

WHITE PAPER

# In-Store Shopper Engagement Built for the **Future of Retail**



There is an opportunity to  
reinvent the moment of truth ...

is your store  
ready?



## Introduction



Now that the offline market is reopening, it is time for retail brands to upgrade their brick-and-mortar stores and deliver a smart retail experience for customers.

**Gartner<sup>1</sup>**

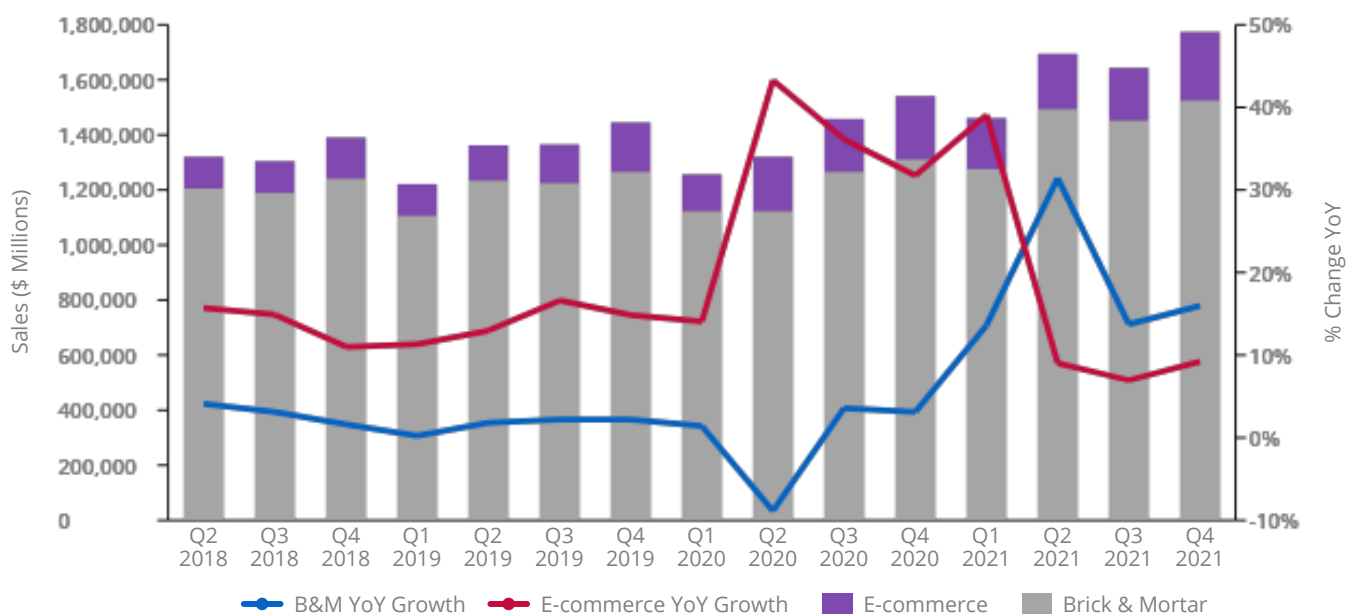
## Retail Industry Drivers Impacting the In-Store Experience

- **Consumers have returned to retail stores.** And they aren't just ready to get back to in-person shopping, they have also accelerated their adoption of new technologies and expect similar levels of digital technology and content in the physical store as they do in the digital world.
- After reporting the results of a recent consumer survey, Gartner concluded, "To maximize the ROI on digital and capitalize on consumers' interests in hands-free technology and physical stores, retail brands should **pursue a smart retail strategy** and offer an **immersive omnichannel experience** for their customers."<sup>1</sup>
- That's why in this white paper, we'll dive into the trends that are impacting the need for a more content-driven consumer experience, explore what's possible in the store, and the business benefits of creating a more memorable shopper journey with 6 ways to stand out from the crowd.

# Consumers are Craving More Content, Recipes and Deals

Analysis by Insider Intelligence, reports that retail sales are anticipated to **grow between 4% and 5%** each year through 2025. That's a **projection to hit \$31.3 trillion** in sales.<sup>2</sup>

**Brick-and-Mortar vs. eCommerce Sales in US for 2021**



Source: US Dept of Commerce, Economic Indicators Division, Retail Indicator Branch  
Estimated Quarterly U.S. Retail Sales (Not Adjusted): Brick & Mortar and E-

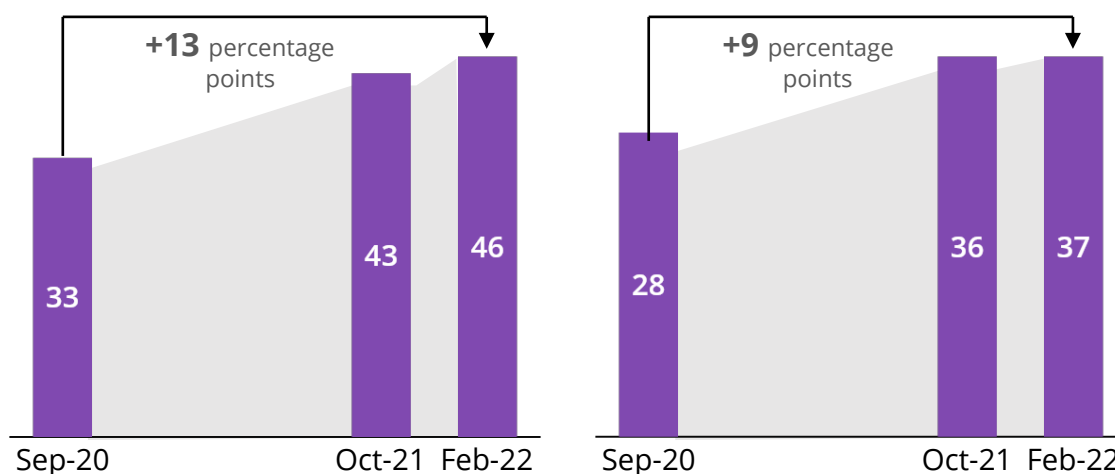
Brick and mortar vs. E-Commerce Sales US Department of Commerce Retail Indicators Division



## More US consumers are switching brands and retailers now than in 2020 and 2021, and about 90 percent plan to continue doing so.

**Shopped a different brand recently,**  
% of respondents

**Shopped a different retailer/store/  
website recently, % of respondents**



~90% of consumers who have switched brands or retailers plan to incorporate these new behaviors into their routines

Source: McKinsey COVID-19 US Consumer Pulse Surveys: Feb 25 – Mar 1, 2022, n = 2,160; Oct 9-15, 2021, n = 2,095; Sept 18-24, 2020, n = 1,026; sampled and weighted to match the US general population aged 18 years and older

That said, historically, consumers would get their Sunday newspapers for coupons in order to get the best deals in stores. Then, there became a hybrid of clipping coupons along with digital apps or digital coupons for consumers to get better offers. Today, and especially coming out of a post-pandemic world, the in-store experience is even more digital — with the decline of print newspapers, the shift to online shopping and the consumer desire for a contactless checkout experience.

What's more, grocers are relying on connected recipes as a tool to drive Q4 spending. Walmart offers its "Cookshop" interactive content portal, which currently presents consumers with shoppable recipes and activities. Online tutorials made in partnership with major brands like Kraft or Starbucks, embed "shop your ingredients" buttons and other shopping list features.<sup>6</sup>

So, retailers need to find the best way to make content, recipes and deals easily consumable by consumers. In fact, "When consumers visit an offline store, it is no longer to simply buy something. Creating an interesting and immersive experience that online shopping can not rival is one of the keys to drive foot traffic," according to Gartner.<sup>1</sup>

# 92%

of grocery shoppers used coupons or deals when shopping.

# 60%

of grocery shoppers said they planned their shopping trip based on which stores offer the best deals.

# 51%

of grocery shoppers said they used mobile apps to find deals before going to the grocery store.

## Adoption of the Smart Cart at the 'Moment of Truth'

- With some of the aforementioned drivers impacting the way consumers are spending, coupled with inflation and the supply chain bottlenecks still catching up post-COVID – consumers are looking for deals more than ever right now, and are willing to take on new technology to do so.
- As such, the smart cart is becoming more prevalent in retail stores, but operational issues typically get in the way of success. Cart costs are high (upwards of \$250 million), especially when they involve weigh scales and cameras to make them 'smart.' These carts come with maintenance overhead, can be too small, and don't stack or nest conveniently.
- And let's not forget that long lines during checkout leave retailers open to more shrink issues, and consumers open to better technology to solve their payment woes.
- This leaves retailers with substantial investments in smart cart technology, but low or no adoption in stores.
- However, there is an opportunity for retailers to present these shoppers with relevant deals (combined with their loyalty information) right in the store aisles for the ideal in-store experience — and as an added bonus — contactless checkout.

# EXPLORE WHAT'S POSSIBLE

While the shopping cart hasn't seen many innovations over the years retailers can engage with shoppers in a way that has never happened before by adding a touchscreen right to the cart.



Not only can it present valuable and relevant information to shoppers on how to get the best deals and ideas for new items or recipes to try — it can also show shoppers how to locate those products right in store aisles.



This is being done every day on social media, but being able to access this content right on a cart without relying on a personal device connects the channels in a way that satisfies the future shopper.



Especially in a world where shoppers are still using their smartphones to conduct research before heading into the store, adding a mobile and connected touchscreen is a game-changer for retailers.



Gartner reports that 95% of retailers are saying they plan to increase their investments in digital capabilities in 2022.<sup>1</sup>



This means that your competitors are also boosting their technologies to enhance their brand's in-store and online shopping experiences with the goal to offer a cohesive omnichannel experience that is immersive and personalized.



Brands would be able to reach shoppers in an even more relevant way and be able to direct them right to their product in the store aisles as they shop (right at the precise 'moment of truth.' The items they need would always be top of mind, and CPGs can easily connect the ROI back to their ad spend because that anonymized data would be captured right into the connected screen.

And, as shoppers look for specific products, they can come across personalized ads from brands or even push a recipe or coupon to inspire a new or spontaneous purchase (also creating more valuable loyalty data for retailers and their CPG suppliers).



# Did You Know?



## Sylvan Goldman

owner of the grocery chains Piggly Wiggly and Humpty-Dumpty.

**What:** Goldman invented the shopping cart, arguably the most important innovation in retail stores even today.

**Where:** Oklahoma City

**When:** 1937

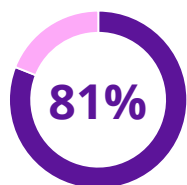
**Why:** Groceries were getting heavier products (like canned goods), and more refrigerated items, and were still using hand baskets to carry them.

**How:** Goldman enlisted the help of his handyman Fred Young. The two grabbed a few supplies and spent a night coming up with a prototype of a rolling grocery basket.

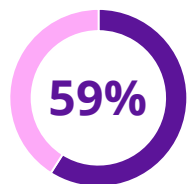
**The Result?** Shoppers rejected it ... at first. Men were offended by it saying it made them seem weak for not being able to carry groceries in their hands, and women compared it to pushing a baby stroller. But, with some advertising efforts, the innovation took off, increasing basket sizes and improving the shopper experience.

## Business Benefits of Being Memorable

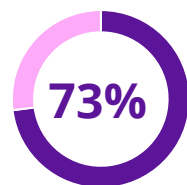
Creating a truly memorable shopping experience has many business benefits, especially when leveraging technology to support it. Adding a connected screen, there are many positive implications for retailers, brands, and shoppers alike. Consider this:



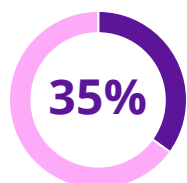
of retail shoppers conduct online research before buying. (Source: GE Capital Retail Bank). With a connected screen, there's no need for research prior to a shopping trip meaning more accurate trips, fewer forgotten items, and no need for a personal device (plus, more time well spent in the store).



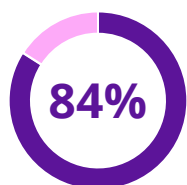
of shoppers use their mobile devices in-store to compare costs or research deals and coupons. (Source: HRC Retail Advisory). Knowing a connected screen is right on the shopping cart means no relying on my mobile device in the store.



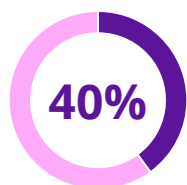
of retail consumers use multiple channels to shop. To gain a unified consumer view, marketers must connect all of their channels (Source: Harvard Business Review). A connected screen allows for recipes, social content, influencers, etc., to join a shopping trip creating a unified experience.



of marketers say poor data quality impacts their ability to target consumers with the right digital ads. (Source: Forrester). Connected screens provide a wealth of new data and insights right from the store shelves where the business benefits spill over to digital advertising channels.



of consumers believe retailers should be doing more to integrate their online and offline channels. (Source: RetailNext). A connected screen would bring both together into one memorable customer experience.



of consumers purchase more from retailers that provide a personalized shopping experience across channels. Improving the shopper experience will have a direct impact on your bottom line (Source: RetailNext). The connected screen converges personalization into brick-and-mortar.



## 6 Ways to Stand Out from the Competition

While many media outlets will continue to talk about the acceleration of digital, retailers are leaning into the physical store to drive loyalty within their customer experiences, as well as differentiate themselves from their competition. Shoppers prefer to see, feel and even try products in the store before making a purchase, so the opportunity for innovation lies within the brick-and-mortar channel.

Perhaps Gartner sums it up best, “Retail is experiencing unprecedented change driven by consumer behaviors, enabled by technology and accelerated by a pandemic.”<sup>7</sup>

Getting started on a business process change or improvement like creating or revamping your customer experience can be a daunting task. As such, here we have gathered **6 best practices** to help get your store ready for the future of retail (and a more memorable in-store experience).



Consumers want deals, but they want relevant deals. Combining loyalty information about that consumer, plus where they are in the store gives retailers the ability to drive information that is highly pertinent relative to that consumer.



Leverage real-time data and insights to act on consumer trends more quickly, keeping popular products in front of shoppers while they're in high demand.<sup>8</sup> Use this new stream of data (i.e. heat maps) to understand consumer behavior in the store (where they stopped, why, how long they stayed, what the interaction was) and share that with your suppliers.



Use technology to play a distinct and purposeful role to enhance customer engagement and loyalty. Be sure it also supports your overall brand purpose.<sup>9</sup> Consumers don't want to use different apps. Think about the development of your apps and how you can seamlessly work them into the store environment.



Create opportunities for speed and convenience (i.e. fast, contactless and seamless checkout).<sup>9</sup> Regardless of size, retailers must focus on checkout, especially as the rise of contactless or self-service checkout is on the rise.



Combine shrink avoidance technology, principles and methods — and embed those right into your carts.



Use shopping cart-based screens to present circulars to consumers at the moment when it is most useful - as they enter that aisle where the products are on promotion. FMI—The Food Industry Association (FMI) said in a report in 2022 that 55% of surveyed retailers found print circulars very effective and also noted that widely used digital circulars and promotions sent by text are not as effective as more traditional outreach methods.<sup>10</sup>

Many times when retailers are ready to implement a new solution or service, they can be inundated by a 'rip and replace' mentality, but it doesn't have to be that way. Start with small wins and continue to evolve and enhance as you go with each iteration. Many providers today can stand up their technologies in a matter of days and weeks so retailers can start hitting their KPIs immediately and then continue to improve.

"Even as consumers continue their return to stores, the digital behaviors they've picked up during the pandemic will stick for the long term," according to Retail Dive.<sup>9</sup> "Brands and retailers that win in the coming years will embrace digital innovation and find more thoughtful and authentic ways to **blend digital and physical engagement.**"

Now, retailers can engage with shoppers in a way that has never been done before – present valuable information on how to get the best deals, how to locate products and ideas for new items or recipes to try. This has never been accomplished in a store environment, but the future of retail is here.

## Shopper Engagement Platform for the Physical Store Powered by Veeve

Veeve's vision is to create a **content delivery and checkout platform** that utilizes the retailers' own Apps to **improve the shopper experience** and **increase the basket size** through in-store, location-driven promotions, advertising, and more. Veeve is delivered by a Connected Screen: a purpose-built device that brings the power of online shopping, sensor fusion, and computer vision to physical stores.

### The Connected Screen

What's on sale today?



Deals & Coupons

Where can I find salsa?



Location Tracking

What's for dinner?



Video Recipes

Can I skip checkout?



Pay on Cart



Visit <https://veeve.io/> to learn more.

Source 1. [Gartner](#), "Time To Prepare Smart Retail For The Post-Pandemic Era" by Wilson Zhao 2. [Insider Intelligence](#), "Global Ecommerce Forecast" 3. [Mastercard SpendingPulse](#), "Mastercard SpendingPulse Forecasts 7.5%\* Growth for U.S. Back-to-School Retail Sales" 4. [McKinsey](#), "How US consumers are feeling, shopping, and spending—and what it means for companies" 5. [Inmar Intelligence](#), "New Inmar Intelligence Survey Reveals Over Half of Today's Shoppers Have Switched Loyalty to Less Expensive Grocery Brands Since Start of Pandemic" 6. [PYMNTS](#), "Grocers See Connected Recipes as Tool to Drive Q4 Spending" 7. [Gartner](#), "Digital Transformation in Retail" 8. [Retail Dive](#), "Retail tech is elevating CX unlocking efficiencies" 9. [Retail Dive](#), "3 pillars driving the future of store experience" 10. [FMI](#) The Food Retailing Industry Speaks 2022