



The future of retail is digital

Bridging the gap between online
and in-store shopping

SAMSUNG

INTRODUCTION

It's no secret that more consumers are shopping online today than ever before. By 2025, e-commerce is projected to account for at least a quarter of all retail sales. It's an alarming statistic—and one that worries brick-and-mortar retailers around the globe. *Is the face-to-face retail experience a thing of the past? What can storefront retailers do to stay competitive in today's digital marketplace?*

The truth is, in-store shopping isn't going anywhere. In fact, consumer preference for in-store shopping over e-commerce has trended down only slightly in the past decade¹. Strutting around a department store in a new pair of shoes or turning a fitting room into your personal runway will likely never go out of style. According to research conducted by Gartner, “consumers miss parts of the in-store experience—such as browsing and comparing items IRL—that can't be fully replicated online.”

But brick-and-mortar retailers are right to feel threatened by the rise of e-commerce. As a percent of worldwide sales, e-commerce jumped from [13.6% to 18% in 2020](#) alone—and that number will continue its ascent if traditional retailers can't quickly adapt to meet post-pandemic consumer demands.

[“70% \[of consumers\] expect a retailer to offer them the same level of personal service whether they are shopping in a physical store, online, or on their mobile device.”](#)

As shoppers grow accustomed to the speed and ease of digital commerce, they won't put up with anything less than a frictionless in-store experience—and retailers need to adapt. Competing with the simplicity and safety of online shopping isn't easy—and requires a level of technological sophistication currently beyond the reach of most traditional retailers. But there are clear steps that can be taken, and with the right technological support, face-to-face shoppers can soon enjoy the same level of speed, safety, convenience, and control that they find online.

In this guide, we'll discuss how Samsung's Connected Consumer Journey helps bridge the gap between online and offline retail environments, creating a more productive shopping experience for you and your customers—in any retail setting.

Chapter 01

The 'Amazonification' of the Retail Space

What is it about the e-commerce experience that consumers are drawn to? Is there a way to bring that experience offline?

Chapter 02

How Samsung Brings the E-commerce Experience Offline

How does Samsung's connected consumer journey help retailers turn unused data into strategy-defining insights?

Chapter 03

Challenges on the Path to Digital Transformation

What are some common obstacles on the road to digital transformation—and how can they be avoided?

Chapter 04

The Future of Retail

Shoppers will no longer put up with anything less than a frictionless experience—but that doesn't mean brick and mortar retail is going away, it's up to retailers to elevate the in-store experience.

The 'Amazonification' of the Retail Space

In 1982, The Boston Computer Exchange became the world's first e-commerce shop, where buyers and sellers from around the world could meet online to exchange used computers for cash. In an instant, the online retail space was born, connecting every corner of the globe to the digital marketplace. But over the last 40 years, e-commerce has become much more than a way to connect consumers with products that would previously have been out of reach: It has redefined shopping as we know it.

Driven by global competition and a desire to improve the customer experience, forward-thinking retailers have made dramatic

technological developments to optimize the online marketplace—providing shoppers with an increasingly efficient alternative to in-store shopping. By 2023, for example, it is estimated that [70% of retailers](#) will be using artificial intelligence (AI) and machine learning (ML) to improve their digital retail experience.

Online, every click is trackable, and every site visit tells a story. As a result, consumers are surrounded by a vortex of data that—like a digital thumbprint—provides corporations with ways to optimize and personalize the online retail experience.





How can your in-store experience keep up?

Everybody knows data drives the online experience. Through advanced IT talent and software, e-commerce retailers pull insights out of complex customer datasets to optimize digital spaces. Many assume these datasets only exist due to the digital nature of online shopping. There's no user data in a physical storefront, right?

Well, what if you could collect in-store data—or pull insights from your e-commerce environment—to improve the brick-and-mortar customer experience the same way you do online? As it turns out, using data-driven techniques to provide your brick-and-mortar customers with the same speed, simplicity, and control they find online isn't as far-fetched as it seems. In fact, it's already happening.

You just need the right set of hardware and software and a coherent strategy to deliver on the promise of the connected customer journey.

“75% of buyers prefer to buy from brands that personalize the retail experience.”

Key e-commerce benefits traditional retailers need to keep in mind

Efficiency

E-commerce brings a global marketplace in every consumer's back pocket, which makes shopping online quick and easy.

Personalization

Every step taken online is a data point that can be used to create a customized experience for every shopper.

Control

The internet is a vehicle for self-service shopping, which gives customers ultimate control over the experience.

Choice

Shopping online is as fun as it is easy—consumers can hop from site to site until they find the perfect deal.

Safety

Shoppers enjoy the risk-free experience of buying from the comfort of their own homes.

How Samsung Brings the E-Commerce Experience Offline

After a year of explosive e-commerce growth, in-store shopping is making its way back into the spotlight.

49% of consumers note that “not being able to try a product” in person is their least favorite part of shopping online.

But as far as customer expectations go, there will be no “return to normal.” Consumers now expect their shopping experience to be nearly as frictionless in person as it is online. How can you assure your customers that visiting your store is worth it—or even safe, for that matter?

By using a combination of digital displays, fast-sensor technology, data-analytics support,

and an integrated IT infrastructure, Samsung’s Connected Consumer Journey offers traditional retailers an easy way to prepare their end-to-end shopping experience for the digital future of retail. We provide storefront locations with a futureproof solution that:

- Improves the customer experience
- Drives customer engagement and boosts ROI
- Enhances employee productivity and minimizes the cost of labor
- Provides flexible integration with existing IT infrastructure
- Delivers clear, actionable insights
- Increases organizational agility
- Addresses health and safety concerns



Fast Sensor Technology

- Track walk-by traffic and conversion.
- Share soft notifications and automatic content changes.
- Analyze average dwell time and heat maps.



Here's how it works.

Before you can turn data into actionable insights, you must improve in-store data collection. Traditionally, listening devices and in-store camera analytics have been used to evaluate customer behavior—but these technologies are expensive, outdated, and often breach customer privacy regulations.

Samsung's Connected Consumer Journey makes use of long range thermal- and radio-sensing technology to monitor in-store traffic and collect non-PID (personally identifiable data) at every stage of the customer journey. All you need is a WiFi connection or 5G LTE network to monitor and identify foot traffic, average wait times, high-engagement areas, returning customers, passive loyalty, and customer conversions.

[Nearly 50% of consumers say](#) they regularly use a brand's mobile app while they're shopping in that brand's store. [Fast Sensor](#) technology allows you to connect your brand's online presence with your offline store to monitor in-store traffic, track ROI, and leverage first-party data. Now you can even send personalized notifications right to shoppers' phones as they enter your brick-and-mortar location.

The benefits of in-store data collection

- **Minimize the cost of labor and improve employee productivity** by monitoring crowdflows and live foot-traffic data to manage staff scheduling.
- **Drive customer engagement and increase purchase consideration** by identifying, optimizing, and directing customers towards areas of high-conversions.

Adaptable Digital Displays

For retailers, getting customers into the store is half the battle. If you've ever seen a Wacky Waving Inflatable Tube Guy or done a double take after passing a prodigiously talented roadside sign-spinner, you know the great lengths shop owners are willing to go to grab your attention—and get you into their stores.

Approximately 70% of purchase decisions are made after a customer enters the store.

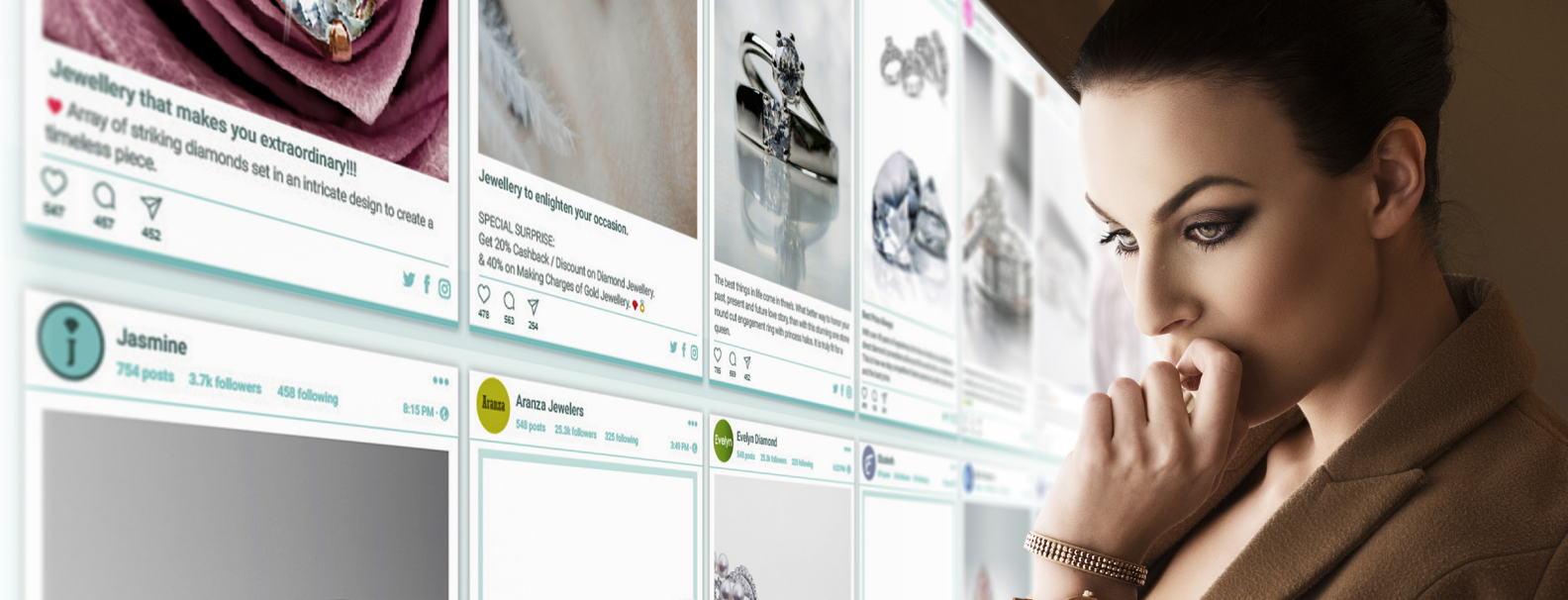
And it makes perfect sense: the more customers you bring in, the more products you sell. Samsung's vast array of digital display options offers a simple way to attract customers and keep them engaged at every stage of the consumer journey—from the parking lot to the checkout counter.

The benefits of digital displays

- **Drive traffic and increase conversions** by delivering targeted, eye-catching advertisements and sharing valuable information at every consumer touchpoint.
- **Create congruence between your online and offline retail experiences** with consistent messaging and design that can be adjusted remotely at the touch of a button.
- **Give consumers ultimate control over their own retail experience** with touch displays and kiosks that make it easy to locate a product or speed up the checkout process.
- **Reduce the monetary and environmental costs of paper** by eliminating the need to regularly update in-store print graphics and messaging.



The Samsung Kiosk is the innovative and secure self-service solution that comes ready to use out-of-the box with everything needed to quickly and easily deploy into any environment. It is a simple and secure all-in-one kiosk solution that improves revenue generation, increases operating margins, and enhances the customer experience.



Integrated Dashboards and Data Analytics

Most brick-and-mortar retailers—even if they have the means to collect and store information—are out of their depths when it comes to turning in-store data into strategy-defining insights. Data is useless without the tools or talent necessary to make sense of it. Insights are like islands floating on a vast ocean of information—if you don't have a ship, a map, and a compass, you'll get lost at sea...or worse, drown.

“While some retailers are still learning how to best collect customer data, others possess it but are unsure what to do next.”

- Forbes

Samsung's Connected Consumer Journey supplies store owners with 24/7 IT support and an intuitive dashboard that makes it easy to identify and act on critical information.

The easy path to digital transformation

- Create a seamless connection between digital and physical retail spaces by bringing disparate datasets under one roof and aligning strategies across channels.
- Personalize the customer experience and keep messaging up to date with automated workflows and remote displays that can be adjusted from a smartphone or tablet.
- Eliminate the need to hire IT talent or train existing employees with Samsung's 24/7 network operations center (NOC) and help desk support.

Importantly, Samsung designs all the components, from hardware to software to service, to work seamlessly together for a smooth, consistent, and intuitive experience—not only for demanding customers, but for busy retailers as well.

03

Challenges on the Road to Digital Transformation

Many retailers currently see digitization of their brick and mortar locations as a nicety—but it's quickly becoming a necessity. As consumer expectations evolve, there's a greater push for retailers to provide customers with a frictionless experience. Customers are no longer putting up with time-consuming, inconvenient retail experiences. Instead, they will turn to the favorable in-store environments offered by competitors. As a result, in the retail space today, customer experience is often the most important indicator of sales performance.

78% of abandoned baskets are a direct result of long checkout queues.

Not only are consumers more likely to abandon a brand after a negative customer experience, but they're also **140% more likely** to return after a positive one. So it makes sense that if digitization is the easiest way to streamline the in-store experience, retailers can predictably expect a bump in sales by embracing digital transformation.

Yet there's still resistance among retailers when it comes to rethinking outdated and non-optimal retail strategies. Many shop owners cite the following concerns as major hurdles on the road to digitization:



Privacy

As new data-privacy regulations signify the end of third-party data tracking, retailers are uniquely positioned to capitalize on their easy access to opt-in, first-party customer data through loyalty programs, surveys, subscription services, POS systems, apps, and e-commerce websites.

Rather than a concern, tighter restrictions around consumer data mean retailers have a sharper edge than ever before. Samsung's Connected Consumer Journey solutions are designed to help you easily collect, analyze, and activate data while maintaining compliance with international data privacy standards.

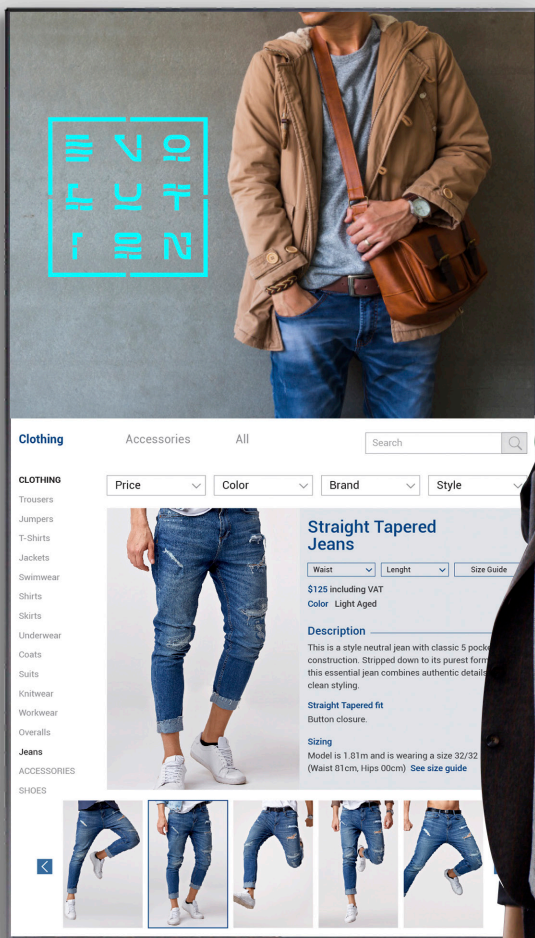
Implementation and IT maintenance

Store owners have their hands full monitoring and managing the physical retail environment. There's a fear among retailers that digital transformation relies on a massive internal effort to adopt and maintain new technological infrastructure—and those fears are warranted.

[According to Harvard Business Review](#), "Of the \$1.3 trillion that was spent on digital transformation last year, it was estimated that \$900 billion went to waste."

Without any in-house tech expertise, how can you make sure you're getting the most out of your investment? Samsung's Connected Consumer Journey provides retailers with an intuitive dashboard and ongoing remote IT help-desk support that relieves the pressure of implementation and technological maintenance. Additionally, Samsung offers flexible integration with existing tech stacks to promote the simple, speedy adoption of new technologies.





Cost

The upfront and ongoing costs of technological innovation are major concerns and sources of hesitancy for many retailers on the path to digital transformation. But the long-term costs of avoiding implementation now drastically outweigh any short-term savings.

Furthermore, as customer expectations continue to evolve, the costs associated with a slow-moving or non-optimal in-store experience will continue to rise as customers turn instead to competitors with more evolved in-store environments.

Samsung digital displays reduce the long-term costs and economies of scale associated with print advertising and traditional in-store displays. Additionally, Samsung's ongoing IT and data analytics support eliminates the cost of training employees or hiring in-house IT talent.



04

The Future of Retail Starts Today

The future of retail is here—and it's up to brick-and-mortar retailers to accept digital transformation as critical to maintaining growth in the modern marketplace. Most retailers recognize this: [70% of companies](#) either have a digital transformation strategy in place or are currently working on one. But it's not just about technology. Successful digital transformation relies on the connectivity of the e-commerce and in-store shopping experiences.

“In-store and digital experiences are, for many retailers, still treated as two distinct, separate channels. The mere fact that consumers now want one simple, holistic interaction creates a major challenge for retailers who thought they had a few more years of runway to implement.”

- Tiago Paiva, Talkdesk CEO

Gartner recently reported a general shift in the consumer mindset that demonstrates how a disconnect between online and offline retail environments can contribute to a diminished interest in in-store shopping. The study indicates that consumers—for the first time in retail history—are more likely to turn to e-commerce (as opposed to traditional retail) in an effort to explore or discover new products. In other words,

shoppers are now less likely to take a trip to the store unless they know what they want.

Offering congruence between in-store and digital environments helps retailers bring customers back to the storefront by encouraging this top-of-funnel, exploratory behavior in the store, rather than online—ensuring that, when it comes time to try and buy, there’s nothing that can replace the real-life experience of in-person shopping.

Multi-channel shopping isn’t going away; it’s evolving. And it’s time to keep up or risk getting left behind. Samsung’s Connected Consumer Journey provides a simple way to make sense of complex customer information and implement the same data-driven solutions driving growth online, to future-proof the in-store retail experience.

Start building your Connected Consumer Journey today.



Footnotes:

¹ Gartner, Inc. Gartner Consumer Values and Lifestyle Survey, 2013-2020. All rights reserved. No further reproduction or distribution permitted without the express written consent of Gartner.

Learn more samsung.com/retail | insights.samsung.com | 1-866-SAM4BIZ

Follow us [youtube.com/samsungbizusa](https://www.youtube.com/samsungbizusa) | [@samsungbizusa](https://twitter.com/samsungbizusa)
[linkedin.com/showcase/samsung-in-retail](https://www.linkedin.com/showcase/samsung-in-retail)

© 2021 Samsung Electronics America, Inc. All rights reserved. Samsung is a registered trademark of Samsung Electronics Co., Ltd. All products, logos and brand names are trademarks or registered trademarks of their respective companies. This white paper is for informational purposes only. Samsung makes no warranties, express or implied, in this white paper.