As the slow growth of the economy continues, U.S. consumer spending — particularly full-price retail spending — has continued to lag. But retailers are, slowly but surely, making a comeback. And it’s the perfect time to reshape the consumer shopping experience, to redefine and improve it, both in the store and out.

The New Rules of Commerce
Out with the old, and in with the new. SapientNitro helps retailers conduct billions of dollars of business. In our conversation with clients, there have been three most important trends about which you should be concerned:

- **Seamless Multi-Channel.** A shopper’s experience is no longer linear (i.e., view an ad, visit the store, compare options, make a purchase). The consumer can now choose from many digital avenues. Retailers (brands in particular) must come up with a strategy — with a unified message, value proposition, and customer experience across this ecosystem.

- **The Power of Touch.** New technology like touch screens, interactive displays, digital signage, and mobile devices are changing the way consumers shop. Engaging via touch, whether at home, in store, even in a car has been a natural progression for the consumer. Retailers are (or should be) taking advantage.

- **Technology Enabled.** From QR codes to RFID (Radio Frequency Identification) tags, there has been a quick integration of new technologies in the retail space to build personalized experiences. Retailers must evaluate new technology, device options, and functionality, and determine how to make it work best for them.

Retailers are being challenged in this new environment. Consider Blockbuster. In 2004, they were a $6 billion company, but they didn’t adapt to the new retail experience quickly enough. Thanks to a series of poor strategic decisions, Blockbuster went bankrupt, knocked out by companies like Redbox and Netflix.

Clearly, Blockbuster is a cautionary tale. How can retailers avoid a similar fate, and adapt to consumer behavior, strategic shifts, and a changing technology landscape?

**Retail, Right Now**
Today, some devices making it possible to create this new shopping experience are:

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**The Evolving Retail Experience**

By FK Funderburke, Digital Merchandising and Mobile Strategy, SapientNitro and Hilding Anderson, Marketing Strategy and Analysis, SapientNitro
Mobile. Over 95% of Americans carry a mobile device, and in 2011, the majority of units sold will, for the first time, be smart phones. This prevalence represents huge opportunities for retailers and shoppers. Mobile devices enable shoppers to have a richer experience with the stores and brands with which they interact. For the retailer, connecting with the mobile device should be a core to their strategy.

This intensely personal device — the mobile phone — allows consumers to check in to access deals, wish lists, and rewards, or scan merchandise, share offers, and place orders. The phone gives power to the consumer to make choices that are the best for them and makes it easy to purchase.

Yet retailers also must face the threat from comparison shopping done within their aisles using these devices.

Digital signage. Retailers are starting to understand the benefits of digital signage when integrated into the overall shopping experience. With digital signage, it’s not just about advertising specific products or sales, but exposing customers to the brand.

Digital signage can include product information, social media feeds, news, video, and more. It can use day-parting to target specific audiences. The signage should be designed to create a flow throughout the store, using larger signs to bring potential customers into the store, and then becoming regionalized. Mobile and tablet devices can serve as an outlet for digital signage as well.

Tablets. From the iPad to the Galaxy Tab, tablets are currently one of the fastest products to be adapted into the U.S. market. A large screen allows for a deeper experience, a richer interface, and is much easier and faster than a laptop.

Opportunities exist for tablets in the aisle, in the hands of associates, on endcaps, and at checkout. Rich how-to guides and custom areas in the store offer ways to improve the customer experience. Customers can scan items, check inventory, see customer reviews or social media links, compare and contrast other items, and place orders. Tablets can focus on a particular brand too, offering another incentive to purchase retail space within stores or be used by sales associates to assist customers.

Interactive exhibits. Interactive wall- or store-front signage turns shopping into a social experience. Instead of being hounded by a sales associate or not finding assistance when desired, consumers can use these exhibits as a way to have a deeper engagement with the brand.

Capabilities for interactive exhibits include recommendations, loyalty card integrations, wish lists, mobile phone compatibility, photo capability, and sharing through social networks. Like with tablets, interactive exhibits can function as digital signage when not in use.

RFID. Checking out using RFID tags presents a new way to buy. The proliferation and reduction in cost of RFID tagging allows shoppers to expedite their purchases and bypass the cash register. Using an RFID reader on a mobile phone or smart shopping cart lets the consumer scan items and then pay via phone.

For the retailer, RFID allows for a real time inventory count. By seeing who’s buying what and when they’re buying it, it’s easier than ever to manage purchasing and shipping.
Implications for Retailers
Social media offers an interesting example of retailers adopting technology. At first, retailers weren’t comfortable with the social space. It was a new phenomenon that brands couldn’t control. But retailers have started to understand the value of the new social media channel (sCommerce) and the benefits it can provide. They are having a dialogue with their customers, understanding them, and creating positive advocates and positive word of mouth because of it.

It’s also important to remember that not every consumer is going to engage with the brand across every touch point that’s created, but the challenge — and the benefit — for the retailer is to create a congruent ecosystem so they are always relevant and available, no matter when or how a consumer comes across it.

A new aisle experience. Leading retail brands (e.g. Apple, Virgin Atlantic) are restructuring the traditional aisle experience as well. While this effort is substantial, the result is a store that’s geared toward a service experience that is seamless from beginning to end.

Fewer (and different) retail stores. By the end of this decade, not only will existing retail stores have changed in routing, flow, and technology usage, but there will also be fewer retail stores generally. Competition with online channels will tend to drive the closing of many traditional stores, while more adaptable competitors will have a very different, and increasingly multi-channel, in-store experience.

Continued importance of the dot-com channel. The ’traditional’ dot-com channel will also remain a leading digital option and should continue to be a focus of retail strategies. Most people still start their shopping experience here. Even those on a phone often go to the dotcom first. It will still play a central part in the overall retail experience, even as Twitter commerce, fCommerce, Polyvore, and similar tools proliferate.

If brands can take this new, evolving retail atmosphere into account, they’ll be able to create an intelligent system that creates opportunities to know the customer better, leverage their data, and increase customer satisfaction. Retailers will also be able to control marketing spend better by controlling the way they leverage their systems and by knowing who is shopping, when, and how.

Implications for Consumers
There are two main implications for consumers.

Less privacy. From Quit Facebook Day to Facebook’s 5,830-word count privacy statement, it’s clear that privacy — from personalized product offers to location-aware apps — will continue to be a concern and an ongoing issue. In the end, people will most likely give up a bit of privacy for a better experience.

Improvement in channel choice. TV, mobile, retail, print, search, email, social, digital — consumers have many more connections to the brand, and the experience is much more dynamic. The shopping experience is richer, more interactive, more personalized, and (hopefully) more enjoyable.
MetLife’s Engagement Strategy
MetLife wanted to reposition their brand and reach new audiences around their sponsorship of the premiere corner at the New Meadowlands Stadium. MetLife combined online and in-venue digital engagements centered on a custom loyalty club program and supported it using social media and local area marketing.

Loosely based on a frequent flier program, customers use the MetLife Countdown Card to check in everywhere they go within the MetLife section. Each scan increases opportunities to win prizes and the cardholder gets to learn about the stadium, the teams, get digital souvenirs, and access exclusive information. This experience creates an opportunity to get fans more engaged with the game itself and also creates “moments” brought to them by MetLife.

MetLife is collecting data from fans and has seen a 20% increase in membership, MetLife Central visitors, and online traffic. People are arriving to the game earlier and staying longer in order to interact with MetLife’s digital experience, and their gate has become the go-to entrance.
POINT OF view

BIG PRIZES, LITTLE PRIZES, LOTS OF PRIZES AT METLIFE CENTRAL!
WITH YOUR METLIFE CENTRAL COUNTDOWN CARD
GET ACCESS TO ALL OF OUR PRIZES AND GIVEAWAYS.

You can earn points by:
1. A $50 MetLife gift card by referring friends
2. A $100 MetLife gift card by taking a survey
3. A $25 MetLife gift card by entering sweepstakes

GET IN ON THE PRIZES AND ASK A METLIFE REPRESENTATIVE FOR A CARD NOW!

SCAN YOUR COUNTDOWN CARD
AND GET STARTED

WELL DONE CHRISTOPHER
SHOW YOUR ALL-STAR SPIRIT
AND
SHARE YOUR GAMETIME FACE

DOWNLOAD YOUR GAMETIME FACE AT METLIFECENTRAL.COM
The Game Has Changed ...
With all the devices coming out, the brand experience is evolving and becoming much more personalized — and we’ve only begun to understand what that means for retailers and the consumer.

We do know that there is a big difference between watching and participating. Traditional media most often treated the consumer like a spectator. But consumers are now looking for retail experiences to respond and engage them in the same way that digital experiences do. These next few years will offer exciting, remarkable changes when it comes to the way consumers shop on a day-to-day basis.

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About the authors
FK Funderburke has more than 14 years experience with interactive strategy and digital marketing, including extensive knowledge of multi-channel strategy, mobile strategy and applications, digital out-of-home displays, kiosks, and touch experiences. He has developed, designed, and delivered complex digital marketing experiences and engagement management, and possesses a unique blend of marketing and functional expertise with an outstanding record in implementations of all sizes across industry verticals.

Hilding Anderson is the regional lead of Research and Strategy for the 800-person Washington, DC office. He has over 12 years of marketing and technology consulting experience. He speaks on emerging trends, consumer behavior, and new technology developments at major national events including SXSW in 2011 and Coca-Cola’s 2011 Mobile Summit. Areas of expertise include consumer research and analysis, social listening, and interactive strategy. He has worked with major domestic and international firms including Coca-Cola, John Deere, Sanofi Pasteur, Target, CDW, and Canadian Tire.