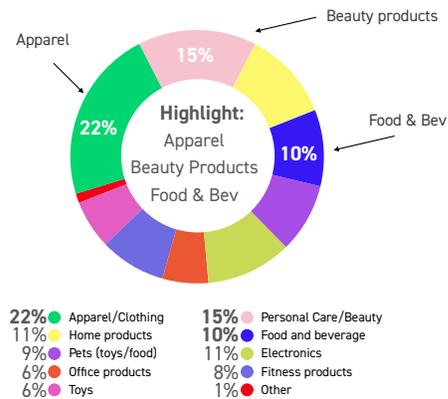
Another trend in the social shopping sphere is the opportunity to join a live stream event (within the social media platform) and shop while attending the event. This allows users to see real-time demonstrations, listen to information about the product, hear feedback from other shoppers, and to understand the product better in the moment.

According to [Influencer Marketing Factory](#), who surveyed over 1000 people between the ages of 16 and 54 at the end of 2021, 57% of those surveyed **“have purchased something during a livestream shopping event and 39% strongly agree that they like to discover new products during live shopping events.”**

How often do you shop on social media?



What type of product do you buy more often on social media?



Giving your brand presence through social shopping is going to be a significant step in remaining relevant to the next generation of shoppers.

Autonomous Solutions

Even though the customer experience is one of the most important areas for retailers to focus their attention, it is also important to note that happy staff and employees are key to creating positive customer experiences.

Retailers have their work cut out from them!

Between labor issues and increasing customer demands and expectations, finding the right technology solutions are key to ensuring the success of the business.

One of the most impactful ways technology is helping retailers and staff is through autonomous solutions.

Consistently, retail staff report feeling overwhelmed by the workload or not gaining additional skills and development for job growth.

Autonomous solutions are key for both things.

Autonomous Cleaning Solutions Support Staff

Autonomous cleaning solutions are one way to help support staff and keep stores clean. Two important ways are taking on repetitive work and providing staff with additional learning opportunities.

1. Autonomous cleaning solutions take on repetitive work. Cobi 18, an autonomous floor scrubber, by ICE Robotics, is built to navigate retail environments. Cobi 18 can be deployed to clean floors and due to sophisticated AI, it navigates complex environments including tight aisle ways, around glass doors, mirrors, and through bright light from windows—all common occurrences in retail environments.

By deploying Cobi 18 staff will be freed from floor cleaning responsibilities, giving them more time to accomplish other tasks such as keeping stores stocked, neat, and more importantly to focus on customers.

2. Autonomous solutions also give staff the opportunity to work with advanced technology and learn new skills while on the job. This helps staff to feel as though their role is being elevated and since they manage the autonomous equipment, it gives them more responsibility.

Providing solutions for staff will translate to the customer experience as staff are key in creating exceptional experiences in stores, online and more.



Autonomous Shopping Enhances Customer Experience

“Though it might sound like science fiction, the technology that makes autonomous shopping is becoming increasingly affordable and accessible, leading industry experts to predict that autonomous stores — such as Nourish + Bloom Market in Atlanta, Georgia — to become more commonplace in 2023 and beyond.” -Hitachi Solutions

Today's consumer is fast. Part of the overall experience retailers can provide is making sure shoppers don't have to stand in-line for too long, or at all.

While self-checkout technology helped in some ways to speed things up in stores, there are downfalls there too.

And even though the technology behind autonomous shopping is still in the beginning stages it is quickly gaining in popularity.

Amazon is the most notable example of how autonomous shopping is working its way into the market. Amazon's, Amazon Go stores tout “Just Walk Out Shopping” technology.

The store explains the technology as:

“Our checkout-free shopping experience is made possible by the same types of technologies used in self-driving cars: computer vision, sensor fusion, and deep learning. Just Walk Out Technology automatically detects when products are taken from or returned to the shelves and keeps track of them in a virtual cart. When you are done shopping, you can just leave the store. Later, we'll send you a receipt and charge your Amazon account.”

Other major retailers like 7-11 and Walmart have implemented cashier-less payment options also including the use of an app and a store filled with cameras and weighted shelves.

For today's camera-ready generations, these features will not be a deterrent.



According to Forbes “In-store AI-driven technologies can help you [retailers] reformulate operations and use digital solutions to reduce shrinkage, optimize labor, improve inventory control, and boost growth and profitability. The secret to achieving autonomous success, however, lies in understanding human psychology.”

—Michael Gabay, [Forbes](#), Forbes Council Member

Virtual Reality

You may have already experienced trying on a pair of glasses through the Warby Parker app; or determined if a piece of furniture fits or looks good in a certain space in your home through the Target or IKEA apps.

Virtual experiences like these continue to grow in popularity and according to [Shopify](#) by **“2025, nearly 75% of the global population and almost all smartphone users will be frequent AR users.”**

Augmented Reality (virtual reality) experiences are not just for app users, either. Stores are increasingly adding virtual reality experiences to their brick-and-mortar locations to help draw customers in to stores.

“Especially savvy retailers have added digital components to their in-store experience, including augmented reality (AR), interactive kiosks, digital displays with built-in touchscreens, and apps designed specifically for in-store use. The inverse is also true: Retailers have found clever ways to introduce physical capabilities to the digital realm, such as using AR to enable shoppers to virtually view furniture in their homes and even try on clothing.”

—[Hitachi Solutions](#)

Whether adding in virtual try-on sessions or experiences that share knowledge with customers, [Shopify](#) points out **“According to...internal data, merchants who add 3D content to their stores see a 94% conversion lift, on average.”**

Macy's and Nordstrom are just two major retailers that have added virtual fitting rooms to their most popular locations and [Shopify](#) notes that adding virtual fitting rooms can help shoppers get a good idea for how items will fit and help reduce returns for retailers.

“The truth is that AR [augmented reality] has already proven its value and should be acknowledged as far more than a toy—especially by retailers.”-

—[Shopify](#)

66% of consumers are interested in using AR [augmented reality] for help when making purchasing decisions.

—[Shopify](#)



Voice Command Technology

Voice command technology continues to evolve and grow in popularity for consumers.

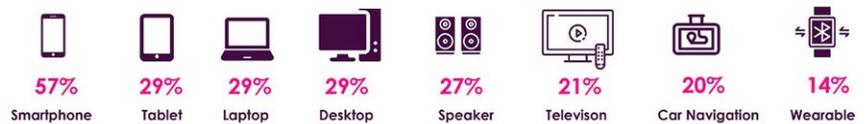
Research suggests many shoppers are most comfortable with using voice commands to create shopping lists, search for items, or for ordering products like paper towel or toilet paper, household items that don't require more evaluation before purchase.

Still, a study cited by [Omni Retail](#) regarding search and shopping behavior **“found that 71% of people would prefer voice search over traditional search by typing in the search term and 32% of US consumers own at least one voice-activated speaker.”**

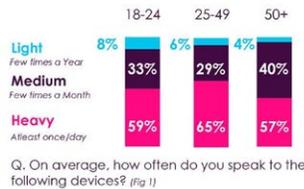
Many of the concerns that come with using voice activated shopping revolve around how data collected is used, stored, and security of payment methods. The safety and security of information continues to be the sore spot in terms of the popularity of voice command shopping, but awareness is high.

General awareness of voice technology is high

Voice Enabled Products and Adoption Rates



Q. Have you spoken to or issued commands to any of the following technology devices? (Fig 1)



Q. On average, how often do you speak to the following devices? (Fig 1)

Younger consumers are driving adoption, but not necessarily heavy usage

Gen Z and Millennials are less concerned with these issues and according to Omni Retail, this age bracket uses voice command shopping a few times a month. They are behind the growth of voice search shopping and doing so from their phones.

The issue here for retailers is staying ahead of the next generation of shoppers. As “hands-free” technology becomes more important, shoppers will increasingly become more comfortable with using voice command shopping.

According to [Dinesh Bajaj](#), Senior Vice President and industry head of retail for CPG and logistics at Infosys, says the issue lies with retailers in terms of how they explain the use of captured data to their shoppers.

“Retailers need to emphasize that their data collection efforts will provide consumers with more tailored campaigns, discounts and an overall more personalized shopping experience,” says Bajaj (Retail Dive).

And since today’s consumer increasingly focuses on personalization and experience, that messaging can resonate.

In fact, according to [Retail Dive](#) ***“Consumers tend to find ads integrated via voice assistants to be less intrusive, more compelling, and more appealing. [and] According to a February 2019 Adobe report 38% of survey respondents said voice ads are less invasive than those on TV, in print, online and on social media.”***



Flexible Payment Options

Buy Now Pay Later (BNPL) options have already taken retailers by storm and will continue to help drive sales.

BNPL options help retailers offer more payment options to users, especially those that don't have large amounts of upfront capital, typically younger shoppers.

By offering these types of options retailers can expand their market and provide a positive experience.

Companies like Affirm, Afterpay and Klarna are amongst the earlier entrepreneurs of these payment plan companies.

Depending on the company, the amount of the purchase, and the length at which a borrower wants to take to pay back the loan, the terms of the program change. In most cases, however, there is no interest charged and consumers can pay over weeks or months.

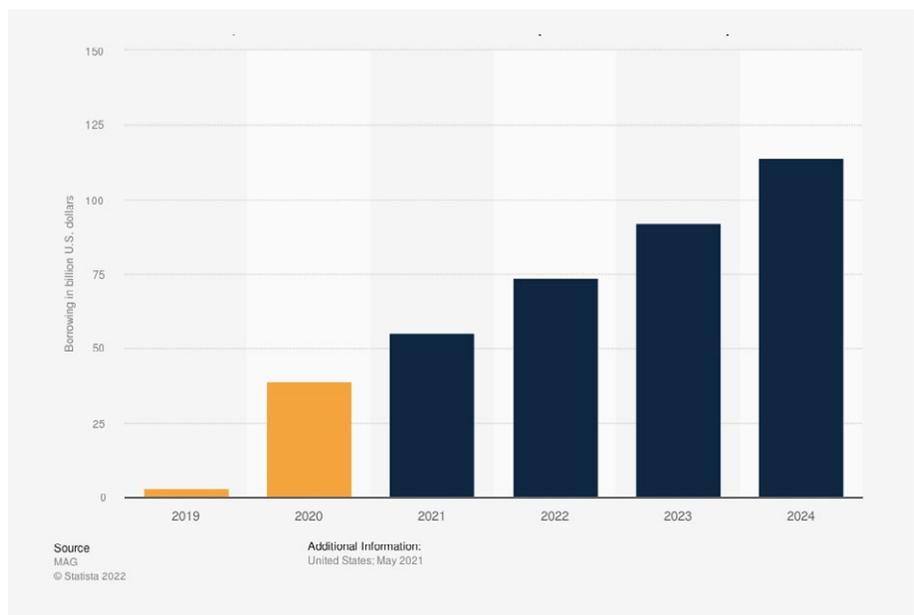
This offers both less risk than credit cards and flexibility in how a shopper decides to pay for items.

This is beneficial to retailers that participate because it can help generate new customers, create more positive experiences, and even impact brand loyalty.

According to [Big Commerce](#) **“Merchants attract new Millennial and Gen Z customers, get more repeat visits and convert higher average basket sizes.”**

Estimate of buy now, pay later (BNPL)

Lending in the United States 2019 and 2020, with forecasts from 2021 to 2024 (in billion U.S. Dollars)



In addition to BNPL options, many retailers have started to offer products through subscription services.

Subscription services allow consumers to pay for a product or service and the charge is automatically taken from their account—just like Netflix, Amazon, and even [ICE Robotics](#).

This strategy is increasingly used across the retail industry for household goods and beauty companies where consumers often use the same products over and over.

This is a huge win for retailers as brand loyalty and repeat shopping is built right into the purchase plan and for consumers, there is less having to think about ordering the product, it just shows up. Plus, subscribers often get a discounted purchase price so if the product is something that is used repeatedly, there is a benefit.



Conclusion

Keeping up with today's shopper is a challenge! For retailers that take the time to implement changes built to support rapidly expanding and changing technology-based shopping trends, the results can be significant.

One thing is for sure, not changing, not developing, and not finding new ways to move ahead is a sure-fire way to become obsolete. The next generation of shoppers was born with technology at their fingertips, they'll surely be looking for it in all they do and buy.

ICE Robotics is the leading cleaning equipment and technology solutions provider specializing in subscription services and autonomous equipment. Cobi 18 is an autonomous floor scrubber built for compact space like retail stores. Contact one of our Automation Experts today to learn more about Cobi 18 and how you can start implementing autonomous solutions in your store today.



Contact Info

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