

EuroShop 2020 in Düsseldorf:

Are high-tech experiences the future of retail?

In the relatively short space of time since the last EuroShop in 2017, a lot has changed in retail. Everywhere you look, technology is transforming the way that consumers interact and transact with brands. At EuroShop 2020, 16 to 20 February in Düsseldorf, the 550 international exhibitors of the experience dimension “Retail Technology” (from the more than 2,300 international EuroShop exhibitors) provide impressive proof of this. In the run-up to EuroShop, we had a look around the international stores to see what is already being offered to customers in terms of high-tech.

Spanish fast-fashion retailer Zara has introduced self-service checkouts in store as well as interactive mirrors equipped with RFID; Nike is using local data at its House of Innovation 000 in New York City to stock shelves and restock them based on what the community wants; and at skincare brand SK-II’s Future X Smart Stores in Tokyo, Shanghai and Singapore, visitors are able to experience next generation skin counselling through a magic scan (an AI-enabled skin analysis that unlocks skin age and personalises product recommendations by sitting in front of a mirror for three minutes). There are even coffee shops using robot baristas to serve drinks, such as Café X in San Francisco and Ratio in Shanghai. And then, of course, there is Amazon Go, where customers can pick up shopping and walk out, with payment made automatically through the app.

In-store tech: Time to act?

In 2018 Hitachi Consulting published a study of 2,000 British consumers, which found that more than two thirds of respondents aged 24-35 would be more likely to shop with a retailer that was enhancing the shopping experience with innovative technology. The research further showed that the likelihood of changing shopping habits because of technology falls as age increases.



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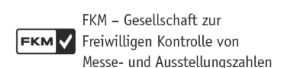
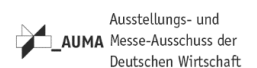
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“The research is clear: retail technology, such as digital signage and real-time inventory availability systems, will directly affect where consumers will shop in future,” said Hitachi Consulting’s retail specialist, Pierson Broome in the report. “We’re seeing more retailers experiment with innovative in-store technology and the ones who best capture its ability to enhance the customer experience will be most likely to satisfy the growing demand from younger generations,” claims Broome.

In a separate study published in the U.S., it was found that while 75 per cent of consumers are aware of at least one retail technology, only 33 per cent have experienced any. According to the 2019 Consumer Retail Technology Survey, produced by global management consulting firm A.T. Kearney, when it comes to in-store technologies, most retailers are lagging behind consumer awareness of them in terms of providing an experience involving one or more. The survey, which was released this summer, focused on five technologies emerging in physical stores, namely augmented reality, mobile point of sale, cashierless checkout, interactive screens, and 3D printing.

“Of necessity, brick-and-mortar retailers have had to maintain a relentless focus on keeping up with their pure-play counterparts in ecommerce, and so in-store technology has been the casualty of that single-mindedness,” believes Suketu Gandhi, partner in the digital transformation practice of A.T. Kearney. “Now is the time for physical stores to step back, gain an understanding of their in-store technology options and develop pilots that support their specific business model.”

Checkout-free shopping

At the start of 2018, online giant Amazon dominated the retail headlines when it opened its first Amazon Go cashierless convenience store in the U.S. The checkout-free shopping experience uses technologies such as computer vision, sensor fusion and deep learning to detect when products are taken from, or returned to the shelves and to keep track of them in a virtual cart. Using the Amazon Go app, customers are able to browse products, shop and leave with no lines and no checkout.



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Since then, more and more retailers around the globe have been trialling cashierless stores in an effort to make the shopping experience quicker and more convenient. British supermarket chain Tesco is reportedly developing technology in partnership with Israeli startup Trigo

Vision that will automatically charge customers for their shopping, while sporting goods retailer Decathlon is deploying MishiPay's mobile self-checkout solution across all its stores in the Netherlands. With the Decathlon Scan & Go technology, customers are able to scan and pay for items using their smartphone, which automatically disables the RFID security tag, leaving them free to exit the store without any need to queue or wait at the checkout.

At Nike's House of Innovation 000 in New York, customers are also able to scan and pay using the Instant Checkout feature in the Nike App. Nike Instant Checkout Stations are positioned throughout the six-level store so customers can bag their purchase and go. "Nike NYC is designed to be a dynamic store environment, that is just as personal and responsive as digital," said Heidi O'Neill, Nike Direct President at the store opening last year.

Mobile apps

In addition to the Instant Checkout feature, the Nike App at Retail also enables users to shop entire looks on in-store mannequins via Nike Scan, and browse and reserve products that are immediately available at their nearest Nike store. It is all part of Nike's strategy to provide a better shopping experience by bridging the worlds of technology and physical retail. "No matter the in-store interaction you prefer, the capabilities of the Nike App give you even more experiential choices through your smart device," says the brand.

In Shinjuku, Tokyo, UK-based cosmetics retailer Lush has recently opened an experiential retail space that showcases the brand's innovation in technology, with exclusive product drops and new ways to shop. Visitors to the store can use the Lush Labs app in English, Korean, Japanese and Simplified Chinese to browse product information in-store and via the storefront window (for Lush, building a shop in a global meeting ground like Shinjuku meant that breaking down language barriers became an important part of the design).



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“Rather than integrating technology into a shop environment, we’re experimenting with developing and elevating our retail experience for a global digital age, using icons and video together to help customers navigate our products in a language-free way,” explains Gemma-Lea Goodyer, Design Principal at Lush.

This is where the Lush Labs app comes into play, as it ensures that vital product know-how doesn’t get lost in translation. Developed in-house, the app uses an artificial intelligence (AI) camera function to recognise product, providing relevant information on the packaging-free items. Products displayed on the ground floor can also be purchased via the app, allowing customers to skip the queues.

Lush Shinjuku is described as a digital playground, using technology to take visitors on a journey through the “sensory and surreal”. From the interactive walls that sense movement to depict a mood, and the digital screens that communicate messages through visual content, to app-controlled lighting, and giant shower jellies that play sounds when wobbled, the four-storey space provides an immersive experience where customers can explore, create and shop.

“Shinjuku represents the ultimate version of what we want from a shop,” explains Adam Goswell, Tech R&D Manager at Lush. “Importantly, it was the first time our tech warriors and brand and shop design teams collaborated to create a retail space in a digital age.”

In London, VF Corporation is also using digital technology to bring its brands to life at a new brand hub at Axtell Soho. The space features offices, a digital innovation and design studio, and a rooftop garden, as well as brand experience floors for Timberland, The North Face, Vans and Kipling.

VF Digital & Technology, Strategy and Property teams worked with the Design Laboratory to create an immersive customer experience to help VF brands bring their creative visions to life. Video walls and cinema surround sound are used to immerse brand partners and retail customers in each brand’s unique vision, while touch-screen displays allow users to change the lighting and visual products in different scenarios. Interactive display stations are also available for visitors to place wholesale orders.



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Meanwhile, German luxury fashion house Hugo Boss is implementing state-of-the-art technology across its new store concepts – BOSS and HUGO – to enhance the customer experience. Working with One iota (part of the Sanderson Group plc), the brand has introduced digital elements such as touchscreen mirrors, which have a shoppable mode showcasing the full product range, and a signage mode to display branded content. The stores also feature digital screens as focal points and furniture with integrated touchscreens.

Magic mirrors

Hugo Boss is not the only retailer in recent years to experiment with smart mirrors. Once a concept of science fiction, magic mirrors are increasingly being incorporated into the physical retail space to engage with shoppers and ultimately boost sales. In fact, according to a report published by Allied Market Research, the global smart mirror market garnered \$1.75 billion in 2017 and is expected to reach \$4.11 billion by 2025.

American luxury department store chain Saks Fifth Avenue has installed magic mirrors in the new beauty department at its Manhattan flagship, enabling customers to virtually try on products, while high street fashion retailer Mango announced in 2018 that it is rolling out digital fitting rooms to its top stores worldwide. The Spanish fashion brand is working with Vodafone and Jogotech on the digital mirror, which allows shoppers to scan clothes tags in the fitting room and then contact shop floor staff directly from the mirror, through a digital watch, to request different sizes and colours. The mirror also suggests additional clothes to complement the original choice.

PUMA has also installed interactive mirrors throughout its tech-driven flagship store in New York City, which opened this summer. The iMirror by NOBAL enables customers to look at alternative selections and notify an associate if they need help, as well as sign up for in-store events.

"By bringing to life every mirror in a store, the iMirror accompanies customers throughout their shopping journey," explains a spokesperson at NOBAL Technologies. "It can greet them when they walk into the store, and enable them to have a personalized experience in the fitting room by identifying the clothing they have with them (using RFID).



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Customer can then interact with those products on the mirror the same as they would online: access real-time inventory levels, view AI-driven product recommendations, and shop online (and order "out of stock" items directly to their home)."

A new kind of experience

PUMA's new 18,000 sq ft NYC flagship is designed to seamlessly integrate technology, art and music for a "one-of-a-kind retail experience". Experience being the operative word. Take its professional-grade F1 racing simulators, for example, where customers can virtually race down the streets of NYC. Or the multisensory "Skill Cube", where visitors can experience a one-to-one personalized training session with their sporting hero.

"With brands moving towards an always on attitude to content, the store has become a canvas for content generation and social sharing - the Skill Cube is a fundamental component in that arsenal," says Mikes Roberts, Chief Creative Officer at Green Room Design, which worked with PUMA on the digital experience.

Roberts believes that the easier it is for customers to fulfil their rational needs through online retail, the more important it has become to provide unique, emotionally engaging and shareable experiences through physical retail. "Yes, the Skill Cube is a fantastic tool for product trial and supports a deeper level of product engagement through experience, however, the real beauty in it is its ability to drive brand reappraisal, advocacy and sharing," he says.

At the Heatherwick Studio-designed Coal Drops Yard development in London, Samsung Electronics has just opened a new kind of experience space that celebrates local culture and Samsung-powered innovations. The brand is keen to emphasise that Samsung KX is not a shop, but an experience space and a hub for culture, innovation and learning. There are indeed no checkouts to purchase product, although staff are on hand to place orders through the website for home delivery.



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"Samsung KX is an experience space centred around discovery and exploration, and we encourage all our guests to enjoy the product portfolio and interactive experience on offer, which are all completely free," explains Tanya Weller, Samsung KX Showcase Director.

The free interactive experiences include a digital cockpit (a seamlessly connected driving experience that brings to life the future of automotive technology), a digital "Galaxy Graffiti" screen and AR Message Tree.

"Samsung KX will be an incredible test bed for Samsung from a retail perspective and could serve as a live example of how our retail real estate might evolve in the future, particularly with the battle of bricks versus clicks being very much alive within the current retail sphere," adds Weller. "Consumers want deeper, more meaningful interactions with brands and we feel confident that Samsung KX has a future fit identity, a focus and a very specific purpose which will enable it to succeed."

With technology an integral part of the physical shopping experience today, the only question now - as A.T.Kearney puts it - is not if or when, but how: Which technologies should retailers deploy, and how much should they invest in them?

Visitors to EuroShop 2020 will be able to view the latest trends, ideas and innovations in retail technology, from augmented reality and artificial intelligence to mobile payment and cloud-based services.

EuroShop 2020 occupies some 127,000 m² net over 16 exhibition halls and is open to trade visitors from Sunday, 16 to Thursday, 20 February 2020, from 10.00 am to 6.00 pm daily. 1-day tickets cost EUR 80 (EUR 60 sold online in advance/e-tickets), 2-day tickets cost EUR 120 (EUR 100 sold online in advance) and full-event tickets cost EUR 180 (EUR 150 online). Admission passes double as travel tickets for free return trips to EuroShop using public transport marked [VRR](#) (Verkehrsverbund-Rhein-Ruhr). www.euroshop.de



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