



The Store of the Future: 5 Key Areas of Opportunity for Retailers

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Introduction



E-commerce has consistently grown over the past years, and the pandemic has only accelerated the trend. Traditional brick-and-mortar stores are now struggling to evolve and entice people back into their stores.

Many, such as J. Crew, Disney, and Macy's, are closing stores. The unfortunate term 'retail apocalypse' has surfaced repeatedly due to the closure of thousands of stores in the past few years, suggesting a mass shift from offline to online retail.

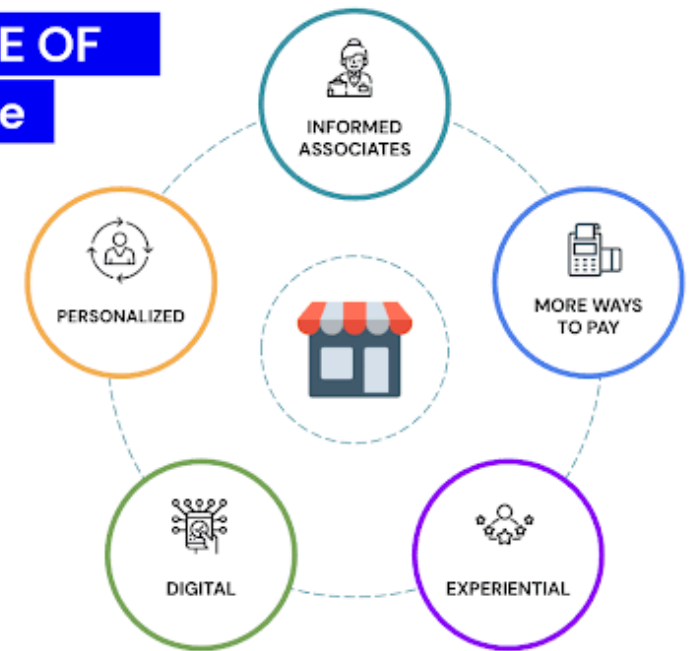
And yet Ulta, Dollar General, Amazon, and TJX are opening new stores. **What do they know that other brands don't?**

First, it's important to note that two types of companies are opening new stores. The first is e-commerce brands. The other is traditional retailers who've adapted to changing consumer demand, updating their store formats and the omnichannel customer experience.

Physical stores are not dead, but they are changing. Stores need to evolve, or they won't survive. And stores that are adapting to ever-changing customers' needs are thriving.

With this in mind, what will the store of the future look like? In this guide, you'll explore five focus areas to help your store evolve and delight customers at every touchpoint.

The STORE OF The Future



The store of the future is digital and experiential, offering customers greater personalization, informed associates, and more ways to pay.

We'll explore each of these qualities in upcoming sections.

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1. Experiential Focus

What does it mean for a retail store to have an experiential focus?



Stores must provide a unique experience that entices customers to visit. – customers who want to touch, feel, and experience the product.

Companies such as Home Depot and Michaels are organizing in-store workshops for kids to build DIY projects, for example. These projects provide kids with a hands-on learning experience that sparks creativity, promotes problem-solving, and encourages social interaction for the youngest generation. These events also help bring the community together and provide an enriching experience.

Stores aren't just a space for stocking products on shelves. They must **bring more value** to the community and their customers.

For example, Suit Supply ensures its products are displayed with proper lighting to provide a unique suit buying experience.

And the new Toys “R” Us is taking the store experience to the next level by providing more toys for children to play with, which makes the buying experience more fun for families.

Retailers should **make their in-store experience memorable**.

Dick's Sporting Store has recently opened a new outdoor concept store, Public Lands, with a vision to protect public lands. This new store concept will bring an elevated customer experience with passionate associates that showcase their love for the outdoors and believe in protecting our public lands for all to enjoy.

Customers want an engaging and superior experience when visiting a store and tend to **expect retailers to contribute to society**.

As a result, retailers are becoming conscious of sustainability and are now opening repair centers in their stores.

For example, Public Lands will have a repair center within their store. Patagonia is also known for its efforts toward conservation and repairs. The future of retail stores must be experiential and dynamic because customers demand it.

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2. Informed Associates

Frontline customer service employees are part of the experience.

Knowledgeable store associates are valuable assets to any retailer.

They can help customers make the right purchasing decision and close more sales.

By **using smartphones and tablets**, associates can be better informed about customer preferences and previous purchase history, which can help them provide personalized recommendations.

Retailers should **invest in associate training and digital tools** to optimize their day-to-day operations to spend more time with their valued customers.

In mid-2021, Walmart launched Me@Walmart smartphone program and provided 740,000 Samsung smartphones to their associates for personal use.

These smartphones are preloaded with Walmart apps that help them efficiently accomplish their work.

When stores **use AR, AI, and voice technology**, they can help associates quickly locate products in the backroom and replenish them on the floor.

And when **using voice commands**, they can perform several operations rapidly.

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3. Digital Enablement

Are you keeping pace with consumer behavior?



Customers are more tech-savvy than ever before and expect digital solutions when they interact with businesses.

Technology like Virtual Try-on, Video Wall, and extensive digital displays provide **enriching in-store experiences**.

Digital stores aren't only providing a rich customer experience but also bringing **efficiencies to store operations**. For example, robots can scan store inventory without human involvement, which speeds up the supply chain process.

In the post-pandemic world, more and more customers are demanding a **contactless experience**. Technologies such as AI, Computer Vision, and the IoT are taking the checkout experience to the next level.

Using smartphones, cameras, IoT sensors, and cloud AI, Amazon was able to roll out the "Just Walk Out" experience where there's no need to check out any products, for example.

Digital pricing labels empower retailers to provide dynamic purchasing options. And they show other contextual information like offers, QR code for reviews, and personalized pricing.

Retailers should **invest in in-store technologies** to bring this efficiency and a better customer experience.

Digital offerings also bridge the gap between online and offline experiences to provide an **omnichannel experience**.

Fulfilling online orders from a store and adding the option to buy online and pick up from the store are two great examples of using technology to provide a connected omnichannel experience.

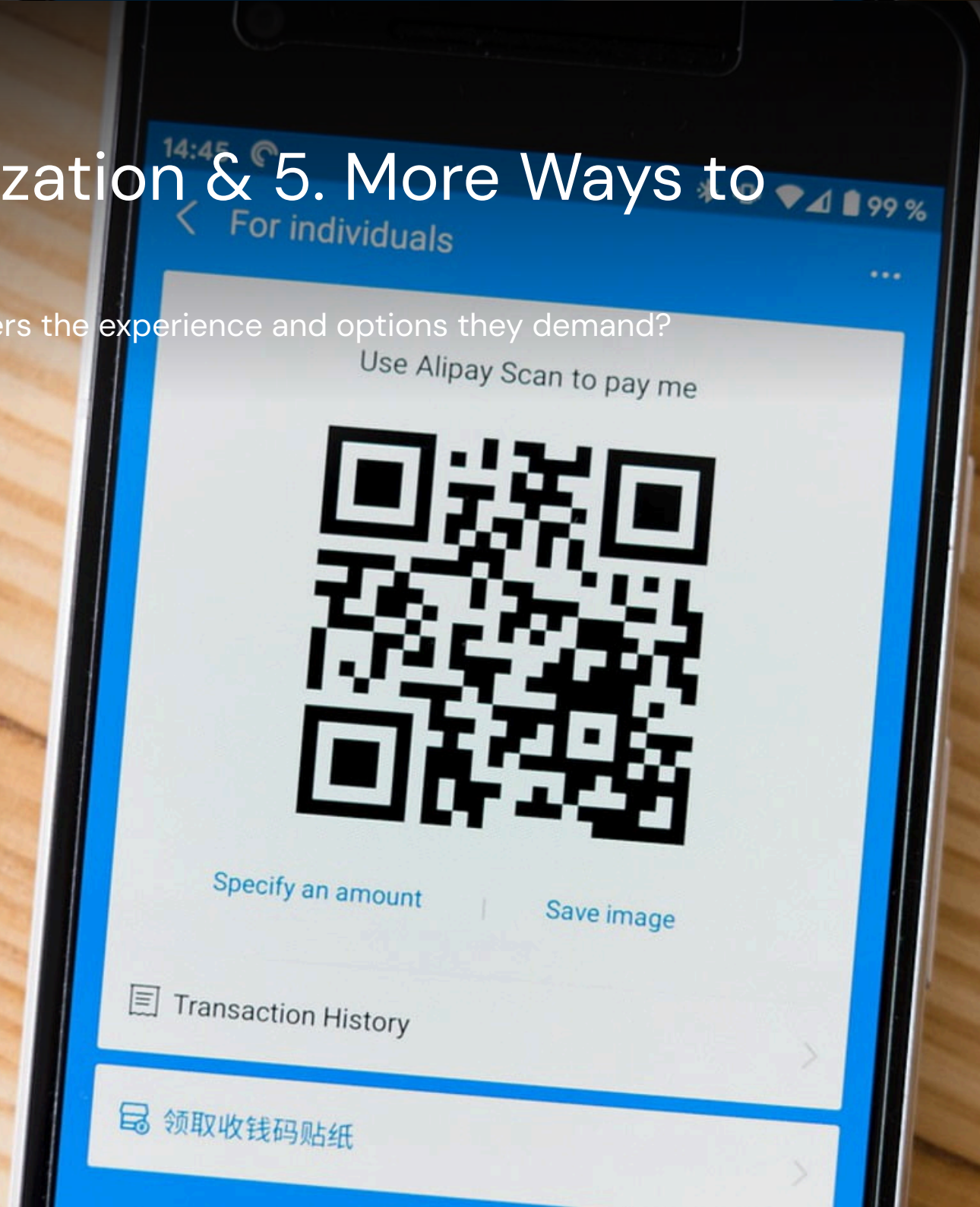
In addition, using location-based technology and the buy online pick up in-store (**BOPIS**) **experience** can be enhanced in another way.

By sending a notification to associates as soon as the customer reaches the parking lot, the associate can have the package ready when the customer arrives at the pickup counter.

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4. Personalization & 5. More Ways to Pay

Are you giving consumers the experience and options they demand?



4. Personalization

Geolocation marketing and AI-driven contextual offers give retailers more opportunities to influence consumer behavior.

For example, when the customer arrives at a departmental store, the mobile app can greet the customer and provide a personalized coupon to check out a product.

As soon as they start browsing online, a notification is sent to a nearby associate with the customer profile.

The associate can then assist the customer if they need help and provide a personalized recommendation.

5. More Ways to Pay

Payment is usually the last hurdle in completing a sale. It has to be fast and hassle-free.

Long queues at registers can motivate the customer to drop the product and just walk out without purchasing. In addition, a slower checkout experience can be frustrating to the customer.

Retailers are implementing a range of **frictionless and cashier-free payment options**.

Technologies like **scan and go** or the ability to just walk out and **pay using your mobile app** make the checkout process more convenient for the customer.

Retailers are also providing smartphones to associates so they can **checkout the product anywhere in the store**, and customers don't need to go to checkout registers.

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Conclusion

Preparing for the retail experiences of the future.



In summary...

Brick-and-mortar stores are not dead, but they are changing quickly. Retailers unable to adapt to an omnichannel strategy and upgrade their in-store experiences will be left behind.

Retailers must reimagine stores using technology to elevate their customer and associate experience.

A retail store shouldn't work as a standalone entity. Instead, it should be well-integrated into the customer journey and their relationship with retailers as a whole.

About the Author

Krishna Singh carries over 18 years of hardcore technology experience. He has built digital solutions in various domains such as retail, media, social, publishing, and telecom. Krishna has architected and led several digital transformation programs on Mobile and Web. Krishna is passionate about exploring new technologies and uses them to improve people's lives. He is an expert in cutting-edge mobile technologies – Android, iOS, Flutter, ReactNative, Immersive, Voice Assistants, iBeacon, and IoT.