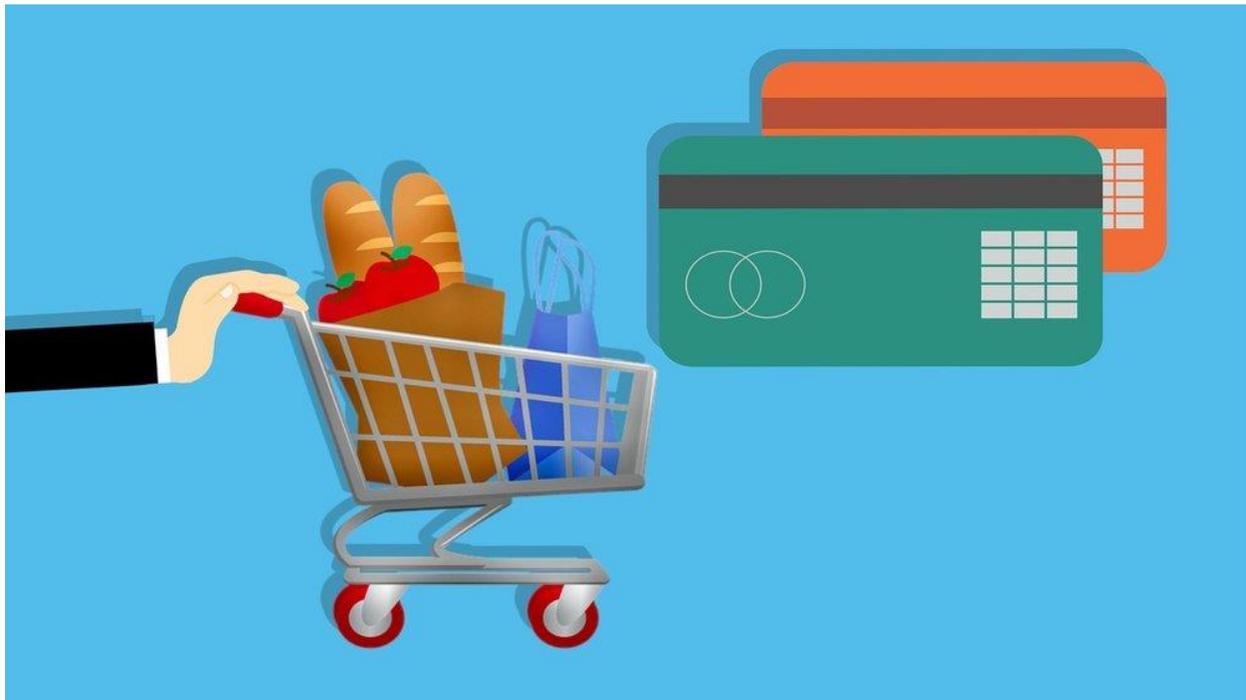


This Is How Retailers Can Blend Digital Into The Physical Retail Experience

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The retail industry has come a long way since the neighborhood mom-and-pop stores. History has shown it to be one of the most disrupted industries, and this trend is only going to continue, albeit at a much faster pace, because of digital disruption.

Unlike other industries, however, retail can never be completely digitized and virtual. Ultimately, retail is about the transfer of physical goods to the consumer. You cannot digitize the clothes people wear or the food they eat. Therefore, it is an interesting space to observe as no single retail business has an absolute advantage over the other. Brick-and-mortar businesses have the advantage of

retail expertise. Digital-born organizations have the advantage of technological prowess. A combination of the two is still rare.

Therefore, all retail businesses, regardless of their format, must navigate the disruptions of boundary-less organizations, limitless digitization, unbounded innovation, and relentless iteration. Let's look at examples of how these disruptions are shaping modern retail:

Boundary-less Organizations

Digital-born organizations such as Amazon do not box themselves into traditional industry boundaries. Amazon, which started as an online book retailer, competes today with Walmart on retail, Google, and Microsoft on cloud computing and the likes of NBC and BBC through their original streaming content.

This may not seem like a new phenomenon as conglomerates have been operating in diverse businesses for decades. The difference today is that the core value proposition is offered from a unified digital business platform.

Limitless Digitization

Digitization has resulted in the conception of 'Figital' retail businesses – the blending of virtual elements into the physical retail experience:

Retailer C&A started an initiative called 'FashionLike' which allows consumers to give a thumbs-up to clothing items they like on the retailer's website. This reaction is tallied on a screen embedded into the hangers in the store's racks. Customers visiting the store can consider that input while making their purchasing decisions.

Sporting goods giant, Adidas employs 3D printing to create running shoes unique to the cushioning needs of the customer's feet. All the customer needs to do is walk into an Adidas store, run on a treadmill and instantly get a pair of 3-D printed running shoes.

Unbounded Innovation

Digitization strongly supports retailers to think outside the box about their offerings. Therefore, the retail industry has become highly innovative, venturing into arenas never fathomed and creating practical outputs for consumer convenience:

Online fashion retailers such as UK-based ASOS and India-based AJIO incorporate augmented reality within their platforms that allow consumers to see how an outfit looks on a range of body types without going to a physical store to try them on.

India-based Sygnal is a retailer that combines fashion with technology. Credited as being the creator of the “World’s first touch-enabled T-shirt”, Sygnal specializes in integrating the most sophisticated technologies into the most creative designs of clothing to ultimately change the way fashion is worn today.

Relentless Iteration

The competition in the retail space is so high that retailers must constantly come up with something new and different to attract and retain customers. Customers are either looking for a better price point, continued novelty, or better value. This explains why e-commerce platforms like Myntra, Amazon, and Flipkart have gimmicks like lightning deal, end of reason sale, etc.

To be able to do this, retailers need to constantly engage in market research to learn about their consumer’s habits and desires. This is essential since consumer behavior is constantly changing. Social media and the internet allow consumers to be better-informed while also easily swayed.

Ultimately, the retail industry is not going anywhere. Consumer behavior patterns will continue to change, but there will forever be a market for retail, even if it is borne out of necessity. What retailers need to understand, irrespective of whether they are incumbents or digital-born organizations is that they will need to constantly reinvent themselves to retain their customers, who, today, are incredibly flaky.

Wish to know more about the retail industry, join the Indian Retail & eRetail Congress 2019, on 31st April and 1st May at J W Marriott Hotel, New Delhi. Click here to know more: <https://www.irec.asia/>