Setting the Trends
- 5 Digital Transformation Trends to Watch in 2020

NOW TRENDING...

There has been a surge of commentary and analysis regarding the retail industry and its recent evolution. In the digital age in which we find ourselves, retail strategies have needed to adjust. From physical stores focusing on customer experience, to targeted, location-based retailing using consumer data, retailers have been reacting to changing consumer needs. To keep existing customers happy and attract new ones, retailers will need to continue to keep up with the latest digital transformations and adopt latest technology available. Here are 5 of the most significant digital transformation trends going into the world of 2020 and beyond.

IF THE SHOE FITS - Augmented Reality

Whether applied to buying a new summer dress, a softer bed, or a shiny red (or green or nano-grey) car, the concept of “try it before you buy it” has always been key in the consumer’s purchase decision. In today’s digital retail environment, online shoppers are still able to try, exchange and/or return items as much as they want to. The difference, however, is that “let me try something else” now involves a complicated, time-consuming, and costly logistics chain – and it’s not a small number. According to Daniel Newman, a contributor to the CMO Network, “it is estimated that 25% of purchased items are sent back.”

In order to fight the incoming tide of returning goods, and the costs involved, retailers are discovering ways to help the consumers to make a more informed selection the first time. To do this, some are turning to a technology called Augmented Reality or AR - the insertion of digital elements into the real world surrounding a user, visible on a live screen – eg. a smart device.

An example of this is IKEA’s visual application, which gives the user the ability to use a smart device’s camera to insert their products into the user’s live environment. Furniture can be moved around and repositioned in the camera’s frame showing how it would look in the room through the camera’s image on the screen. By using AR, IKEA are avoiding the consumer returning goods that don’t quite fit – i.e. that couch that “looked smaller on the computer.”

Another working example, closer to home, is the Dulux paint app. The app allows the user to look through the lens of a smart device and see what the surfaces around them would look like in a range of paint colours.

PERSONAL INFORMATION – Exploitation or Expectation?

In the past consumers were very protective of their personal information. The ever-present threat of email or sms SPAM cluttering up consumers’ digital inboxes has long deterred potential customers from giving up their “deets.” The main frustration was due to the fact that the items punted to individuals were en mass and by no means targeted. Consumers felt that their personal information was being exploited.

Utilising AI and computer learning technology, modern retailers (largely online at present – but shifting to store based targeting through location tracking and image recognition) can now predict the needs of consumers and provide customised purchase opportunities in a proactive, targeted fashion. Consumers are starting to expect purchase suggestions defined by their purchase history, that are relevant. Looking forward to 2020, customer information will be used across social media and other cloud-based platforms to better serve the wants and needs of individual customers.

I WANT WHAT SHE’S GOT – Social Shopping

A growing trend within the online shopping sector of our digitised retail industry is the converging of online retailers and social media providers. Direct links on social media combined with digital tagging and image recognition software are starting to facilitate online
purchases being made directly through online media platforms from sources that are in a social context. For example, posts on the image-sharing platform, Instagram, can now contain tags of specific items within the image that can be directly purchased through the app. Looking forward to 2020, retailers will be partnering up more closely with Social Media application vendors creating a seamless, direct purchasing channel.

**SPACE AND TIME – I want it now**

The modern consumer has become a very demanding one. Not only do purchasers want the convenience of shopping online, they also seek the immediate gratification that comes with possessing something new – immediately.

The need for online purchases to arrive as soon as possible is forcing retailers to find more and more efficient methods of delivering faster. Looking forward to 2020, we can expect to see consumer preference leaning more towards retailers with faster shipping options.

**IT’S BECOMING SO REAL – The Spatial Internet and Virtual Reality**

As technology advances and becomes more affordable, the combination of the developing spatial web (the three-dimensional web) and virtual reality will enable customers to view what they are purchasing from a 3rd party point of view, but specific to themselves. For example, a user will be able to use a virtual reality headset to explore a spatially rendered world inside which retail opportunities are provided. Looking forward to 2020, retailers will be looking at combining digital technology from both a hardware and software point of view, to help consumers better “see” what they are purchasing.

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