

Future

**THE FUTURE OF D2C
CUSTOMER ENGAGEMENT**

SCENARIOS FOR AN UNCERTAIN WORLD

The Future of Customer Engagement

For years, many companies relied on in-person touchpoints as a primary channel for marketing and sales with customers. When COVID-19 hit, the world scrambled to adapt and survive. 2020-21 was a brutal period for many B2C businesses, marked by economic hardship, temporary and permanent closures of stores, health scares and widespread job losses. In addition, consumers were forced to change their behavior—navigating new brands, channels, technologies and processes in order to meet their needs during these unusual times.

While the COVID-19 pandemic will be forever seen as a devastating period in history, this time of upheaval was, and continues to be, a significant catalyst for innovation and change across the B2C sector.

The customer journey from **initial awareness** to the **point of purchase** was fundamentally reshaped through the course of the pandemic.

The practice of strategic foresight aims not to predict the future but to identify and explore its possibilities. Shining a light on possible futures in a systematic way opens the mind to opportunities and threats on the horizon so that a path to a preferable future can be charted. The process may also highlight potential blind-spots and biases that may impact company strategy and performance going forward.

By understanding these future possibilities, we can backcast; identifying the steps that could be taken today to navigate and even shape these futures down the road.

What is the long-term outlook for customer engagement in the B2C and D2C market?

Looking five years ahead, *how might the seeds of change planted today alter the B2C customer journey?* We set out to explore this question in collaboration with a team of Valtech Future Studio researchers and clients across Europe, North and South America. Through our research, five themes emerged as consistently important; however, the way these themes will ultimately take shape in the future hinges a great deal on what happens to the **physical store**.

Will we emerge from the lockdowns and social distancing measures of the early 2020s and go, as one of our clients put it, “Full Gatsby,” stepping into a roaring twenties scenario where consumers seek out physical environments, in-person social interactions and rich experiences? In this scenario, physical stores might take new forms, but their popularity and utility endure. Alternatively, will the economic fallout of the pandemic further fuel the death of physical retail? This scenario would accelerate the transition to becoming **online-first** and send physical stores into full-retreat.

We have identified **two scenarios** that explore possible ways in which the future of the physical store might take shape and the impact these futures have on company strategy. Through this process, we have taken a step into the world of speculative design: imagining, visualizing, and in some cases even prototyping new ways of interacting with customers.

B2C is, of course, a very wide lens. The pandemic recovery across the world has been multifaceted. There is no singular vision of the future for the participants in this space. Size, category, location, business model, organizational culture, consumer preferences and digital maturity will shape their fate. Our scenarios have been designed to offer contrast and provoke contemplation, but we expect, in reality, organizations will see permutations and combinations of these scenarios that have been shaped by their specific context.

About this Report

THE REPORT HAS BEEN DIVIDED INTO *four* SECTIONS

1

The World Mid-Pandemic: An exploration and synthesis of signals and trends shaping B2C business practices and consumer behavior during the pandemic. This information was gathered through interviews with clients, subject matter experts across Valtech and through extensive desktop research. We have summarized our findings across five themes.

2

The World of Tomorrow: Taking a leap five years into the future, we have explored two diverging paths: What happens to the B2C landscape if physical stores go into further decline? And what happens if physical stores experience a renaissance of growth? In both cases, what are the implications for omnichannel experiences? Along each path, we've developed vignettes—visual snapshots of these possible futures—where relevant, enriching these vignettes with video and prototypes.

3

Preparations for the Future: What can be done today to thrive in these futures? We provide insights into the steps we believe should be undertaken now to navigate these scenarios as they unfold.

4

The Valtech Future Studio: An overview of who we are, what we do and how we work. As the internet becomes further ingrained into the fabric of business and as the digital world becomes increasingly cutthroat in the age of winner-take-all network effects, the importance of scanning the long-term horizon for pathways to competitive advantage is more critical than ever. The Future Studio brings together **futures thinking** with **innovation engineering** techniques to explore areas of key relevance to our clients and community so that we can not only better understand these futures but *shape them*.

GLIMPSES OF THE FUTURE

The Dynamic Store

A rich and flexible physical environment tuned to the changing needs of modern retail

p. 39

Shop the World

Spyglass: An augmented reality demo that layers information and commerce capabilities on physical objects

p. 41

No-touch!

A fully contactless virtual try-on tool that's just as fun in-person as it is online

p. 47

The Wall is the Mall

A small-scale storefront that opens to an endless aisle

p. 54

The Virtual Sanctuary

Retreat to an immersive virtual store environment that's anything but boring

p. 59

MORE PROTOTYPES ON P. 39

The World *Mid-Pandemic*

Habits have been broken, new ways of buying and selling have been discovered, and while we are still navigating through uncertainty, the pandemic reset is clear.

Brands, in turn, have repositioned themselves to adapt to these new operating realities and shifts in consumer behavior. Companies are updating their business models, trying to recreate the magic of their in-store experiences online and rethinking their in-store strategy to meet new consumer needs.

The events of today are triggering ripple effects that signal major shifts to come in the future. Many trends that began before the pandemic are being accelerated, and trends that no one could have predicted are taking off. These shifts have created major opportunities across the buying journey for brands who are able to anticipate and proactively build for the future.

But what are these shifts and how can brands begin to prepare for them now?

Brands rethinking in-store strategy to meet new consumer needs

Brands trying to recreate the magic of the in-store experience online

Brands turning to direct selling

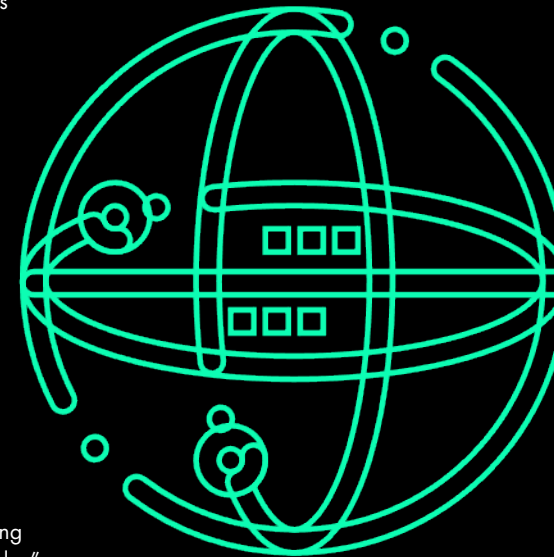
Consumers seeking connection, "normalcy", and novelty

Safety concerns result in consumers avoiding stores

Unprecedented shift to e-commerce

Consumer shopping habits broken

New ways of shopping adopted



We set out to answer this question by analyzing inputs from hundreds of trend reports, statistical analyses, consumer behavior studies, and subject matter experts. We have focused our review primarily on the stages of the customer journey from awareness through to the point of purchase.

Through our research, we uncovered **five themes** that encapsulate today's signals and tomorrow's trends and give us a glimpse into the future customer buying journey:

- 1. The Evolution of Brick and Mortar:** The advent of COVID-19 altered the outlook for physical stores in several ways. Understand the factors at play. **P. 11**
- 2. Pushing the Boundaries of Personalization:** The lockdowns of today have shifted more consumers online. With this shift comes heightened expectations about tailored service across all channels and touchpoints. **P. 17**
- 3. Closing the Digital-Physical Experience Gap:** Physical stores and products

continue to play a central role in reaching customers but are being re-aligned with the digital sphere in novel ways. **P. 23**

- 4. Experiences Unlock Loyalty:** Building loyalty is a greater challenge than ever as brands vie for the already-stretched attention of online audiences. Present-day e-commerce is highly transactional, and the struggle to convey brand experience, attract and retain customers is real. **P. 27**
- 5. Consultations Go Virtual:** Product trial and consultation are among the top reasons why customers visit physical stores. With in-store shopping severely limited due to the pandemic, brands have scrambled to recreate these key moments of the buying journey online. **P. 31**

PODCASTS | VALTECH CAFÉ

NOT OVER YET...

We talk about a **post-pandemic** future, but we will be living through the realities of COVID-19 for some time to come. **Find out what this means for retail.**

Shannon Ryan
Executive Vice President,
North America

REMOVING FRICTION

We uncover the success factors behind innovation adoption rates and **learn more about the Dynamic Store of the future.**

Jeremy Duimstra
Senior Vice President
& Co-Director, Valtech
Future Studio

HOW TO EVOLVE

What does it mean to transform in this era of new customer expectation? **We break down the buzzwords.**

Tina Dejan
Strategy Director, Denmark
& Co-Director Valtech
Future Studio

CRAVING COMMUNITY

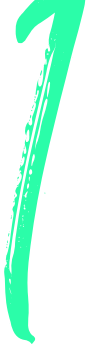
Stay-at-home orders and social distancing measures are fueling a social wave. **Here's what B2C companies are doing to ride it.**

Line Tousignant
Vice President Strategy
& Experience, Valtech

EMERGING TECH

How is emerging tech changing the way we interact with brands? A discussion on the tech that's really **worth investing in.**

Matthew Morey
Senior Vice President
of Technology, Valtech



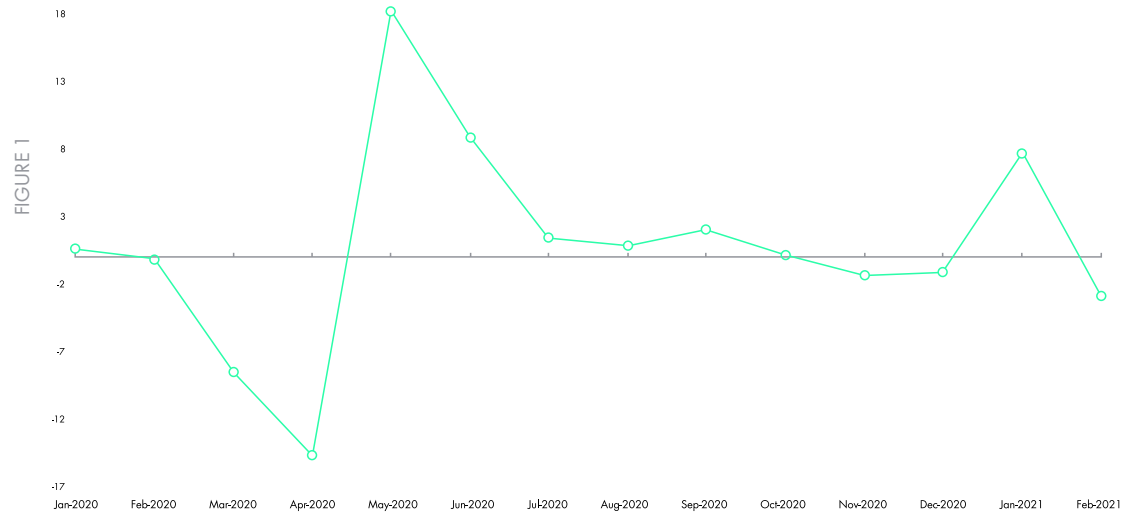
The Evolution of Brick & Mortar

The “retail apocalypse” and the “fall of the mall” were already underway—particularly in North America, the United Kingdom and Australia—but these trends were heightened and accelerated by the pandemic.

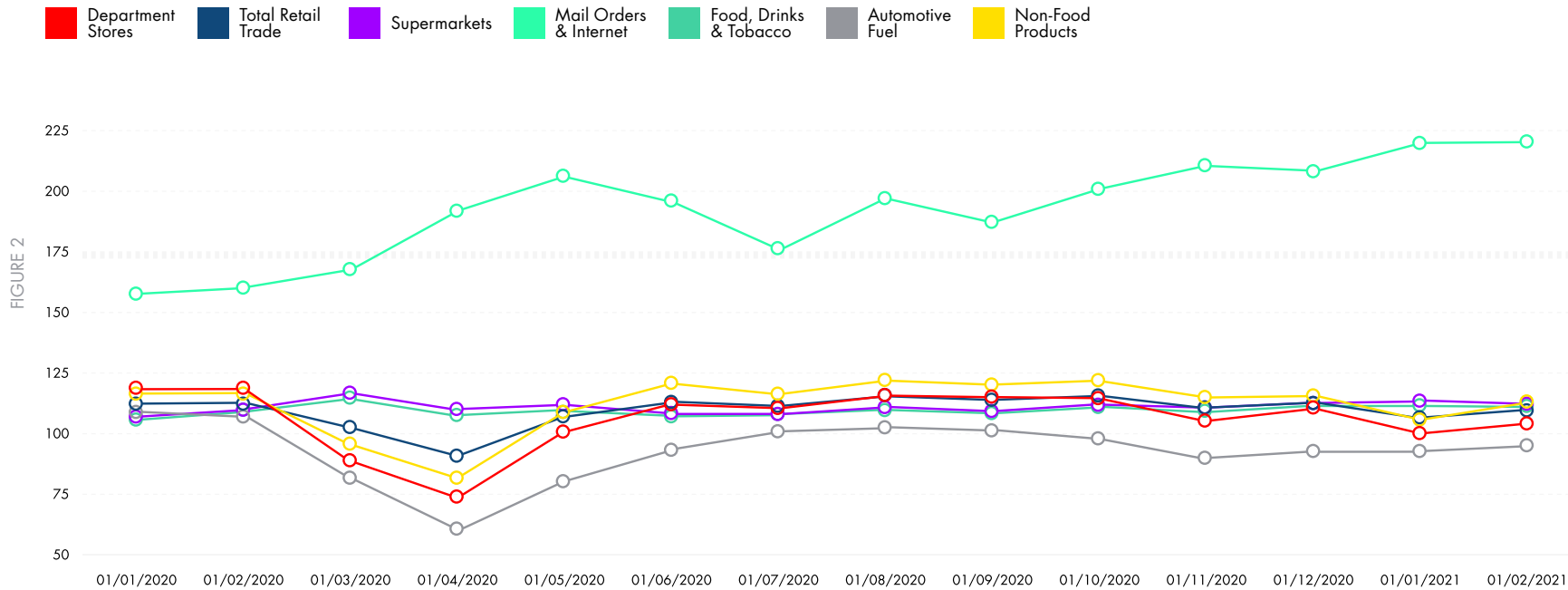
2020 was marked by significant changes across retail categories. In March and April 2020, the total retail trade volume in the U.S. dropped by 8.6% and 11.2% respectively. (Figure 1)¹

% Variation in Monthly Retail Trade and Food Services in the US

Values from Jan 202 to Feb 2021



Impact of Prevention Measures on Retail Trade Volumes in the EU



The EU had similar outcomes, with a drop of 9.2% and 11.2% respectively. (Figure 2) There were, however, considerable differences in food and non-food products. As visible in Figure 2, food products and sales in supermarkets increased in March while the sale of non-food products went down. In April, all product groups recorded strongly declining sales.

Figure 2 also indicates the levels of retail trade volume according to different modes of sale, i.e. for supermarkets, department stores and for internet. Since supermarkets remained generally open during lock-down measures in March and April (and also during more recent lockdowns since November 2020), they saw an increase in sales in March. One of the “winners” in this

crisis was probably the growth of internet sales, which saw great increases in April, May and throughout the whole year.²

As the state of physical retail spiraled in the second quarter of 2020, we saw the center of gravity of retail operations shift even further towards online.

Lots of inventive thinking sprang from this difficult time. Julia Raymond-Hare, Editor in Chief at RETHINK Retail observed in an interview with us, “There has been five years of innovation consolidated into one year. If you look specifically at luxury or grocery, it might be more like 10 years of innovation.”

With all those changes happening, it is not surprising that COVID-19 altered how customers behave across the brick-and-mortar landscape in several visible ways:

/ A preference for online shopping took a giant leap forward—prolonged physical distancing measures and stay-at-home orders prompted consumers to further embrace shopping online. According to Adobe, the pandemic period between March 2020 and February 2021 fueled a 20% boost to online spending.³ These shifting preferences all contributed to a re-imagining of the physical retail footprint, a reconsideration of the volume and variety of goods housed in the physical store and in some cases, a redefinition of the physical store as a satellite to the digital core.

SITES OFFERING BOPIS GREW THEIR DIGITAL REVENUE BY *27%* IN Q1 2020

according to Salesforce.

/ Heightened concerns about hygiene resulted in a reticence to navigate and interact with in-store environments—

Valtech's research⁴ showed that customers were approaching public interactive systems with more caution when returning to stores. In a survey conducted in July 2020, we found that 85% of people would likely head back to stores soon after restrictions were lifted; however, most only wanted to return to stores with reservations and other precautions that ensured social distancing. 45% of people weren't willing to touch a digital screen in a public place following the pandemic, which meant we were at

risk of losing almost half of our users right at the onset of our experiences. The results showed that fewer women than men were willing to touch a shared-use digital screen in public.

/ Health and safety measures introduced during the pandemic gave rise to new expectations of convenience and gave the physical store new purpose—

Contactless technologies were given increased attention by retailers, most notably the notion of “buy online, pick up in store” (BOPIS), contactless payments and contactless returns. While many of these solutions were hastily implemented to adapt to the immediate hygiene need, they resulted in new levels of convenience for consumers, saving time and streamlining the purchasing journey. For retailers, BOPIS offered a new source of competitive differentiation: According to Salesforce, sites offering BOPIS grew their digital revenue by 27% in Q1 2020, versus those without who saw digital revenue grow by just 13%.⁵

/ Working from home and the rise of the Zoom town⁶—

another lasting impact of the pandemic is the understanding that working from home at-scale is indeed possible and, in some cases, preferable. This shift in mindset has led to a redistribution of the population from expensive urban centers to alternative, less costly locations, sparking a shift in the locations in which physical commerce takes place.

/ The role of the store employee—as these other trends took shape, the role of the sales associate took on new forms, supporting consumers in new ways. Because of COVID-19, there is now increased need for staff to fulfill online orders and prepare items for curbside or in-store pickup and address new health and safety measures in addition to their customer-facing responsibilities.

A BREAK IN THE CLOUDS

Despite the turbulence of 2020 and 2021, the world is now recovering from the disruption caused by Covid. Total sales volume in the European Union is now equal to 97.8% of the volume reached in February before the

COVID-19 crisis.⁷ Further, almost half of the countries for which data is available have regained or surpassed the sales level of February 2020. In the U.S., retail sales fell precipitously between the months of February, March and April 2020, but began to recover in May and began to exceed prior years' performance from June onward.⁸ Canada too saw a V-shaped recovery from the early months of the pandemic.⁹

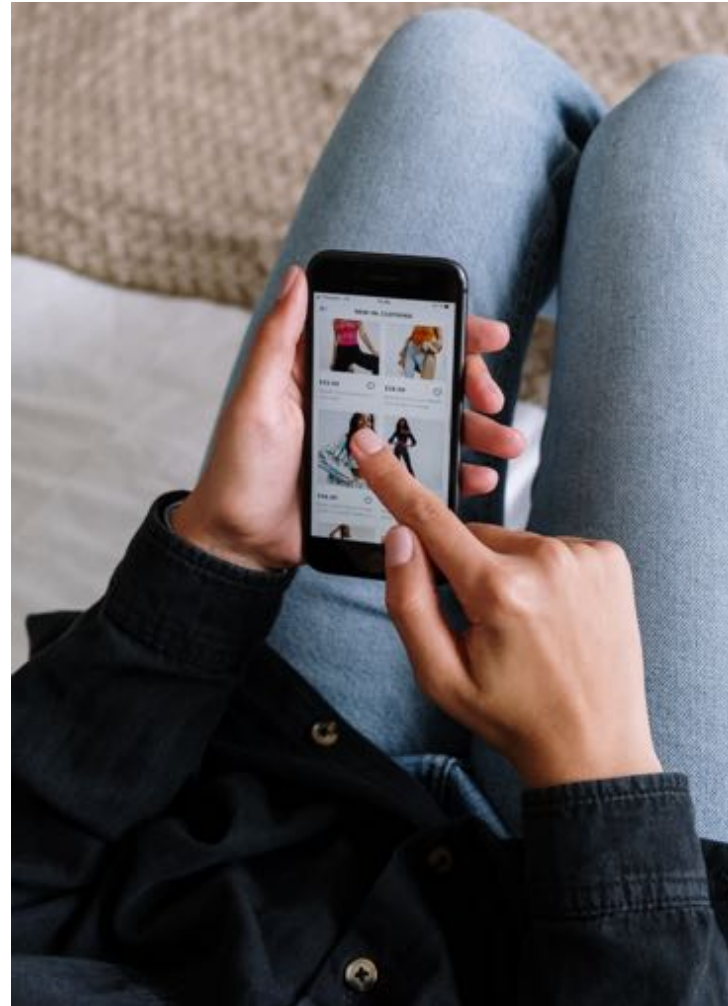
In April 2021, the International Monetary Fund forecasted a period of exceptional global growth; thanks to aggressive government policy responses, the IMF anticipates the fastest pace of growth seen since the 1970s. This is likely welcome news in the B2C sector. The IMF emphasizes, however, that this future is **uncertain**—hinging largely on the world's successful response to the pandemic. It's also **unevenly distributed**—the U.S. and China saw the speediest economic recovery; while the outlooks for countries such as Germany, France and Japan saw little improvement on this front for months.¹⁰

2. Pushing the Boundaries of Personalization

One of the most important retail trends of 2020-21 was the e-commerce boom driven by the pandemic. E-commerce firm, Shopify's growth is a clear example of this; in 2020, their total revenue saw an increase of 86% over the year before, mostly thanks to new customers.¹¹

As we move forward, the growth experienced by brands with e-commerce capabilities is likely to continue. In fact, according to a survey conducted by Euromonitor International, 74% of global retail and consumer brand professionals said they expect the rise in online shopping to become permanent.¹² **However, these changes are not only a shift in sales channel.**

As more and more brands move their operations online, their business model changes, and their digital capabilities become a new competitive arena. According to the same survey mentioned above, 68% of retail and consumer brand professionals expect to be judged by consumers based on their digital prowess. As such, customer data and personalization have become a potential goldmine.



68% OF RETAIL AND
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A GROWING EXPECTATION OF BESPOKE SERVICES

Personalization started as a way to focus ad spending on certain target groups, but recently the focus has been shifting to how businesses interact with individuals. Some of the most common interpretations¹³ of personalization include:

1. Customizing a product or service to fit specific needs or preferences
2. Offering special deals based on behaviors
3. Creating specific products or services for niche needs
4. Adapting advertising and promotions to preferences and behaviors

It's been working so well that today people almost expect it. According to a survey by Epsilon and GBH Insights: "80% of consumers are more likely to do business with a company that offers personalized experiences."¹⁴

To add to that, the field is continuously evolving, and companies are trying to add prediction

elements to the personalization mix. Blair Roebuck, Director of Marketing Science at Valtech, explains that this is done by essentially "mixing implicit, behavioral and explicit data collection methods, both in-store and online."

From the perspective of people interacting with each other, one could argue that looking at personalization makes sense. Being recognized by someone is a fundamental step in relationship-building, a topic which came up often from our interviews with brands.

PUSHING THE BOUNDARIES OF THE POSSIBLE

When we look at how far we can push this, the best example comes from eBay's experiments. They mixed art and technology to find out whether tapping into people's subconscious can reveal unmet needs.¹⁵

"The Art of Shopping" was an event where guests were hooked up to headsets that monitor electrical activity in the brain. People were then set free to visit the art exhibition with the ask of paying particular attention to pieces they liked.



80% OF CONSUMERS ARE MORE LIKELY TO DO BUSINESS WITH A COMPANY THAT OFFERS PERSONALIZED EXPERIENCES

according to a survey by Epsilon & GBH Insights.

PRODUCT DISCOVERY FEATURES WHICH TAILOR TO PEOPLE'S PREFERENCES CAN DOUBLE THE AVERAGE ORDER VALUE AND INCREASE THE REVENUE-PER-CUSTOMER BY **60 TO 80%**

according to a report by [Vue.ai](#).

At the end, visitors were presented with a personalized report showing which pieces of art triggered the strongest brain activity, and a digital shopping cart containing the items based on their subconscious preferences.

Robb Hattrell, vice president of eBay UK, described the technology as "the future of shopping."¹⁵

However, is this much focus on personalization really bringing results for businesses? A lot of people seem to believe so. A report by [Vue.ai](#)¹⁶ suggests that product discovery features which tailor to people's preferences can double the average order value and increase the revenue-per-customer by 60 to 80%.

PUSHING THE BOUNDARIES OF THE POSSIBLE

However, not everything that relates to personalization has a positive outcome. Shoshana Zuboff, a renowned Professor at Harvard Business School, has been a vocal critic of how companies gather personal information to not only predict behaviors, but also influence and modify it.

Her book, *The Age of Surveillance Capitalism*, describes how tech companies like Google and Facebook "sell certainty to business customers who would like to know with certainty what we do. Targeted adverts, yes, but also businesses want to know whether to sell us a mortgage,

insurance, what to charge us, do we drive safely? They want to know the maximum they can extract from us in an exchange. They want to know how we will behave in order to know how to best intervene in our behavior."¹⁷

This model essentially creates a loop in which you are incentivized to make your predictions become true by directing users towards what the highest probability for business success is. In other words, as described by Zuboff, modifying behaviors becomes the best tool to sell a prediction to business customers. Some signals mentioned by her include Facebook conducting experiments to affect people's emotions¹⁸ and more famously the Cambridge Analytica scandal in 2018.¹⁹

GOING FORWARD

With all that's been happening, Governments are not playing idle anymore. After creating the GDPR, the European Union has been enforcing its new regulations. Since the policy took effect in 2018, the EU has imposed about 272 million Euros of fines and governments are handing out fines more frequently.

Not only that, but over 60 jurisdictions around the world have taken inspiration from the EU and enacted or proposed similar laws on privacy and data protection.²⁰ These include Argentina, Australia, Brazil, Egypt, India, Indonesia, Japan, Kenya, Mexico, Nigeria, Panama, the U.S., Singapore and Thailand.

New regulations like GDPR will heavily impact how businesses approach personalization. According to a survey by PwC, 44% of CEO respondents rank data privacy among the top three policies most impactful to their business.²¹

In such a rapidly evolving landscape, we are likely to see a lot of experimentation from companies that try to differentiate themselves online. However, as governments take an active role, it becomes evident that personal data will be valued differently depending on the context we're in. This means that there are a variety of scenarios that we could see play out in the future.

Closing the Digital-Physical Experience Gap

Despite the ongoing consumer migration to online channels, physical locations continue to play an important role today in the shopping journey. However, digital has increasingly reshaped expectations of the physical store experience. In this evolving context, there's a need to rethink the role of the store and apply what were previously considered online-only methodologies to the physical world.

It is time for a truly connected experience.

CONNECTING THE DOTS WITH QR CODES, SENSORS AND AUGMENTED REALITY

By bridging the gap between physical locations and online shops, a new avenue for business growth, along with brand loyalty, opens. We can already see that investing in online, in-store technologies, as well as privacy is paying off: Three out of five consumers say investment in technology is improving their experience.²²

QR codes rise again—When it comes to augmenting the physical store, the resurgence of the QR code (and its big brother smart labels) enables consumers to interact with the store's interior through their personal device, creating a safer and more engaging shopping experience. Pre-pandemic, the QR code was falling out of favor, at least in the western hemisphere, but as concerns about shared surfaces grew, they suddenly became relevant again. Between 2018 and 2020, there was 94% growth in the number of QR interactions.²³

Some of the more interesting applications of the QR code in the past year include Coca-Cola's use of the technology in its touchless Freestyle beverage dispensers,²⁴ CVS' introduction of QR-based contactless payments,²⁵ Louis Vuitton's escape-from-the-pandemic outdoor theme park studded with QR codes that reveal AR experiences showcasing its Spring/Summer 2021 Men's collection²⁶ and Ralph Lauren's use of codes on all products to track the lifecycle

and authenticity of garments and for fashion pairing advice.²⁷

Sensors and smart technologies tune the store to the needs of the user

—The smartphone is also the key to tapping into a store’s potential to emulate an online shopping experience. Customers can identify themselves through their phone, resulting in smart screens that adapt to the person’s movement through the store. Combined with smart technology like sensors and cameras, the store environment can be adapted to its visitor in real-time. Identifying and unlocking data also helps store clerks to give more personalized advice, as information from past (online) purchases and preferences are available to them.

One particularly inventive manifestation of this trend was introduced by Showfields in 2020. Their Magic Wand app allows customers to get product prices, add them to a digital cart, and then check out without interacting with a store associate. When ready to leave, customers pick up a bag full of sanitized products on the way out. Making it even more fun, Showfields intends to make the Magic Wand a physical object: “Every single human gets their own wand to



take home with them—or bring back to shop with it again. You can walk around the store and at the end of the experience, you get a list of everything you looked at, or touched.” said cofounder Katie Hunt in an interview with Vogue Business.²⁸

Bringing the store to the customer—bringing these types of experiences to customers’ homes is another avenue to explore. The increasing adoption of augmented reality and virtual reality enables brands to create store-like experiences



at home. ABI Research, a global tech market advisory firm, estimates the augmented reality market in retail, commerce, and marketing will surpass US\$12 billion in 2025.²⁹

Try-before-you-buy technologies such as IKEA’s updated “Place” app have advanced in their sophistication and appeal, allowing people to design entire rooms using LiDAR sensors in an iPhone. Users can capture complete room plans with measurements, doorways, windows and existing furniture, situating virtual furniture perfectly in-context.³⁰

Etsy introduced an AR feature that allows customers to assess how paintings and other décor items would look in their space.

Virtual fitting rooms allow people to virtually “try on” clothing, shoes, cosmetics, eyeglasses and test new hairstyles. The virtual fitting room company, Zeekit, allows customers to swap their own image in as a model for clothing online—accounting for body dimensions, fit, size and fabric.

Ultimately, it is a matter of creating personalized and unique experiences that make smart use of available data.

Experience Unlocks Loyalty

E-commerce has developed into a functional, but not always favorable alternative to in-store shopping. With consumers now spending more time on e-commerce sites, accelerated by the pandemic, smarter brands are adopting a new mantra: not every interaction needs to be a transaction.

E-COMMERCE SINCE THE PANDEMIC

With COVID-19, e-commerce has changed in many ways. Trends that we could observe already before the pandemic have accelerated during the last year and new trends have emerged:

- / **Online shopping is a new form of escapism.** If we look at the younger generations, millennials and gen-z, they had already before the pandemic increasingly opted to spend their money on experiences over products.³¹ Now, with the opportunity for novel experiences severely limited, they are turning toward retailers to take the place of some of the pastimes they have been missing.
- / **Brand loyalty has taken a hit.** With more consumers shopping online, we can also see new patterns in shopping preferences and loyalty emerging. In an American study conducted by MIT Sloan Business Review, 76% had shopped online at a new store/

website and new brands accounted for more than 30% of their shopping carts at checkout.³² The competition for consumers' attention and the need to stand out and build stronger relations with consumers has increased significantly.

- / **Social media and community are increasingly important.** Consumers look for product inspiration and engage around products and with brands in an increasing range of channels, and social media is becoming more important as a launchpad for shopping—from the broader social media platforms to niched apps and forums. As an example, social media drove one out of 10 visits to retail websites, a 17% YoY increase³³ during Thanksgiving weekend 2020.
- / **AR and VR experiences on the rise.** We can also see that the area of extended reality (including virtual reality, augmented reality and mixed reality) is increasingly getting traction, both from consumers and from businesses outside of gaming, entertainment and social media, where a lot of the focus has been. In the U.S., 58.9 million people are expected to use VR and 93.3 million will use AR at least once per month in 2021. These numbers represent 17.7% and 28.1% of the U.S. population, respectively.³⁴



76%

OF CONSUMERS HAVE SHOPPED ONLINE AT A NEW STORE/WEBSITE DURING THE PANDEMIC, AND NEW BRANDS ACCOUNTED FOR MORE THAN 30% OF THEIR SHOPPING CARTS AT CHECKOUT

according to a study conducted by MIT SLOAN Business Review.

THE NEXT PHASE OF E-COMMERCE IS ABOUT EXPERIENCES

So, with trends we could see already before paired with the changes happening as a result of the pandemic, what will be the next phase for e-commerce?

Building a more emotional and social online shopping experience. In physical stores, consumers can effortlessly browse the aisles, and in malls they can move from one store to another, discovering new brands and products as they go. They can see, feel and try products. They can ask for help and get guidance—the in-store experience is a social experience—whether it's friends shopping together or consumers engaging with store staff. For the consumers, these experiences in-stores (often)

build a strong and emotional bond with the brand. The next phase of e-commerce is about fostering these (more emotional) types of experiences.

Aligning with new consumer expectations on brands. As a start, we need to understand that consumers are not necessarily searching for products when they visit an online store, at least not initially. And they are often more knowledgeable and generally more aware as consumers. Consumers in general, but especially the younger generations, have developed a stronger affinity for "solidarity spending," meaning being more considerate about why they make a purchase and who they purchase from.³⁵ Also, with e-commerce now starting to include products of higher-value, or complex products that require advice through-out the purchase process, like cars, interior design and

furniture and even property (apartments, houses and summer houses), expectations related to trust, service and experience are even higher.

The long-lasting value is in building loyalty.

We need to embrace the fact that the long-lasting value is not in (many times, one-off) transactions, but lies in the overall experience the consumer has when interacting with the brand via the online store—whether it's about trying out and getting to know products, engaging with a community of fans, influencers and ambassadors around a product, (co-)creating completely unique products, or taking part in events like live-shopping. It's these things that will create a stronger connection to the brand, build true loyalty and increased customer lifetime value.

Existing and emerging technology will be an important driver to enable experiential e-commerce experiences. Many industry experts believe that mass-market headsets or glasses will disrupt the market within the next five years, which will accelerate AR as well as VR applications within retail. Users are already embracing VR related to gaming and virtual concerts, both of which play important roles as launch pads for shopping moving forward.

Leveraging channels where consumers spend their time. We need to enable a new type of e-commerce experience that taps into channels where consumers spend their time, whether it's gaming, concerts or social media. We also need to recognize that the transactions are a byproduct of the richer experiences they get in these moments. Brands should incorporate these channels into their e-commerce strategy and have them extend both their online and in-store shopping experiences.

A NEW MANTRA FOR E-COMMERCE

Moving forward, brands should adopt a new mantra: **not every interaction needs to be a transaction.** They should focus on offering engaging, memorable and shareable experiences that create the same sense of escapism (and magic) that you get in the physical store, but also new types of experiences that build a stronger, more emotional bond with the brand which creates long-lasting value over time.



5 Consultations Go Virtual

Product trial and consultation are among the top reasons why customers visit physical stores.³⁶ With in-store shopping severely limited due to the pandemic, brands scrambled to recreate these key moments of the buying journey online. Companies are betting more on their online interactions and are three times likelier than they were before the pandemic to conduct at least 80% of their customer interactions digitally.³⁷

These digital interactions are taking on a variety of forms across channels and signal larger shifts to come for the future buying journey:

Live shopping is taking over social media.

Given its success in China in recent years, retail insiders have been wondering when live shopping would take off in the Western Hemisphere. It looks like that time has come as tech giants like Instagram, Amazon, and Shopify are going all-in on live shopping updates and tapping major brands to set up shop on their platforms.³⁸ All signs point to live shopping becoming a primary method of fostering consumer engagement in the next few

MILLENNIALS & GEN-Z, WHO ACCOUNT FOR 55% OF THE GLOBAL POPULATION, HAVE ALWAYS BEEN LESS BRAND LOYAL THAN PREVIOUS GENERATIONS

according to studies by MSCI & The New York Post.

years; brands should expect to invest in these experiences if they want to stay relevant across channels.

Video conferencing tools are enabling sales associates. As consumers have grown more comfortable using video conferencing tools for everything from family gatherings to workouts in quarantine, sales associates have been able to use them to provide co-browsing experiences. Jeremy Duimstra, Valtech's SVP of Connected Experiences, says, "Especially in high-end markets, consumers have long-standing relationships with sales associates who have gathered data on their particular customers and provide them personalized recommendations each time they visit. Now that people aren't going in stores, those relationships are becoming digitized. We're introducing customer profiles where past purchases, likes and dislikes, notes about personalities and relationships, etc. are included. You can imagine how deep you can go with a profile, which solves common goals for the brand, the associate and the customer. The more information a brand has about you, the more personal your recommendations are going to be. We're seeing that having a really

good relationship with a particular brand is often even more important to people than their privacy."

Artificial Intelligence (AI) is leveling up. For years, AI has been relegated to chatbots that are only programmed to answer basic consumer questions. With virtual consultations on the rise, AI is getting a big promotion. Chatbots are using machine learning to get smarter with every interaction. Brands are turning to companies like Soul Machines to create AI "digital people" that can conduct consultations and evolve based on their interactions with users.³⁹ Deep fake recreations of celebrities are even starting to pop up across social media. Going forward, Forrester predicts that consultations will consist of a mix between AI and human interactions, with AI taking over easy, programmable tasks and sales reps focusing on providing expert advice and the human touch.⁴⁰

Expectations around personalized service are higher than ever before. Consumers expect brands to be able to provide them relevant recommendations in a matter of moments, which means brands need to be able to connect the

"WE'RE CREATING *personalization* THROUGHOUT THE CUSTOMER JOURNEY. AI AND MACHINE LEARNING WILL CROSS EVERY TOUCHPOINT."

Venkat Gopalan | Chief Technology, Data and Digital Officer at Belcorp

customer data they gather across channels, analyze it in real time, and use it to provide personalized recommendations via a mix of human and AI consultants, both in-store and online. Venkat Gopalan, Chief Technology, Data and Digital Officer at Belcorp, shared, "We're creating personalization throughout the customer journey. AI and machine learning will cross every touchpoint." This type of cross-channel approach to data analysis and personalization will be key for the connected consumer journey going forward.

A Life Raft for Customer Loyalty. These virtual consultation innovations could not come soon enough as we are seeing customer loyalty

hit an all-time low. Millennials and Gen-Z, who now account for 55%⁴¹ ⁴² of the global population, have always been less brand loyal than previous generations.⁴³ As they are conducting more of their buying journey online, it is becoming even more difficult to capture their complete and lasting attention or keep them coming back for consistent and familiar service.⁴⁴ Brands are using virtual consultation in all its forms to make a lasting impression, offer consumers the human touch that they are currently craving, and recapture some of the brand loyalty that has faltered since the onset of the pandemic.

The World of *Tamarron*

Futures thinking is always uncertain. Therefore, we have aimed not to predict the future but to identify and explore different *possible* futures so that a path to *preferable* futures can be charted.

We have explored two divergent paths: one in which in-store shopping slides into decline, and one in which in-store shopping makes a resurgence. Rather than predicting which future path is more likely to occur, we have explored and charted the many possible opportunities for brands to excel within each. We have also begun imagining, visualizing, and in some cases even prototyping new ways for brands to engage customers in these future scenarios.

Step into the future with us.

Scenario 1

Imagine if in-store **shopping grows**

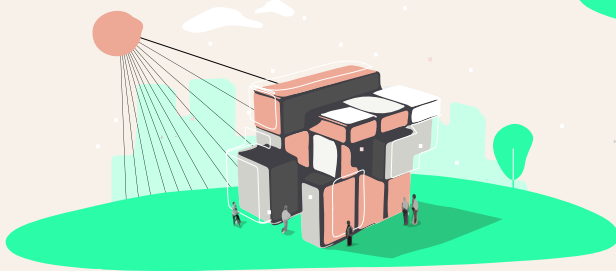
How does customer engagement change in this world?



THE HYBRID CONCIERGE



RICH & IMMERSIVE BRAND EXPERIENCES



THE EVOLUTION OF THE STORE



REIMAGINED INTERFACES

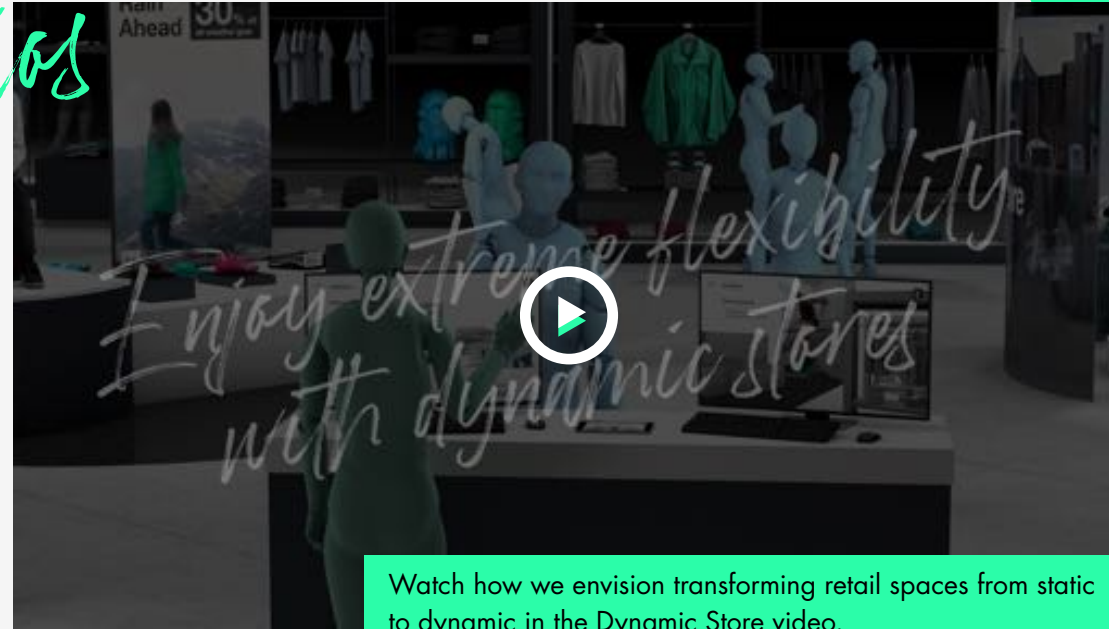
Future Scenarios

Scenario 1: Imagine if in-store shopping grows

As vaccines get distributed around the world and consumers begin to venture outside of their homes, we are starting to see the light at the end of the tunnel for in-store shopping. After a year spent in isolation, many consumers have more in their savings accounts⁴⁵ and are looking to spend on the experiences and products they have been deprived of. But what will the in-store shopping experience look like in this new world?

THE EVOLUTION OF THE STORE

Stores have a proven track record for adaptation. Moving at the pace of technological innovation and racing to meet the changing needs of their customers, they



continually reshape and reinvent themselves. With more recent world events (recessions, the emergence of e-commerce, and a global pandemic), they are now primed to take the next giant leap forward. Stores will be powered by the highest levels of machine learning, pulling from hundreds of customer behavior data points, to create dynamic and highly personalized experiences for shoppers.

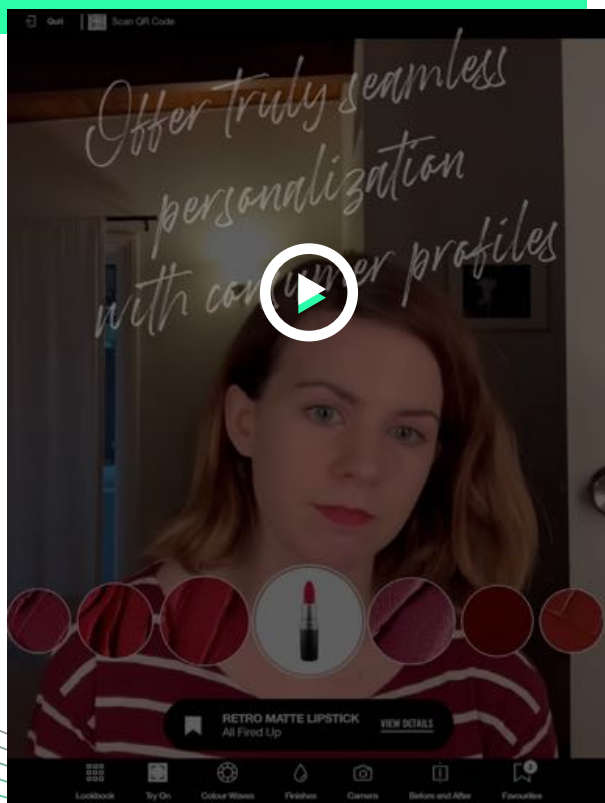
How can brands put users at the center of the in-store experience to create a lasting dialogue?

/ Enjoy Extreme Flexibility with Dynamic Stores: Stores can use data gathered from social media, weather apps, news streams, e-commerce, and other seamlessly connected technologies that blend into the background to fuel dynamic changes

to the physical environments and in-store experiences. Customers can use branded apps that help them with wayfinding, access to additional product information, consultation requests, and check out.

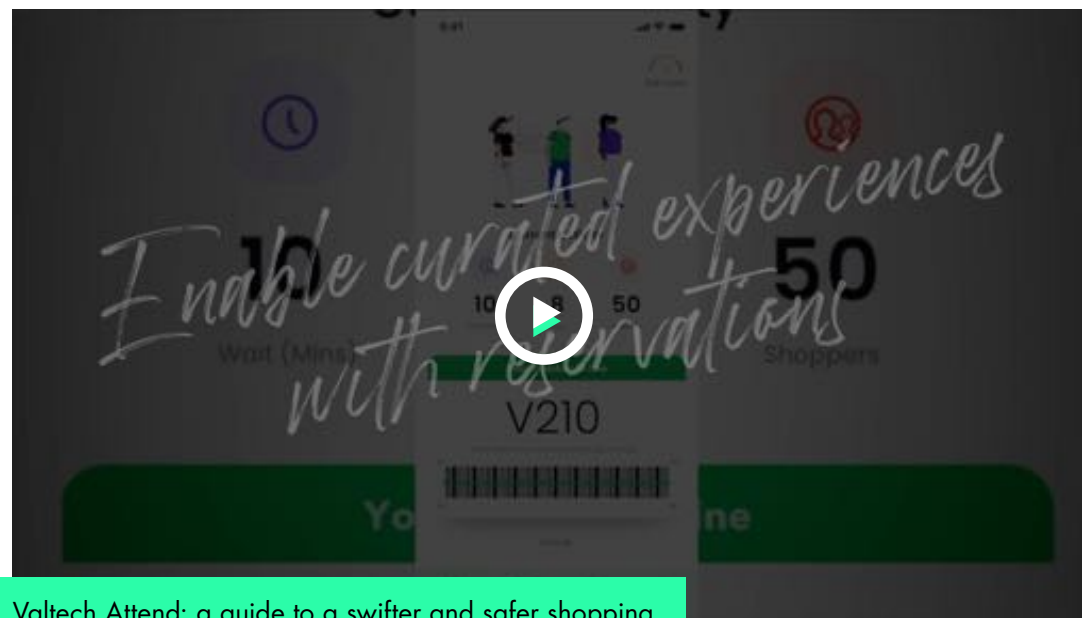
/ Offer Truly Seamless Personalization with Consumer Profiles: With the explosion of online commerce during the pandemic, consumer expectations around personalization have reached new heights. Even in the physical world, these expectations carry through; soon when customers walk through the doors of a store, they will expect their profile, preferences and history to come with them. Providing consumers with a profile that they can seamlessly share across channels allows brands to make intelligent recommendations across a variety of physical and digital touchpoints.

MAC VTO blends high glamour with innovative personalization technology in MAC's new concept store.



/ Enable Curated Experiences with

Reservations: The health measures implemented during the pandemic have made consumers comfortable with using digital solutions to handle booking and reservations, eliminating the need for waiting in-person. Now, companies can build on that trend by creating digital queuing systems that reduce friction and allow associates to provide highly personalized consultations with curated products.



Valtech Attend: a guide to a swifter and safer shopping.

Build
DELIVER NEXT-LEVEL SERVICE AND BUILD CUSTOMER LOYALTY.

THE HYBRID CONCIERGE

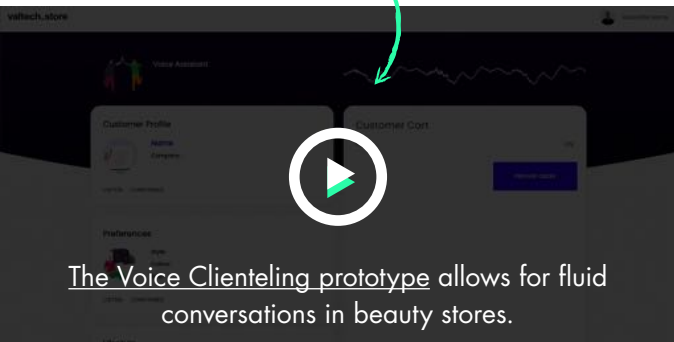
As we head back out into the “new normal,” the lines between in-store and online shopping will continue to blur. Given a revamp of the in-store experience, data will be gathered and shared across channels, allowing both human and AI sales consultants to provide hyper-personalized recommendations in real-time, both online and in-store. This provides a unique opportunity to deliver next-level service and build customer loyalty.

How can brands continuously understand their customers and serve up content that meets their needs across channels?

/ Enhance Personalization with a Toolkit for Associates:

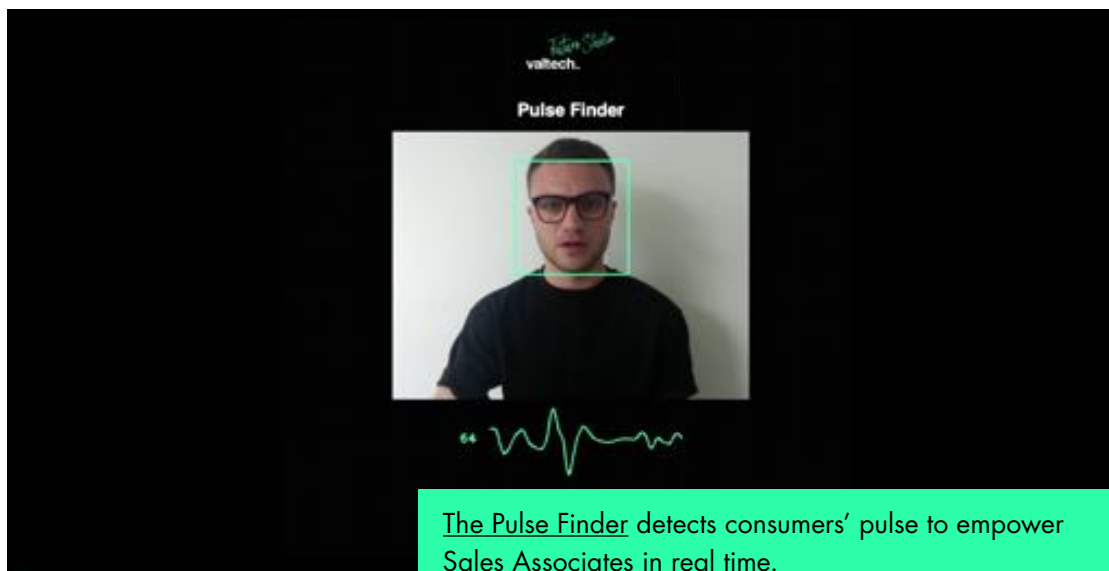
As data is shared across digital and physical touchpoints, associates can provide in-store recommendations based on user behaviors and preferences. Emotion detection, gaze tracking and voice technology can help consultants gather consumer preferences in-store, fueling highly personalized recommendations.

*Enhance personalization
with a toolkit for associates*



The Voice Clienteling prototype allows for fluid conversations in beauty stores.

/ Build Trust with a Data Dashboard: Amidst increasing privacy concerns, brands can build trust by giving customers power over their data. They can provide clear, interactive customer data profiles that customers can access at any point in the customer journey, allowing them to toggle the data they are sharing on and off, and explore how their data is being used to drive their recommendations.



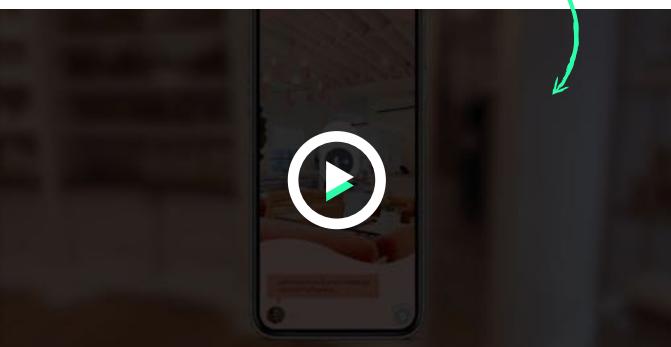
The Pulse Finder detects consumers' pulse to empower Sales Associates in real time.



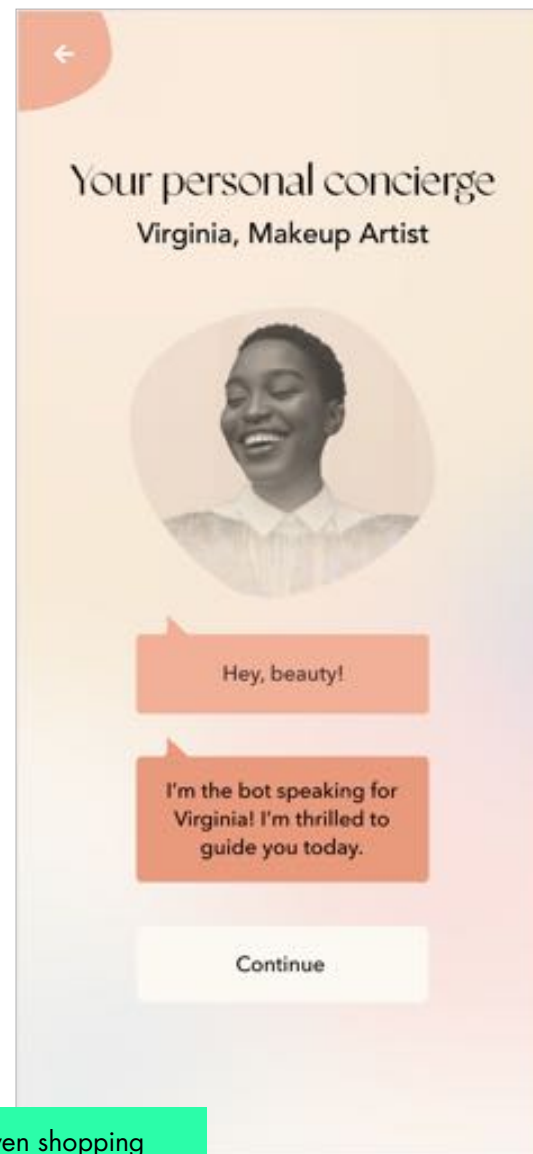
/ Provide a Personal AI Concierge:

Consumers can select branded AI characters or brand ambassadors with personalities, preferences and lifestyles similar to their own to guide them through the in-store shopping experience. These characters can appear on smart phones or digital screens equipped with gaze tracking and voice control technology and can provide recommendations that are reflective of the user's needs.

- » The Text-to-Speech proof-of-concept explores the complexity behind creating custom synthetic voices that resemble human voices, using machine learning.



Customers are immersed into an audio-driven shopping journey in the AI-Powered Virtual Concierge prototype.



REIMAGINED INTERFACES

Touch-free interfaces are increasingly becoming consumers' preferred method of digital interaction in public spaces. We're entering a world where contactless interfaces will not only be fun and novel, but necessary for health and public confidence. Several industry pundits have predicted that nearly every technology in our lives will integrate voice technology in some way in the next five years. With this rapid emergence across industries, companies that leverage fully contactless experiences, including mixed reality, touchless technology and voice and gesture control, will proactively differentiate themselves for both their customers and their employees.

How can brands reimagine their touchpoints to meet consumers' health and safety needs?

The Remote Manipulation proof of concept allows consumers to control shared experiences using their personal devices.

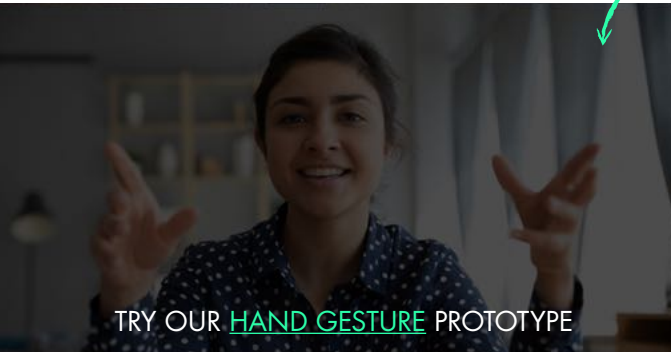
/ Put the Power in Consumers' Pockets:

Turning a person's phone into a universal remote eliminates the need for a high touchpoint area. With a web-based touchless experience, users can simply scan a QR code and interact with the display on the screen without needing to download yet another app or to opt in to sharing their data, which highly increases an audience's likelihood of using it.

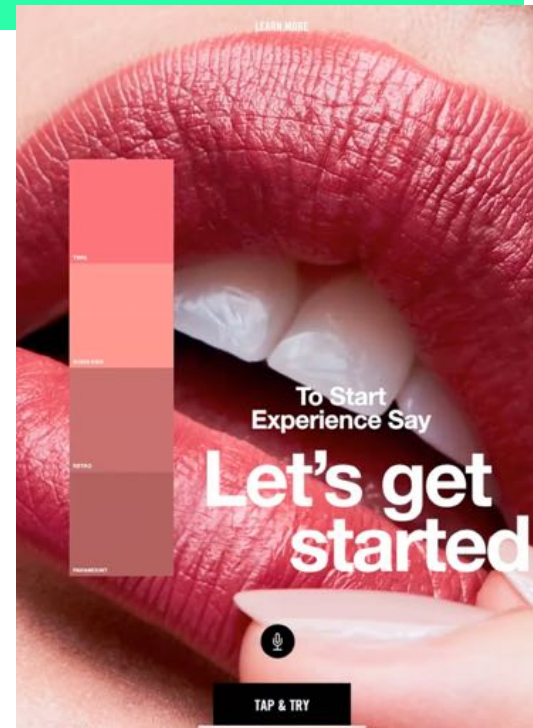
/ Enable More Than Just a Lot of Hand Waving:

Gesture control can be used to allow consumers to quickly provide feedback (using a thumbs up or down motion), control the information available on a screen, and play fun and interactive games. Gesture-controlled screens can even interpret sign-language, breaking down barriers for hearing-impaired individuals.

*Control an experience
with hand gestures*



We integrated voice commands to MAC's latest [beauty product exploration tool](#).



/ Keep the Touch Out of Touchpoints with Voice Control: As voice interactions continue to be used in new smart home and mobile phone innovations, consumers are getting more comfortable using voice to control digital devices. Therefore, voice commands are becoming a viable alternative to touch-based public screens and can increase adoption of digital experiences in stores.

» With [the Voice Wayfinder Proof-of-concept](#), guests can find their way through public spaces using voice commands.

RICH & IMMERSIVE BRAND EXPERIENCES

Going forward, physical stores will re-enter the customer journey in new ways, supporting new consumer habits that have been born in quarantine. Brands will seek to draw in consumers who are more interested in spending on experiences than products by offering a range of engaging interactions in their stores. The purpose of the physical store will transition from a place that offers inventory and transactions to a place that connects the consumer with novelty and community.

How can brands draw consumers back into their stores by offering engaging experiences that offer novelty and create human connections?

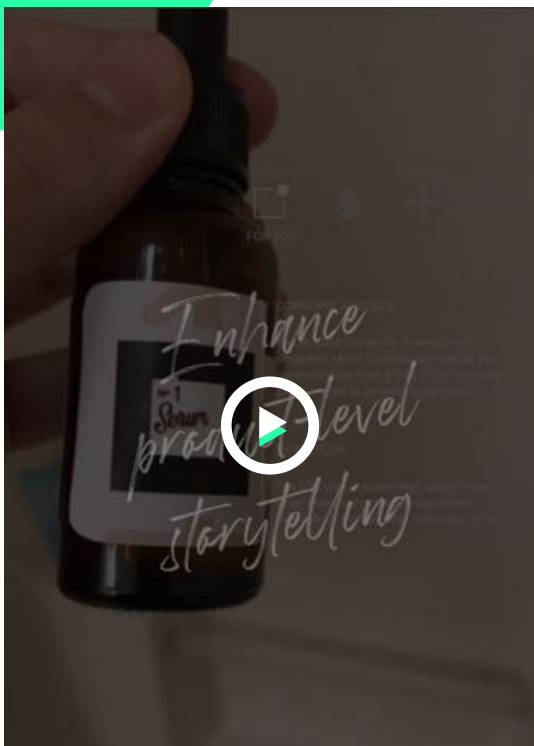
/ Build Bridges with Virtual and Mixed Reality Spaces: Using mixed-reality innovations, brands can offer immersive experiences showcasing their brand story, the product journey, in-depth how-tos and expert advice. Either through AR that can be accessed on smartphones or via VR headsets, customers can interact with tons of fun and engaging experiences, including

scavenger hunts and quizzes, virtual try-ons, in-depth product info, tutorials, and more. Additionally, these experiences can easily be transferred into the home or be used to connect consumers with the e-commerce experience, making them a bridge in the connected consumer journey.

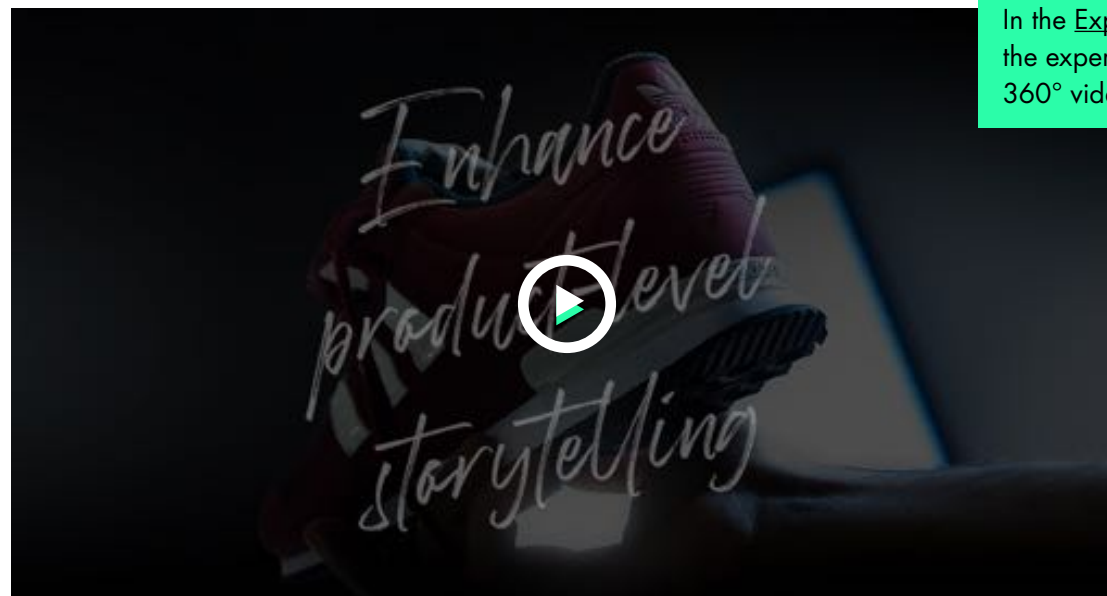
» [Decathlon](#) uses Virtual Reality to bring the camping experience to you.

» [Skyfold](#) features retractable walls in Virtual Reality to solve its space challenge.

/ Enhance Product-Level Storytelling: Merging the physical and digital worlds gives brands the opportunity to enrich the shopping experience by adding in new layers of information. Consumers can put a product under their phone's camera and interact with it in a whole new way. Not only can they learn more about the product than what the label has written on it, but they can also give ratings and feedback, watch special tutorials, and enjoy secret promotions.



Spyglass uses augmented layers to adapt the product storytelling to consumers' location.



In the Explore 360 prototype, the product blends in with the experience. Consumers use the product to control a 360° video content on a screen.

/ Expand Reach with Digital Products:

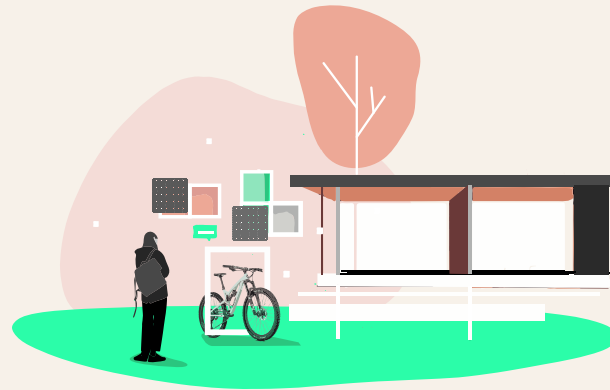
Brands can release digital versions of their physical products, similar to NFTs, for customers, streamers and brand ambassadors to add to their avatars and digital selves. These products can be sold both online as well as in-store and span things like an outfit for Zoom calls, makeup for Tiktok, a pair of sneakers for Instagram, gear for Twitch, skins for many popular games and more.



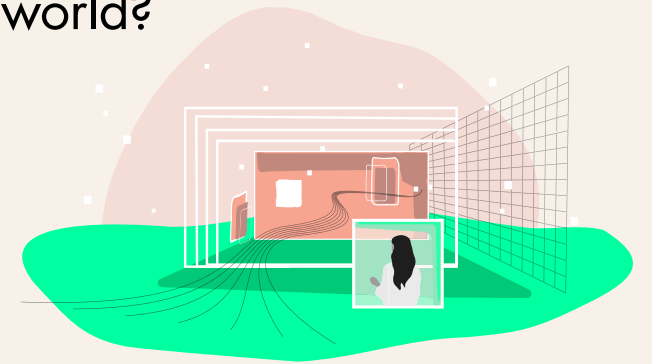
Scenario 2

Imagine if in-store **shopping declines**

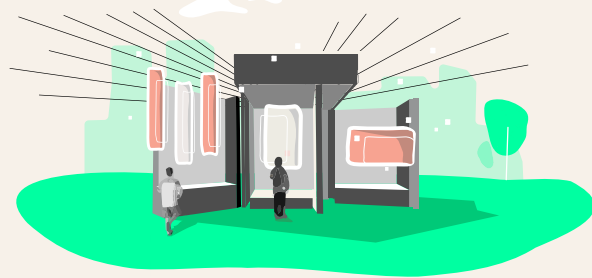
How does customer engagement change in this world?



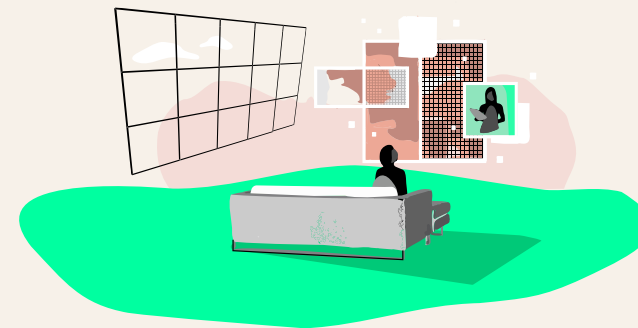
E-COMMERCE COMES TO LIFE



RICH & IMMERSIVE BRAND EXPERIENCES



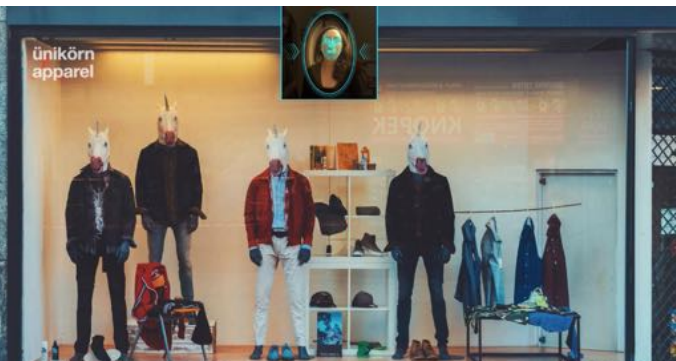
SMALL FOOTPRINT, BIG IMPACT



KEY IN-STORE DRIVERS GO DIGITAL

Scenario 2: Imagine if in-store shopping declines

Economic impacts of the pandemic, lingering safety concerns, and new consumer habits may signal that crowded stores are becoming a thing of the past. Imagine a world where in-store shopping continues its decline and online experiences become the primary shopping method. What will the shopping journey look like in this new world?



We created the [Gaze Tracking prototype](#) to elevate the window-shopping experience from static to dynamic.

SMALL FOOTPRINT, BIG IMPACT

In this scenario, brick-and-mortar stores will need to be re-imagined as in-store shopping falls into decline—moderately for some, and more significantly for others. Physical stores and malls will continue to close, and brands will continue to reduce their store footprint and repurpose their spaces. Stores will take on new forms, including rotating pop-ups, fulfillment centers and small digital-physical showrooms that act as an introduction to the brand and direct users to e-commerce channels to make purchases.

How can brands make a big impact with a smaller store footprint?

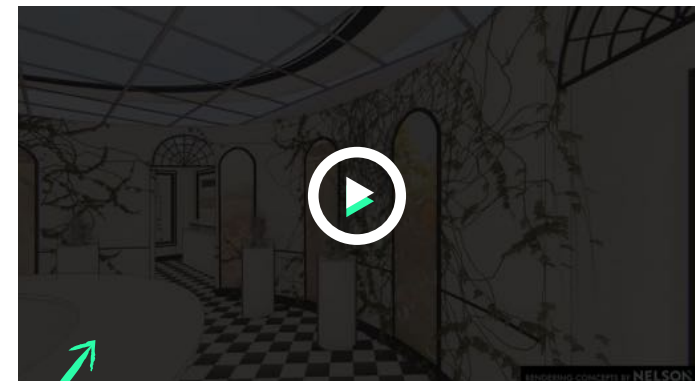
- / **Offer A New Vision for Window Shopping:** As stores get smaller and smaller, some can even be housed within a single digital screen. Gaze tracking, voice, and smartphones can be used to control the screen, making it easy to navigate while eliminating safety concerns. Emotion detection can also be built in, to allow brands to personalize the experience based on what consumers are responding positively to.

» [The Remote Manipulation proof of concept](#) allows consumers to control digital screens using their personal devices.

- / **Remain Flexible with Chameleon Stores:** Retail locations can be outfitted with digital screens that can shift focus from one brand to another instantly. This gives retailers the ability to share in-store space, create unique experiences, and pop-up in different locations, reaching new customers on demand.

» Discover how the [Chameleon prototype](#) allows for rapid brand experiments.

- / **Evolve the Endless Aisle:** As endless aisle experiences continue to emerge, brands can stand out from the crowd by introducing AR versions of their product inventory, allowing consumers to view in-depth product information, explore items in their own environment, and even make purchases within the augmented reality of their smartphone.



Explore
ALLOW CONSUMERS TO VIEW IN-DEPTH PRODUCT INFORMATION, EXPLORE ITEMS IN THEIR OWN ENVIRONMENT, AND EVEN MAKE PURCHASES WITHIN THE AUGMENTED REALITY OF THEIR SMARTPHONE.

Evolve the endless aisle

» The **WebAR Jacket** prototype uses mixed reality to deliver engaging interactions.



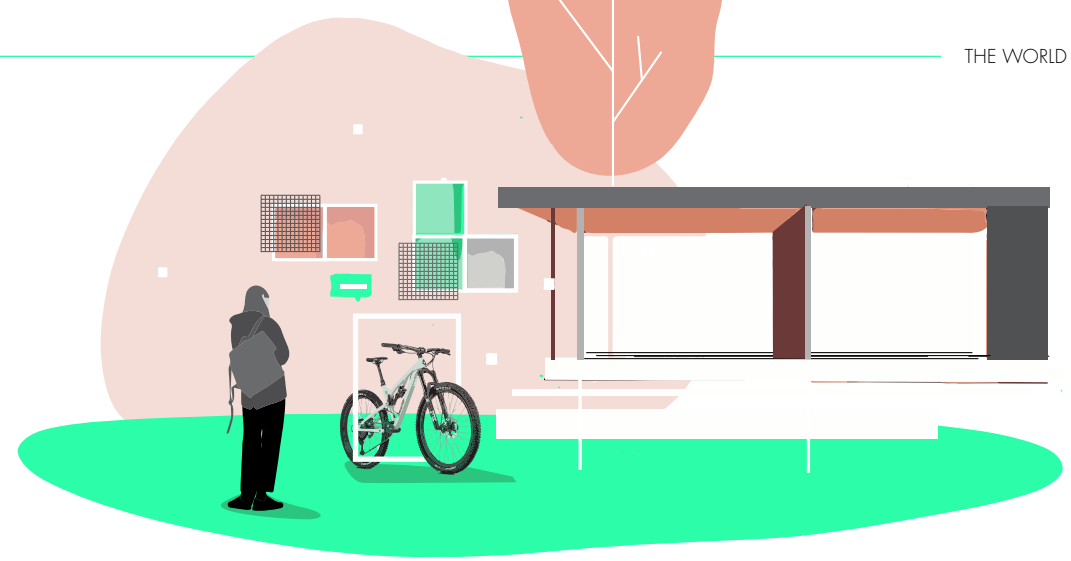
E-COMMERCE COMES TO LIFE

In this new world of fewer stores, brands will need to find new ways to reach consumers outside of their homes. Physical objects will increasingly be linked to e-commerce sites through the use of QR codes and RFID systems. Virtual objects will be able to be brought to life in any environment using AR and VR. As the digital and physical worlds continue to mix, there is an opportunity for brands to turn the world into their stores.

What are some new ways that brands can reach consumers where they are at, turning the world around them into the store?

/ Bring E-Commerce to Life: Rather than confining the e-commerce experience to a digital screen, brands can bring it into the real world by serving up their product inventory and giving users the ability to explore, interact and even make purchases in AR.

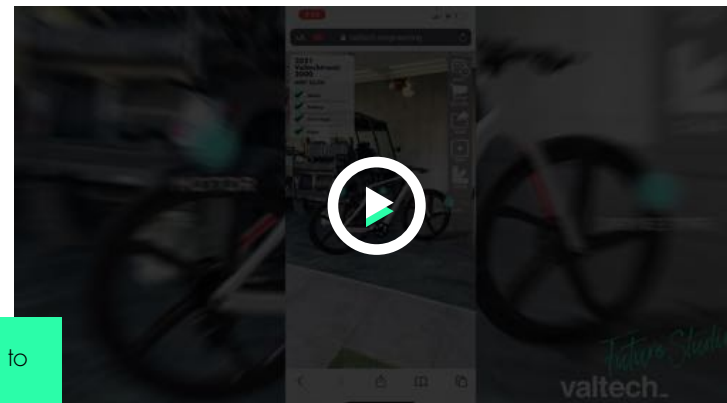
The **OmniAR prototype** brings life-size products to customers' homes without downloading an app.



/ Give Products a Voice: Brands can help bring their products to life for consumers by serving up important product information, tips and expert recommendations in AR.

» **Spyglass** uses augmented reality to adapt the product information throughout the consumers' journey.

/ Keep the Conversations Going with Integrated Service: Following the purchase experience, brands can stay connected to their consumers and keep them coming back for more by serving up expert advice and new product recommendations in AR that can easily be accessed on their current products through QR codes.



KEY IN-STORE DRIVERS GO DIGITAL

As e-commerce sales grow and take an increasingly larger part of overall B2C sales, getting the online shopping experience right will be even more important. Service, guidance and trust will have to shift from physical to digital touchpoints. Visualizing products and enabling product trial and consultation using new technologies will be more important than ever.

How can brands bring the magic of the in-store experience to their consumers online?

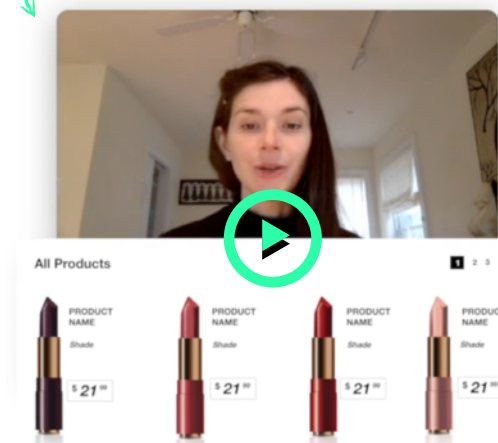
/ Personalize Virtual Try-On Using AI: As virtual try-on continues to evolve, brands can offer added value by integrating machine learning systems that continuously gather try-on information from consumers and offer up increasingly personalized recommendations.

» **MAC VTO** blends high-glamour and facial recognition to upgrade the customer experience

/ Enhance Co-Browsing Consultations: Customers and sales personnel can have

equal, simultaneous screen control during one-on-one consultations, allowing for expert advice and collaborative wishlist/cart editing. Emotion and gaze tracking technology can help consultants gather data on consumers in real-time and adjust their recommendations accordingly.

» **Virtual Consultation:** We explored how to extend Sales Associates' capabilities beyond the traditional video chat using AI and hyper personalized recommendations.

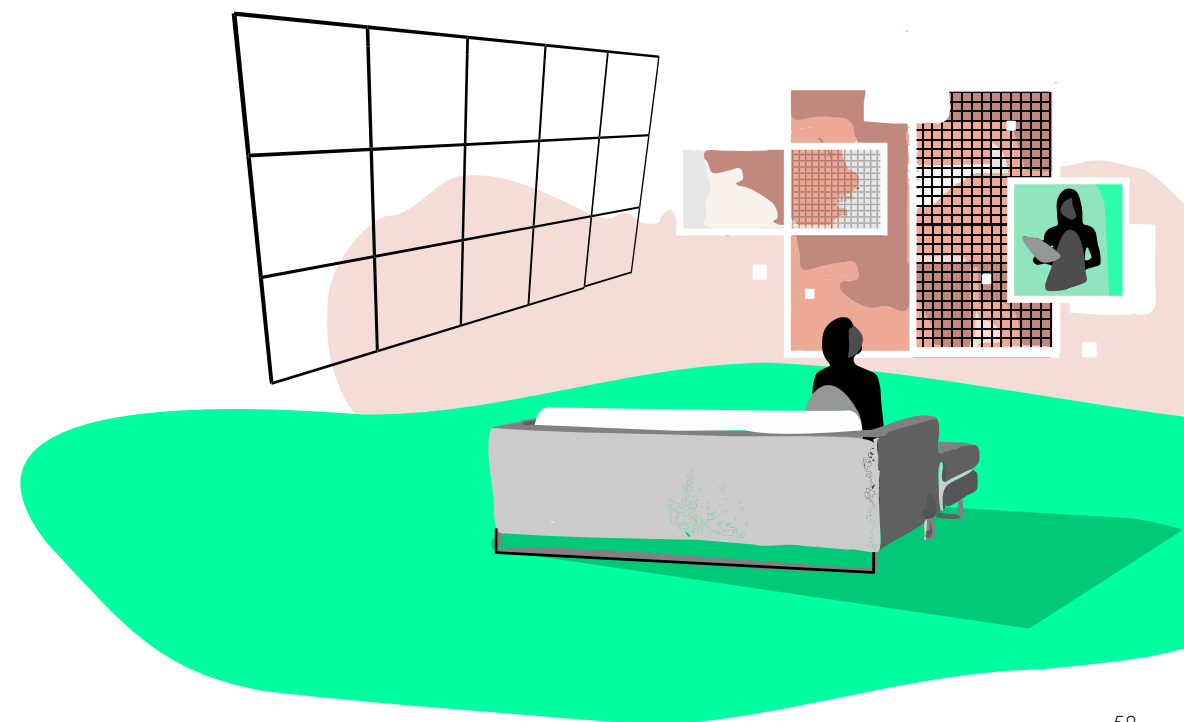


/ Provide a Personal AI Concierge:

Consumers can select branded AI characters or brand ambassadors with personalities, preferences and lifestyles similar to their own to conduct one-on-one consultations with them. These AI consultants can continuously gather behavior and preference data to get smarter over time and provide more personalized recommendations.

/ Build Assessment-Fueled Recommendation

Engines: There are many unique and engaging ways that brands can gather data from consumers and use it to serve up personalized suggestions. Rather than thinking of data gathering as a one-way street, involve consumers in the action by offering online quizzes, fun games, and interactive trials that continuously gather data and get smarter over time.



RICH & IMMERSIVE BRAND EXPERIENCES

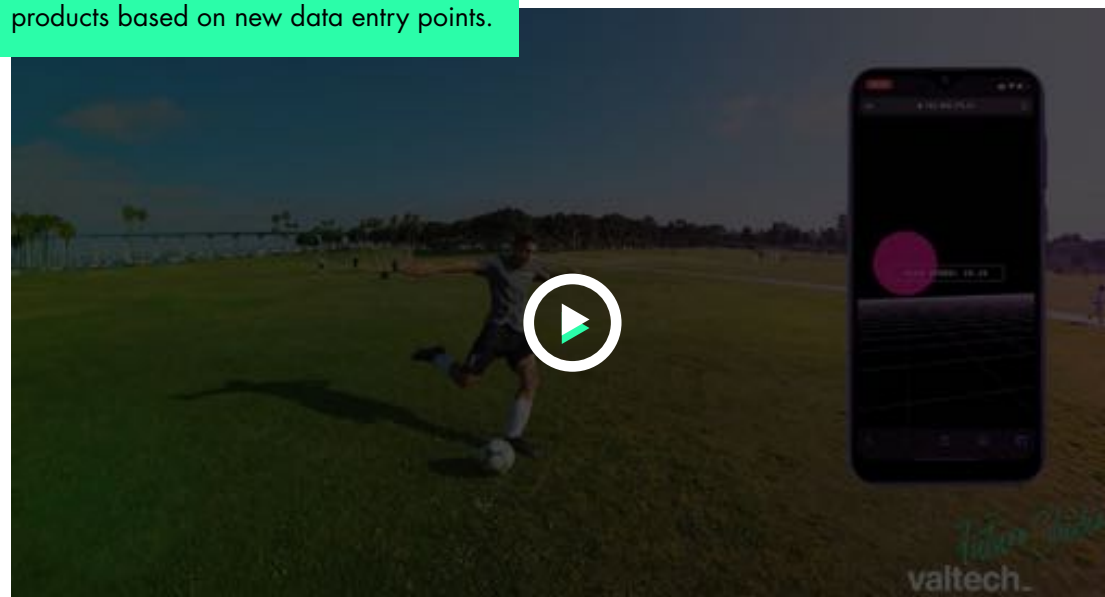
With the entire world of e-commerce at consumers' fingertips, it is getting harder and harder to capture their complete and lasting attention. Brands can stand out from the crowd by adopting a new mantra: not every interaction needs to be a transaction. Delivering unique experiences will ultimately generate a following that can lead to long-term success.

How can brands build an online environment that stands out from the crowd?

/ Build Communities with Virtual Spaces:

With 3D models and avatars, customers can move through a digital store space, try on clothing, and meet other virtual shoppers. Brands can even host virtual concerts, tournaments, and live shopping parties that double as places to showcase new products and elevate influencers.

KickSnap is a fun way to recommend products based on new data entry points.



» The Virtual Sanctuary prototype aims to immerse consumers in a branded digital world and offers endless shopping experience possibilities.

/ Evolve Loyalty Programs Beyond Transactions:

Loyalty programs can become so much more than points-based transaction systems. They can include experiential missions where consumers can hunt for discounts, find secret products and experiences, complete games and quizzes and build their profile. They can even become the key to the truly connected consumer journey, allowing consumers to seamlessly share their data and have personalized interactions across the entire ecosystem.

/ Offer Customizable Shopping Centers:

Customers can personalize their own shopping experience by curating the brands that are most interesting to them in an interactive virtual shopping mall, giving them the ability to switch back and forth between the content that interests them.



Preparations for the *Future*

The big question: How can brands prepare for these possible futures? There are several ways to get ready, regardless of which scenario will play out, and we're ready to help you with each.

Across both the decline and the growth scenarios, there are common denominators. Management consultant, Peter Drucker (and many others) famously said: "the best way to predict the future is to create it." Brands can invest now to proactively shape their futures in this unfolding landscape:

Leverage more data to improve personalization. Data needs to be treated as a core asset and as the foundation for building experiences. It is the key ingredient to personalized online and in-store shopping experiences, and for powering clienteling applications. It ensures that the products offered, online and in-store, are as relevant to the consumer as possible; ideally suited to their needs, preferences, purchase history and more.

Owning customer data without overly depending on others is a key strategy going forward. Brands should have a clear strategy for gathering as much data as possible—structured and unstructured.

Data is the foundation for building trust between brands and consumers. By taking a lead on data transparency, brands will earn trust, paving the way for customer long-term loyalty.

Update your AI and machine learning capabilities. Like data, artificial intelligence will become a critical element of many of the applications we have mentioned—from product recommendations to enhanced virtual consultations, from virtual events to dynamic store experiences tailored to the context and individuals' preferences and history. AI will also power many marketing experiences going forward, enabling better targeting capabilities, and recognizing shopping patterns across channels.

Consider switching to composable software architectures. Companies need to transform the way they do business, rapidly. In some cases, they need to transform completely in order to become more responsive, agile and to stay competitive. Faced with increasing competition, unprecedented rates of industry disruption and an imperative for continuous innovation, brands need to invest in a modern approach to enterprise architecture.

One way to think about enterprise architecture going forward is through the lens of [MACH](#):

Microservices
API-first
Cloud native
Headless

MACH technologies support a composable enterprise in which every component is pluggable, scalable, replaceable and can be continuously improved through agile

FUTURE STUDIO TALKS

Intro to Machine Learning

A beginner's guide to neural networks, Tensorflow and the math underlying this popular approach to AI

3D Human Holograms

A look at the technologies that allow us to bring virtual humans into immersive experiences

Practical Applications of Machine Learning

Walkthrough real-world examples, understand UX challenges and key ethical considerations

Entering the Story

Theme parks don't just tell stories in physical space, but invite guests to star in a fully immersive world. Find out how these concepts can be applied in a retail context

MORE FUTURE STUDIO TALKS

development to meet evolving business requirements.

Modern thinking around connected experiences extends beyond the usual suspects of e-commerce, inventory, point-of-sale and CMS data. First-class connected experiences can leverage any number of technologies. In connected experiences, we reimagine the customer experience by leveraging existing, critical, legacy systems not of the Internet age, adding audio-visual elements for interaction, embracing mobile devices, incorporating local and sensor data, and weaving all of that into a cohesive retail experience without disruption to historical systems.

Start making use of Mixed Reality before the competition beats you to it. Investments and acquisitions made by big tech suggest how essential AR, VR and MR technologies will be going forward. They will be the platform on which the next generation of experiences will play out. So far, the devices to support these experiences have been clunky and not able to reach the masses. In the years to come,

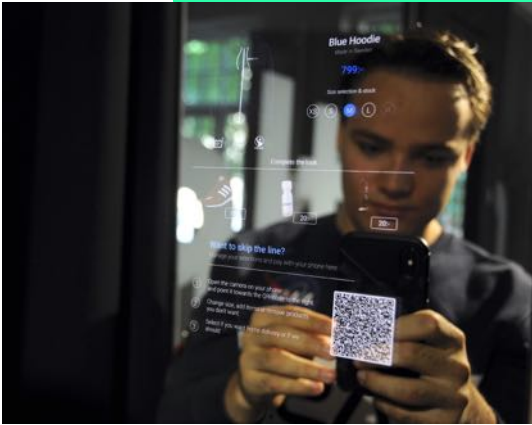
VR will broaden from something mainly used within gaming and entertainment into the retail space and will power a new wave of experiential shopping. AR has already been accepted by many consumers to enrich the shopping experience. Big brands like IKEA are paving the way for more consumers to discover the benefits of using AR as part of visualizing products. If you haven't already explored this medium, the time is now.

Start experimenting to find the kinds of new technologies your customers want to make use of.

Technologies around gesture control, voice control, computer vision and image recognition, gaze control and tactile feedback will all be fundamental in powering the ways of interacting with digital and physical objects beyond smartphones and touch screens. Brands have much work to do in terms of understanding what technology and type of interaction makes sense in various contexts. Much of these learnings will come from understanding consumers and their needs and preferences, but also from online and in-store experimentation.

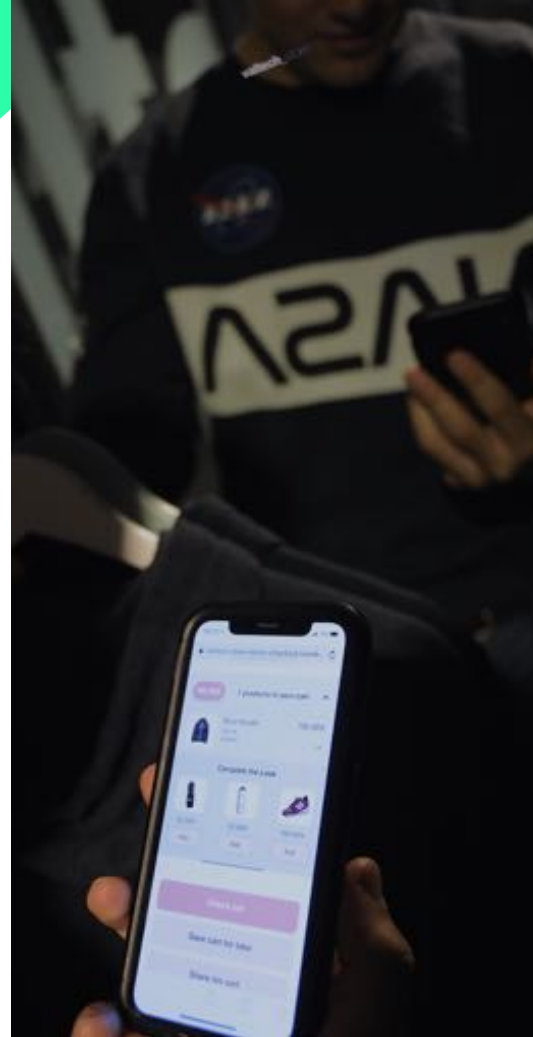


Start
**START MAKING USE
 OF MIXED REALITY
 BEFORE THE
 COMPETITION BEATS
 YOU TO IT.**



Leverage IoT and hardware to create unique shopping experiences. As we are trying to bridge the digital-physical gaps and build more seamless experiences, IoT and various kinds of hardware naturally become essential. New ways of looking at store architecture, sensors, beacons, screens, scanners and other types of hardware, paired with interior design, are all key components in order to deliver immersive and frictionless shopping experiences.

Invest in social media, gaming and alternative channels for more than marketing purposes. To be able to break through the noise and reach our consumers where they are, investments in platforms beyond the online stores and apps will be needed. Many of the future shopping



Agile ADOPT AN AGILE WAY OF WORKING THAT DRIVES INNOVATION.

experiences, as well as transactions, will come from social media, games and other channels.

Focus on understanding consumers' and customers' behaviors and needs. Never before has the need for truly understanding consumers, their behaviors, needs and preferences been greater. The pandemic was a testament to the importance of this. Brands who understood their customers, or who quickly gained that knowledge, adapted and gained new customer loyalty during the pandemic. Translating insights drawn from customer behaviors across all touchpoints into actionable strategies and tactics will lay the foundation for delivering relevant and engaging experiences.

Invest in developing the skillset needed among employees. In the interviews we have conducted with clients, many have emphasized that the new technologies and solutions introduced need a matching in terms of skillset and toolbox among employees. From developers and tech people needed to understand new tech stacks and platforms, to store personnel that need to be familiar and comfortable with live shopping, virtual consultations and engagement in social media and other (social) platforms.

Adopt an agile way of working that drives innovation. Many of the challenges around the future of retail boil down to a new way of working which is data driven and more agile. Organizational design is important and has evolved over the last decades as much as the technology has. Winning digital organizations have a vibrant digital workplace and culture, where constant sensemaking and working out loud is the norm. [Responsive Org](#), [Teal](#), [Large Scale Scrum](#) (LeSS), [website factories](#) all offer possible pathways to success.

THE VALTECH FUTURE STUDIO

WHO WE ARE

Valtech Future Studio brings together research and insights, strategic planning, human-centred design and emerging technology in an innovative way that will transform businesses, and we do so together with our clients and partners in an open source and sharing mindset.

Interacting with Valtech Future Studio, our clients can amplify their exploration of future opportunities and prove business viability faster.

Working with us will develop unique perspectives on how technology, business challenges and different industries come together. We also are a company of doers, so our joint perspectives will be backed up by our building out prototypes to demonstrate what we see on the horizon.

The Future Studio lets our clients tap into a peer group to think beyond the problems of today, and beyond their company's boundaries.

Our mission is to help our clients create preferable futures with a human-centered, business-focused and tech-driven approach that is everything but traditional strategy consulting.

It's smart, fast, iterative and outside of your traditional corporate comfort zone.

FUTURE STORMS

A Future Storm is a highly collaborative process that spans the course of three-four months. During a Storm, a topic of emerging interest is selected and explored across a variety of dimensions. Conversations are initiated with Valtech clients, the wider Future Studio community of subscribers, partners and consumers/users.

The Storm process draws upon the domains of futures thinking (strategic foresight, speculative design) and innovation engineering to map out

the unfolding landscape related to the chosen topic. During this process, the Future Studio team converges on points of view that will ultimately jumpstart a hands-on process of prototyping and experimentation. These points of view and prototypes are released throughout the course of the Storm to the wider Future Studio community of subscribers bringing the blurry shape of things to come into sharper focus.

This Storm, *The Future of Customer Engagement Post-Pandemic*, included extensive desktop research, conversations with clients across the Americas and Europe, interviews with relevant Valtech subject matter experts and scenario exploration workshops with the aim of exploring possible, plausible and preferable futures. Inspired by these possibilities, the Future Studio team assembled for the Storm developed design fictions and working prototypes that begin to tangibly illustrate how these futures could take shape.

The findings and results of the Storm converge at the Future Studio Storm: Grand Demo—a presentation of core themes and experiments.

VALTECH FUTURE STUDIO: APPLIED INNOVATION

Clients who want more information or want help charting a course through these anticipated futures are invited to join a Storm Workshop with Valtech's Applied Innovation consultants. These two-hour workshops are specially tailored to the client and explore how to apply the Storm findings to their specific situation.

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HAYLEY SIKORA
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Hayley has always been fascinated by the different ways that people perceive and interact with the world around them. Luckily, she was able to turn that interest into a career centered around understanding people's needs and designing digital solutions that meet them.

She has now conducted strategy and customer experience work for a broad range of clients in the public, private and nonprofit sectors. Here at Valtech, she runs customer and market research studies, uses those insights to help guide innovative and strategic thinking and then helps bring new customer experiences to life for our clients. In a world cluttered with information and technology, Hayley's aim is always to put the customer first in order to create solutions that combine a unique blend of value, simplicity and delight.

PONTUS PERSSON
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Pontus has been working with digital for the last 25 years, both in Sweden and now in Denmark. For a large part of that time, he's been at Valtech where he helps our clients to grow and transform, innovate and deliver great experiences, and in doing so, he has worked with many of the largest and well-known brands in the Nordics as well as globally.

Pontus spends a lot of time trying to understand how future trends, changing human behavior and emerging technology are impacting businesses, consumers and society at large. In this Future Storm about the future of retail, he has been part of the research and future scenario shaping team where he has focused on experiential retail and how experiences will drive revenue and customer loyalty.



MARCO BAR GORIA
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Marco loves complex problems. At 20 years old, he tried running his own start-up together with some friends. It crashed spectacularly! However, a great learning came from that experience: Making things is a lot of fun.

Ever since then, Marco has been on a mission to find the most interesting problems to solve. This led him to work for organizations like the Research Institutes of Sweden, Fjord and most recently Board of Innovation. He holds an MSc in Business Design, and he has worked with clients in Healthcare, Financial Services, Telco, FMCG and Heavy Industry.

"The times, they are a-changin'," as Bob Dylan sang. Optimism is essential for innovative change. How else can we welcome change over security—adventure over staying in a safe place? Facilitating this change across customer experience, business and technology is what drives Tobias every single day to do more—to do better.

As a senior consultant, Tobias has guided digital transformation programs across both complex global B2C and B2B organizations. Next to his role as consultant, he is a coach on personal growth & development for digital talent.



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Chris is a multi-talented and strategic Senior Project Manager with a passion to lead clients and teams to deliver innovative and forward-thinking products. As a Certified Scrum Master and Product Owner, Chris has spent the last four years focused on implementing and managing cross-functional Agile projects and teams. In Valtech Future Studio, Chris's role has been to manage Research Team process and enabling the team to produce first rate work.

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Masoud believes the future is what we make of it, and that with the rich data and insights that brands have at their disposal combined with the exponential growth of technology, brands can create products and services that are good for business, planet and society. As a digital accelerator, Masoud spends his time supporting brands with information on where to invest, what to build and how to organize for success.



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Matt is an engineer, hacker, creator, author and leader who is on a quest to change the world with technology. A native to Florida, he attended the University of Florida, graduating with a BS and MS degree in Electrical and Computer Engineering. Throughout his career, he has specialized in emerging technology such as mobile apps, high performance computing, blockchain and enhanced reality.

At Valtech, Matt spends his time pushing our R&D efforts, bringing emerging technology to market and working with our partners on creating the future.



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Ariane is a Senior Manager with a passion for quality engineering, functional design and emerging technologies. Before joining Valtech, she partnered with brands as a Lead Product Manager and User Research Expert to develop next-generation products and implement UX best practices across organizations. In Valtech Future Studio, her role is to drive cross functional teams towards excellent product deliveries. She continuously seeks the opportunities to incorporate the latest tech into experiences while keeping them closer to human interactions and frictionless.



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Lindsey drives the customer experience and design strategy behind our connected experiences.

Working tightly with clients and internal teams, bringing to life unique and powerful experiences that allow people to feel something in a new way, use something in a better way, and connect in a more memorable way.

Lindsey has been a creative leader in the San Diego design community for over 15 years, recognized for award winning experiences by Apple app store, FWA and the Webby's, leading conversations around human centered design, women in tech, and hosting a candid conversation series, ladies, wine, and design.

Lindsey values being open-minded and high-minded. She brings to the table innovative ideas while always looking for new points of view and advocating the voice of the people we are designing for. She prides herself with being a master listener, equally as passionate about customer needs as business needs.



MOLLY ANGLIN
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A veteran strategist, Molly has spent a substantial portion of her 20-year career guiding large organizations to redefine their business strategy for the digital age. Drawing on her extensive consulting experience, Molly has blogged prolifically about digital transformation. Her current work and interests center on the intersection of organizational design, community management, strategic foresight and sustainability.

As Valtech's Global Community Manager, she supported and led aspects of the transformation of Valtech's own organizational culture and digital workplace. She was part of the global tactical team that supported the rapid transition of Valtech to a fully remote organization at the onset of the pandemic. She also serves as a coach for Valtech's communities of practice, working with them to foster a vibrant exchange of ideas and unify work practices across 16 countries.

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