shop! **Enhancing Retail**
Environments & Experiences
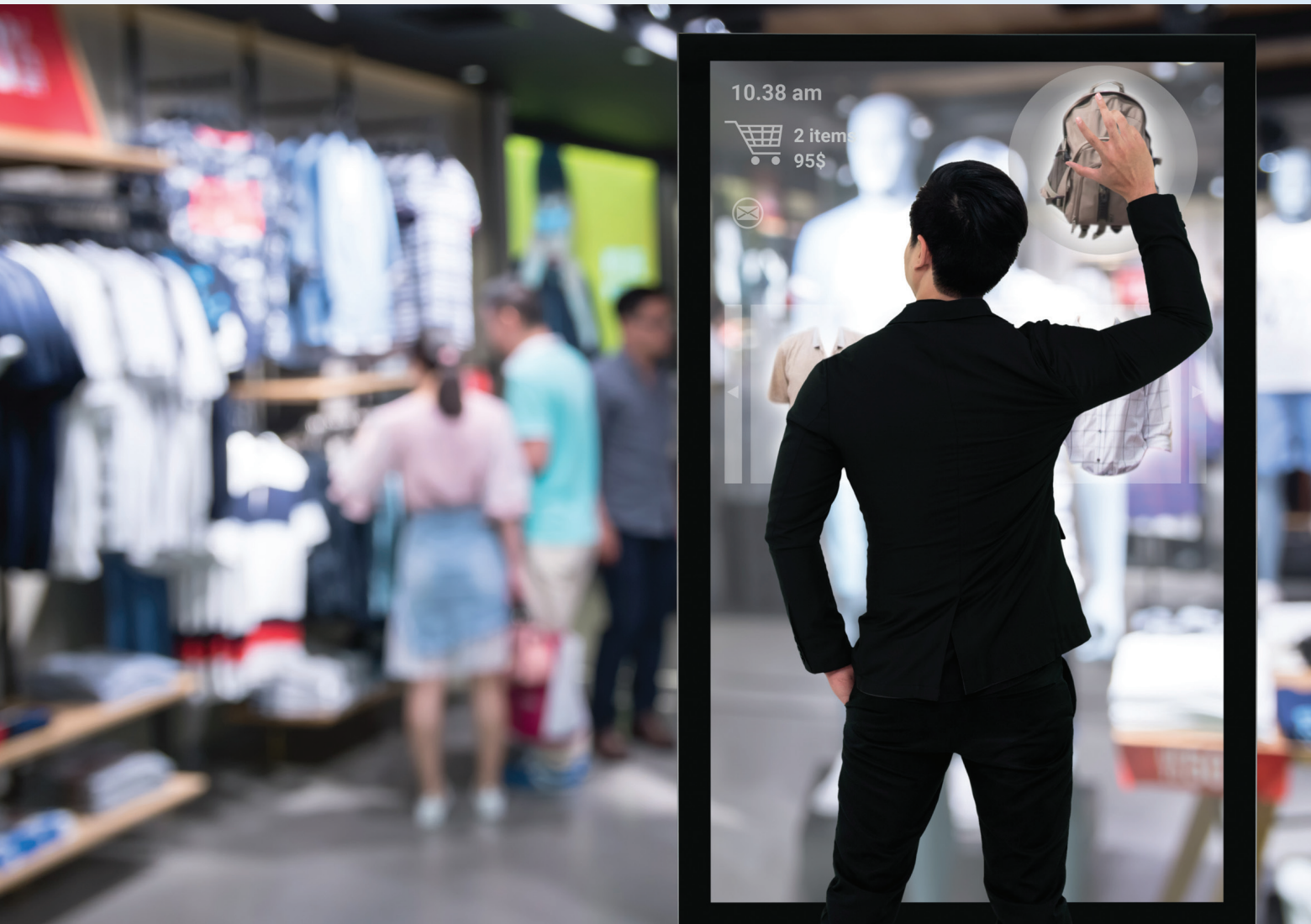
2017 Retail without Boundaries

Thoughtful integration of technology to create relevant
and impactful retail programs

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Introduction: Investigate, Collaborate, Orchestrate

THROUGHOUT HISTORY, there are pivotal movements that redefine the way a society interprets their world. Currently, we are amid one of the greatest movements since the Industrial Revolution. The rise of accessible technology, and the speed in which people can harness it to enhance, complement, or automate certain areas of their lives is unprecedented. From entertainment to government, science to retail, technology is radically changing the face of the earth.

To embrace opportunities and control uncertainties associated with technology, the retail industry is undergoing a revolution itself. Debates regarding the relevancy and necessity of brick and mortar retail; concerns about consumer needs and expectations; and decisions surrounding store design and brand experiences fill the conversations of nearly every roundtable, industry event, and yearly planning session.

Success in this changing retail landscape requires adaptability, out of the box thinking, and a proactive–rather than reactive–mindset. When developing retail programs, constant awareness of the consumer's evolving paths to purchase and the associated touchpoints that enhance each step of the process must remain top of mind throughout the entire planning process—from concept and design to manufacturing and implementation.

Today's consumers are distracted. They have more product options and more purchasing platforms than ever before; their retail lives everywhere. They are not confined to store versus online, or catalog versus in-app purchase. Their options seemingly transcend space and time. They are experimenting with new ways to gather information, making decisions based on convenience, and learning how to live with in-home robots that can auto order toilet paper before they even realize they were out.

What was done two years ago won't work anymore, and what is done today will become obsolete in 18 months. At the crux of creating great retail experiences–the kinds that are unique, memorable, and unexpected–is the thoughtful integration of retail and technology. Learning to embrace the consumer's concept of "Retail without Boundaries" (RWB) and figuring out which technologies to introduce at various stages of their buying journey, creates the perfect setting to deliver the ultimate customer experience.

Axis Display Group partnered with Shop! to better understand the retail trends shaping this notion of RWB learn how brands and retailers are embracing them, and determine their role in guiding the use of technology in today's retail environment.

INVESTIGATE
To begin the process, a thorough analysis of the individual consumer is critical. Understanding the customer's path to purchase means looking at all touchpoints and factors that influence a person's decision. Do not only study their steps. Study the motivations behind them. Companies do this by creating targeted buyer personas, measuring their brand affinity, learning product preferences, gauging how their market uses technology, monitoring their brand engagement, and finally, measuring sales.

Successful brands and retailers know how to reach shoppers the way they want to be reached. They are able to deliver the perfect product messaging at precisely the right time because they intimately know the needs and wants of their customers. Keeping up with consumer product preferences and the ever-evolving use of consumer technology enables companies to provide shoppers with all the information they need to make a purchase decision then and there, no matter the touchpoint they interact with.

The danger of failing to adequately investigate the consumer and the environments they engage with is creating retail experiences and product displays that are less savvy than the customers themselves. The current generation coming of age has always lived with a computer. Customers now have true control of everything: how they shop, when they shop, what they shop, and why. Don't miss the opportunity to integrate into their lives by not understanding what they've come to need and expect.

COLLABORATE
Remember, the creation of great retail requires the voice of many publics. From concept to implementation, there are multiple factors that must be identified, sorted, strategized, and developed. This is not a one-person, one-team, or one-company job. It requires collaboration and effort from client, provider, and other third parties to ensure the retail program is timely, on-brand, impactful, and effective.

Great retail recognizes the need to invite key stakeholders to the table. Giving individuals a voice who work in areas such as supply chain management, IT, internal marketing, sales, and operations, limits the amount of project pitfalls and delayed deadlines. Further, each counterpart provides insight related to a different area of customer care. Involving key persons promotes the creation of robust retail programs that truly achieve what they were intended to.

ORCHESTRATE
Creating inspiring and effective retail takes time, talent, and technology. Seamless customer experiences and transactions can begin and end with technology. Knowing the correct insertion points, and understanding which technologies will be most effective, is the product of keeping the consumer front of mind throughout program planning.

Using the concept of RWB to guide and inform project decisions differs from more generic strategies, such as Omnichannel Marketing, because it does not stop at marketing. It is not satisfied just because the platforms are saturated. It forces companies to think outside of the box. Through investigation and collaboration, it will become apparent that customers, their needs, their preferences, their preferred methods of shopping, etc., reside in many boxes.

Rather than "covering the bases," RWB provides a strategic option for companies looking to transform customers into loyal brand followers.

Retail without Boundaries leaves no stone unturned when looking for ways to optimize and enhance retail programs. When implemented correctly, RWB can:
• Provide unparalleled customer insights and shopper research
• Elevate the brand through product knowledge, service, and innovation
• Ease the process of understanding and selecting technology
• Create a space unlike others in the industry that educates, inspires, and entertains

Further Defining Retail without Boundaries

RETAIL WITHOUT BOUNDARIES asserts that retail lives everywhere. It's found in the conversations we have, the events we experience, and the daily interactions we share with individuals where we live, work, and play. It's the common and expected—brick and mortar, ecommerce, in-app, etc.—but also the response individuals have to a product or brand's ability to connect with them on a deeper level.

RWB requires a thorough knowledge of the individual shopper, not merely which generational age bracket they fall into. It necessitates an understanding of the behavioral, societal, political, cultural, environmental, and economic trends affecting their decision-making. It demands staying educated on changes within the retail industry as well as the markets, industries, and communities they exist in. Doing so ensures the successful delivery of relevant messaging and purchasing options to those most ready to receive it.

RWB understands and addresses the drastic impact technology has had on customers and businesses alike.

Consumers are currently experiencing information overload—too much noise, too many distractions, and too many choices. They don't need more channels, they need more strategic, personalized communication at the touchpoints that make sense to them. As Matt Winkelman, founder of Progredi Group, LLC, points out, retailers need to work internally to unify their voice to reach their customers.

The overly saturated consumer is the shared challenge among retailers, brands, and suppliers. Their paths to purchase are no longer linear. They begin, abandon, and pick up shopping activities in fleeting and unpredictable ways. Retail marketers must be prepared to address these sorts of grazing patterns prevalent in today's shopper. Keeping the concept of RWB top of mind when planning retail allows programs to be flexible and customizable so that shoppers' needs are always met no matter who they are, where they are, or what they want.

Why the Market Needs Retail without Boundaries

EVER-EVOLVING RETAIL and consumer expectations are fueling the need for RWB. As technology continues to transform, consumer habits will as well. Conversely, the greater the control consumers have over product choice and accessibility, the more technology will adapt to their preferred shopping patterns. The two will form a symbiotic relationship, one that retailers and brand marketers must thoroughly understand in order to remain relevant.

According to the *Shop! Trend Report, Q1 2017*, the future for the retail industry looks bright, with markets confident and showing promise for 2017. In order to realize the success of the industry's future, retailers must stay abreast of retailing trends to remain relevant and agile. When asked about the current trends of retail, Andrew Wintner,

Creative Director at Music Styling, acknowledged retail is becoming a showroom and advertisement versus a place of sale. The need for retail spaces in certain sectors to become more than transactional platforms is projected to increase. Designing those spaces and filling them with products or services that enhance the overall brand experience will require a very granular understanding of expected audience and intended use.

As seen from the *Shop! 2016 Industry Size and Composition Study* and our interviews, industry experts agree current trends in retail such as productless flagships, platformless retail, online retailers opening physical stores, and stores becoming interactive, as driving the changes in the focus of brick and mortar.

PRODUCTLESS FLAGSHIPS	PLATFORMLESS RETAIL	ONLINE RETAILERS OPENING PHYSICAL STORES	INTERACTIVE AND EXPERIENTIAL
• Brands have been experimenting with the occasional popup focusing on a brand experience rather than transactions. Think of brick-and-mortar stores as destination centers and community hubs where consumers enjoy events and experiences, rather than just spaces to house inventory and conduct transactions. Think Nordstrom Local in Hollywood, Samsung 837 in NYC, and Media Markt in Barcelona	• Digital natives—young shoppers instrumental in shaping retailing and consumer trends in the near future—are "brand-agnostic," innately aware of advertising, and therefore demand authenticity at every turn. A platform-agnostic approach leaves the power in the hands of the consumer, and delivers content only in the ways they choose to consume it.	• A growing number of successful online retailers are opening physical locations to create a more in-depth experience for their customers. Displays can help bridge the gap between digital and physical realms by carrying themes, colors, and images from online to offline. Think Amazon, Rent the Runway, and Bonobos.	• Retailers are seeking fixtures and displays that are customized to meet new interactive and experiential retailing strategies. Displays among midrange and luxury brands, as well as some budget retailers, include digital and interactive features, better lighting, and movement. Stores no longer serve just to sell products. They are now built to experience the brand. Think Under Armour, REI, and Sephora.

Implementing Retail without Boundaries

DISCOVERY DEVELOPMENT PRODUCTION IMPLEMENTATION EVALUATION
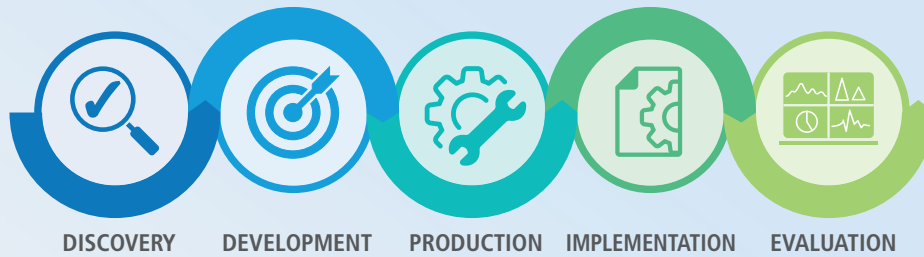
THE CONSUMER PATH to purchase used to be very linear. Now, it takes on many shapes, is unpredictable, responds to external factors, and has the power to control, or be controlled by, a rapidly changing technological landscape. All around us, a dance between conventional brick and mortar and retail technology has broken out. Depending upon what is known about the customer's journey, and how to capitalize on that information, this dance can be a ballet, or it can be a mosh pit.

The job of a retail marketer is to know what customers need and want and why. The solutions they present should be tailor-made to cater to each industry, each brand, and each retail need. Though technology has provided consumers the ability to research, validate, and purchase goods practically anywhere, many times that journey still brings shoppers to conventional brick and mortar. When that occurs, it is essential to deliver the perfect balance of messaging, product presentation, and sales assist.

Using the concept of RWB as a set of guiding principles throughout the entire duration of the retail project's development not only uncovers often overlooked consumer preferences, but also forces marketers, designers, engineers, manufacturers, and the like, to engage in customer-centric problem solving. The natural result of this approach to retail is a higher return on experience (ROE), ultimately impacting overall marketing ROI.

The collaborative process of turning a client's vision to reality often contains these stages: **Discovery**, **Development**, **Production**, **Implementation**, and **Evaluation**. Each stage contains a series of activities necessary to ensure the whole process is flawlessly executed.

DISCOVERY
Companies need to take the time to do their due diligence and conduct research. Understanding consumer preferences allows brands to identify how and where along the purchasing path they can best influence shoppers. It's imperative to act as marketing consultants at this stage, conducting thorough brand, retail environment, and competitive analyses, even if the project at hand is "just" to build a new display or fixture. Filling a retail need will no longer be enough. The "simplest" parts of retail must be viewed as key components of a larger ecosystem.

DEVELOPMENT
Consumers respond to clearly constructed narratives—stories that walk them along their decision-making journey as a friend or knowledgeable tour guide. Researching the uniqueness of each targeted customer group offers invaluable data to marketing, design, and engineering. This data allows for innovative problem-solving where final designs are based on dynamic information gathering. Demographic, economic, and cultural shifts should always be taken into consideration, as should

product cycles and seasonal trends. This enables engineers to create retail solutions that are "mass customized," –flexible, adaptable, and scalable to accommodate consumer-driven changing landscapes and sales cycles¾while still being realistic and able to meet the project's economic and tactical objectives.

PRODUCTION
Already researched and designed, many companies fail to consider the needs of consumers during a retail project's production. Though consumers rarely see this part of retail, having an awareness of their brand perception, expectations for quality, or opinions regarding sustainable sourcing may impact the overall retail experience. Smart manufacturing processes ensure quality and timing are never sacrificed, potentially contributing to a company's ability to keep product pricing competitive.

IMPLEMENTATION
Like production, the customer's perspective is often overlooked during the implementation stage of retail as well. When managing the logistics of a program's implementation—fleet support, installation, inventory management, etc.—it's essential to monitor each process to assure budgets, timelines, and safety standards are met. If technology is being incorporated, ensuring store associates understand its intended use and are properly trained to operate and assist shoppers is vital to the overall retail experience. Failing to do so invites the risk of breaking down the cohesive, seamless shopping experience the technology was meant to enhance. It could also lower customer service scores, increase shopper confusion, and adversely affect the overall image of the brand.

Finally, make sure a system is set up to measure customer interactions, especially if the project is for a test run, and open the channels of communication between retailer, brand marketers, and agency/supplier. Checking in on the success of the program throughout the process, rather than only at the end, keeps the customers' wants and needs top of mind.

EVALUATION
The key to a successful project is knowing goals and objectives have been met. RWB ensures a majority of those goals and objectives are attuned to the customer's overall experience with the retail program. Key performance indicators may be financial (i.e. sales, sales lift, ROI), or focused on execution (i.e. compliance, delivery, set-up, safety), but they should also address customers' return on experience (ROE). Engaging in conversations with sales associates, measuring social engagement, or creating a way to ask customers' directly helps retail marketers understand the success of their efforts. Gathering this type of data becomes instrumental in the Discovery phase of the next project as the cycle repeats itself.

TREK Precision Fit Workstation Fixture

Axis Display Group used Retail without Boundaries to centralize its approach to shopper research and project management when designing and producing an interactive smart kiosk fixture for Trek Bicycle Corporation.

Project: Precision Fit Workstation Fixture
Manufacturer: Axis Display Group
Client: Trek Bicycle Corporation
Technology: Interactive Fixture

Trek, a leading bicycle and cycling products manufacturer, knew the process of selecting and purchasing a bicycle could be time-consuming, cumbersome, and overwhelming. Trek partnered with Axis Display Group to develop and produce a dynamic selling tool designed to streamline this process for customers and support the many elements of its overall "Precision Fit Process."

PHOTO CREDIT: AXIS DISPLAY GROUP
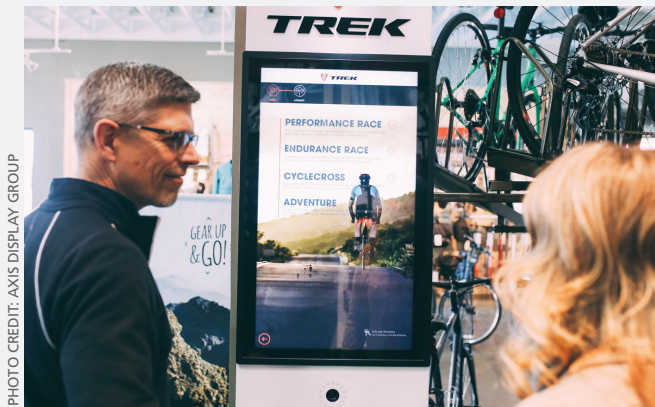
The Precision Fit Process is a robust system meant to help cyclists get the most out of their bikes. In-person interviews, on and off bike assessments, and a series of interactive tools help Trek associates assure customers receive the perfect bike with the best possible fit, optimized for power and efficiency, while alleviating common issues related to cycling pain and discomfort. To complement and enhance these features, an in-store tool able to guide shoppers through their bike selection process and see their results come to life in real-time was needed.

In conjunction with digital experiential agency, NEXT/NOW, Axis Display Group created an award-winning interactive fixture utilizing augmented reality (AR) and other modes of technology that quickly sized shoppers, evaluated their movements and body angles in real time, guided them through an intended use questionnaire, suggested product and accessory options, and made custom purchasing recommendations. Doing so took the bike fit process from five days to five minutes.

AXIS conducted extensive shopper research, investigated the competition, and completed thorough retail environment and brand analyses to ensure once the tool reached market, it would be a state-of-the-art device offering shoppers personal, custom product recommendations and unparalleled levels of customer care. Axis designed and engineered the aesthetic of the fixture, consulted on technology incorporation, user experience, and interface, organized and managed all aspects of manufacturing, and controlled logistics and implementation processes. NEXT/NOW Agency offered a wealth of information regarding the functional

use of AR in-store, and wrote the interface programs necessary to turn Trek's vision into a reality.

Axis designed this tool to complement the shoppers' experience beyond brick and mortar. Eventually, customers will be given the opportunity to start the bike fit process online or from their device prior to ever coming into the store. With this new technology, shoppers will be able to order directly from Trek's web platform, just as if they were shopping for a new helmet or bike accessory. However, the in-store tool and related customer support encourages shoppers to visit retail locations and validate their choices or explore additional options through testing their recommendations in-person and making adjustments site-on-scene. Shoppers currently have the option to send themselves results gleaned from beginning their search in-store and continue their research or purchasing at home.

The success of the project's original rollout led to an expansion of five stores and will be incorporated into all upcoming Trek retail locations across the globe.

Design Objectives:
- System must be adaptable to the greatly varying Trek retail locations
- Design must fit Trek's new signature store design
- All technology must be routed from one source of power
- Decoratively house key technologies in a functional manner
- Ease of use, durability, and safety also key considerations

PHOTO CREDIT: NEXT/NOW.
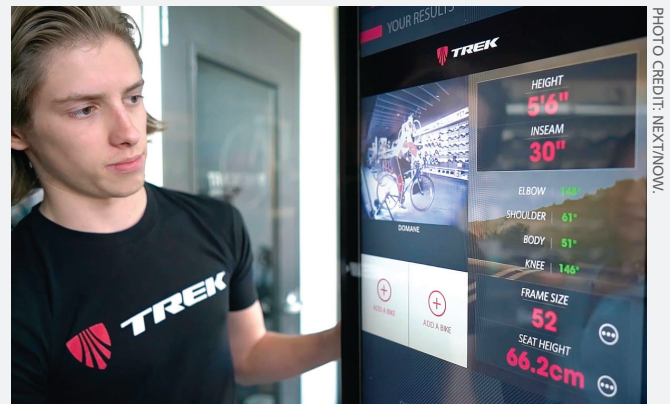
Materials & Components:
- Sheet metal
- Laser-cut acrylic
- Touchscreen monitor (32" Elo)
- CPU/PC
- High-speed camera and lens
- LED lighting compliant with Trek store environment
- Key technologies: AR, recording, motion tracking, slow motion analysis

"Competing in a highly competitive global market, Trek needed the out of the box approach of Axis to develop a broad-based retail marketing and merchandising program. I highly recommend them to any company seeking a new approach to retail."–Jeremy McKinley, Retail Marketing Director

Optimizing Retail without Boundaries: Paving the Way for the Digital Age

SHOPPERS CRAVE INDIVIDUALIZED, personalized shopping experiences. The explosive growth prevalent in the consumer electronics industry enables consumers to control the amount and type of information they receive about products, brands, and services. Each and every touchpoint a consumer interacts with has the potential to increase or decrease their overall perception of the brand. Understanding which technologies shoppers use and how they impact their decision-making and purchasing power within these touchpoints is integral to the concept of Retail without Boundaries.

By remembering the insights gleaned from shopper research, brand and retail environment analyses, and design choices during program development, a well-defined path highlighting smart areas to incorporate technology begins to become evident. As Neil Thomas of Axis Display Group points out, technology for technology's sake is not the answer. Using the right technology at the right time is what raises a brand's credibility, trustworthiness, and the consumer's overall experience.

RWB takes on the challenge of honing in on technological advancements impacting consumers, and harnesses that power to enhance rather than interrupt or disjoint consumers' paths to purchase. Since no two consumers are exactly alike, no two retail programs should be either.

All technologies used in a retail setting should support the claim that continuity in retail programs is a must. Consumers want a seamless experience, even if they start and stop the purchasing journey many times. Technologies when implemented as part of RWB enable retailers and brands to help the shopper in a variety of ways:

KNOWLEDGE

- Technology provides endless opportunities to explore product lines, options, pricing, availability, customer reviews, etc., in many different formats. Access to information empowers the shopper and creates a true user-defined experience. Often, decisions are already made by the time shoppers reach the "consideration" phase of their journey (be it brand loyalty, competitive pricing, product quality, etc.). Technology can help shoppers understand and justify their choices, or it can introduce them to options they've never before considered. Either way, knowing what is important to the shopper, and clearly communicating that information across the platforms they occupy—both in-store and online—is key.

PERSONALIZED EXPERIENCES

- Targeted, timely, and seamless communication strategies promote personalized shopping experiences for consumers. Beyond social, e-commerce, in-app, or email marketing platforms, customer-controlled in-store technologies drastically improve a shopper's ability to engage with, demo, and compare products prior to purchasing. Additionally, the use of virtual reality, augmented reality, and other "see it to believe it" technologies gives customers the chance to experience product benefits in real-time, even before purchasing.

VERSATILITY

- Technology lets the customer choose where the transaction occurs. Ensuring retail programs deliver cohesive messaging and campaigns, and having a system to track shopper activity from one channel to the next is critical for seamless experiences. Integrated technologies must be responsive and adaptable to shoppers' expected use. If a certain type of technology cannot be optimized for that, do not include it in your program.

Common Retail Technologies in Use Today

A RECENT SHOP! POLL of industry experts found overall retail technology usage projected to increase in the next five years. The biggest increases will be seen in use of digital signage, augmented reality, and third-party apps. Currently, the most common technologies used in-store are interactive product displays, interactive store fixtures, and interactive kiosks/ordering assistants. Below are some of the current technologies currently used by our industry experts:

Augmented Reality (AR) AR gives customers control of their purchasing journey by letting them add, remove, and replace products in real time. AR enhances overall shopping and brand experiences by incorporating digital technologies meant to enhance product demos, fast track product selection processes, or, as Chicago-based Next/Now Agency points out, enfold users and their images into an activation. AR can also be used for virtual store navigation assistance.

Customer Wi-Fi By having customers log into the store Wi-Fi, retailers can track who is in the store and where. Messages can also be pushed out to shoppers.

Digital Signage Brands are moving from static signage to digital, thus allowing the ability to change and react to locality and what is happening at a push of a button. This transition also allows for social engagement by encouraging and sharing user-generated content.

Interactive Product Displays Brands can create product demonstrations, provide product information, and share interchangeable video content to enhance the shopping experience.

Interactive Store Fixtures Kiosks are often used for order assistance and sharing product information. Customers can receive quicker informational services through a kiosk rather than waiting in line for service with an employee. Some programs include product ordering options site-on-scene as well.

Robotics Robots are being used to assist with product finding and inventory control. They can also create alerts about the current state of a store.

Sensor Technology Beacons are used on displays for monitoring foot traffic, display compliance, and for pushing messages out to customers.

Virtual Reality (VR) VR offers customers a distraction-free submersion into the world of the product and creates the ability to experience the product usage in its native environment through all of the senses.

Steps for Success

RETAIL IS BEING REVOLUTIONIZED, and at the heart of it, consumers and their technologies. Retail is no longer defined as brick and mortar versus online; it lives everywhere. Knowing how to keep up with changing consumer preferences and having the ability to make sense of technology's rapid evolution arms companies with the necessary tools to communicate with and integrate into the lives of shoppers no matter the touchpoints and channels they interact with. The result is customer-centric, user-defined retail experiences that become places of not only transaction, but also of genuine brand experience.

Here are 4 steps retailers and brand marketers can take to ensure their retail programs are designed for today's landscape and the tech savvy customers who travel it:

1 INVESTIGATE & TRANSLATE

No two shoppers are exactly alike. Decode the motivations behind their varying paths to purchase by studying the impact their individual personalities have on purchasing decisions. Beyond shopper research, brand, environment, and competitive analyses, and generic buyer personas, use macro and micro lenses to better understand the cultural, societal, and economic trends and disrupters impacting not only the retail industry, but the industries where consumers live, work, and play. Think as a consultant. By thoroughly understanding their world, retail marketers can better predict shoppers' touchpoints and product preferences, and deliver marketing messaging that is natural and consumable without being interruptive and forced.

2 INNOVATE & CREATE

Capitalize on knowledge gained from research when developing the creative direction of a retail program. Successful retail accepts the collective identities of consumers within a society, while also appealing to shoppers' individual wants and needs. Work with companies and partner with agencies unafraid to push the envelope and offer the industry something new. Explore emerging technologies and study when it is appropriate to incorporate them. Take cues from current customers. Remain aware and proactive regarding retailing trends, and never pass on an opportunity solely out of lack of knowledge or fear of failure. The greatest innovation is often the reward of the greatest risk. Retail environments, displays, fixtures, and other retail elements birthed out of this type of thinking offer shoppers naturally elevated brand experiences because the total shopping experience is truly user-defined. It makes sense to them because it is inspired by their world.

3 COLLABORATE & EDUCATE

RWB does not stop at market research and project design. Its principles carry through to every phase of the retail program's development. Do not forget to involve sales, customer service, internal marketing and advertising, and operations teams when planning a retail project. Each entity delivers a different perspective on customer care and is therefore crucial to developing shopping experiences that are seamless and relevant to the customer. If the retail program involves the use of technology, take time to explain the type, its intention, expected return, and how it fits into the retailer or brand's overall strategy to everyone involved in the planning process. Doing so reduces project pitfalls and delayed deadlines and promotes strategies to ensure cross channel integration and cohesion in messaging.

Pay special attention to training in-store associates on (1) retail display technologies utilized in-store, and (2) consumer technologies utilized online or via mobile prior to, during, or after the brick and mortar store experience. Provide simple instructions on how to use those technologies to enhance the customer's experience and facilitate environments ripe for exploring, experiencing, discussing, and making decisions to do business with the brand.

4 EVALUATE & CALCULATE

One of the greatest challenges for retailers and brands is earning and keeping the attention of shoppers. RWB enables targeted messaging to reach consumers in a variety of ways. Measuring interactions at each touchpoint (in-store or other) for brand affinity, social engagement, and overall shopper sentiment assists marketers in understanding how their efforts impact overall sales lift, return on investment, and other similar goals or objectives set forth by stakeholders during the planning process.

The utilization of technology in retail settings, and the increase in customer behavioral analytics, provides retailers and brands with unprecedented access to shopper data. Have a well-defined protocol to store and analyze those results and use them to guide future retailing strategies. With the speed of change in the tech industry, agile responsiveness to evolving trends is the most important key to success.

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