



# UNLEASHING THE FUTURE OF CX IN RETAIL

HOW AR AND VR REVOLUTIONIZE  
THE SHOPPING EXPERIENCE

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## ABOUT RETAIL REPLY

Retail Reply helps brands accelerate their response to the opportunities of digital transformation and customer experience, both in-store and online, in the retail, fashion, telco and hospitality sectors. Retail Reply supports clients' digital transformation across Digital Strategy, Planning, and Delivery. Our expertise includes IT architecture, digital product delivery, customer contact centre transformation, point-of-sale implementation, loyalty & promotion-engine development and execution, online and mobile customer experience, omnichannel implementation via microservices architecture, and capability-led planning.

# INTRODUCTION

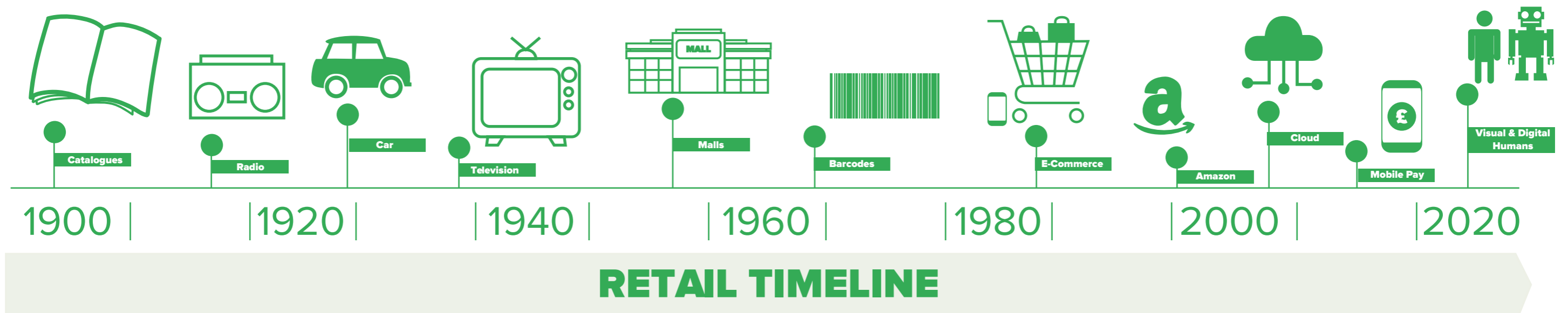
## Step into the Future of Retail with AR, VR, and Data - Where Immersive Experiences Meet Sustainable Choices for Success!

Augmented reality (AR) and virtual reality (VR) technologies are transforming the retail landscape, allowing consumers to engage with products in novel ways, such as virtual clothing try-ons and visualizing furniture in real spaces. These technologies enhance interactivity, supported by AI-powered virtual assistants that offer personalized shopping support. Beyond personalization, the focus is on blending physical and digital realms for immersive experiences. Success in this changing retail landscape requires sustainability and data-driven strategies, with retailers adopting eco-friendly practices and transparently communicating them to attract ethically minded consumers who value ethical products.

In this new retail paradigm, data has emerged as the currency of success. Leveraging big data and analytics allows retailers to gain deep insights into customer behaviour, leading to hyper-personalization, optimized inventory management, and accurate demand forecasting. Informed decisions rooted in data enhance customer experiences, drive business growth, and shape the future of retail. Retail Reply are aiding clients stay ahead of the technology curve by creating impactful experiences for their customers. The time to embrace the power of AR and VR is now, and we stand ready to guide businesses toward success in this dynamic industry.

# EVOLUTION OF RETAIL

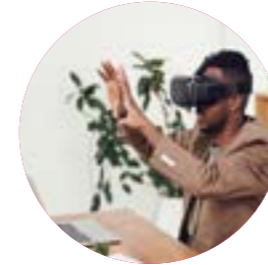
The evolution of retail has been a fascinating journey, transitioning from early immersive brick-and-mortar stores to today's technology-driven landscape. It all began with malls and physical stores, where shopping was a sensory experience.



Over time, challenges like geographical limitations and changing consumer behaviours emerged. The 1990s brought the e-commerce boom powered by the internet, followed by Amazon's dominance and the rise of mobile shopping in the 2000s. This digital transformation led to the fusion of physical and digital realms in omnichannel experiences. The present landscape is on the cusp of an AR and VR revolution in the 2020s, redefining retail with immersive try-ons, AI assistants, and interactive encounters, aiming to bridge the gap between real and digital.

This narrative underscores that retail is a dynamic tale of innovation, adapting to technological advancements and shifting consumer preferences. It is not just about transactions; it's an ongoing story of transformation, fuelled by customer engagement and value, where the past, present, and future converge to shape the canvas of retail.

# KEY INNOVATIONS IN RETAIL AND STATISTICS

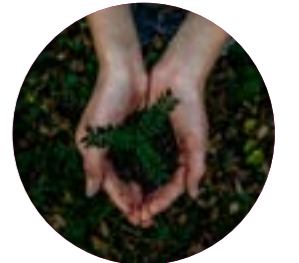


## PERSONALISATION AND AI WITH AR AND VR

The future of retail is marked by interconnected trends centred on personalization, AI, AR, and VR. Through data-driven insights and AI algorithms, retailers are delivering tailored experiences, while AR and VR technologies redefine shopping with immersive try-ons and innovative interactions. These trends drive a mobile-centric shift, supported by AI chatbots and AR on mobile devices, combined with IoT integration and immersive tech for seamless journeys. Sustainability and ethics are emphasized, leveraging personalization, AR, and VR to convey responsible brand values. These trends collectively reshape customer engagement, advertising, and the convergence of physical and digital retail realms.

## SUSTAINABILITY AND ETHICAL CONSUMERISM

Two pivotal trends, sustainability, and ethical consumerism, are shaping the future of retail. Sustainability is no longer a buzzword, but a necessity as consumers seek eco-friendly practices and transparent communication of such efforts. Ethical consumerism is driving demand for products aligned with values, compelling retailers to prioritize ethical sourcing and fair practices. Adapting to these trends is crucial for retailers to meet consumer demands, foster trust, and establish themselves as responsible industry players.



## DATA-DRIVEN RETAIL

Data-driven strategies are key trends shaping the future of retail. Retailers are using data to personalize marketing, optimize inventory, predict trends, and enhance the customer experience. AI-powered insights, efficient supply chains, and real-time decision-making are driving factors. This trend transforms how retailers operate, enabling them to adapt to market changes and meet customer demands effectively.

**77%**  
**OF BRANDS**  
believe CX through innovative immersive technology is going to be a key competitive differentiator.

**18%**  
**YEAR ON YEAR**  
is expected growth in the Global CX Management Market which is currently valued at USD 8.79 Billion.

**86%**  
**OF CONSUMERS**  
would leave a brand after as few as two poor experiences.

**83%**  
**OF EXECUTIVES**  
feel unimproved CX is considerable risk to revenue and market share.

**55%**  
**OF CONSUMERS**  
say they will engage with a product using immersive technologies if it provides personalized recommendations.

# POTENTIAL CUSTOMER PERSONAS

In the realm of AR and VR technologies, potential customers are not a homogeneous group – they are diverse personas, each with unique needs and preferences. Retail Reply recognises this and tailor’s experiences to cater to these distinct customer profiles, and score their attitude according to:

## CUSTOMER ADAPTABILITY

This parameter shows how open and willing a person is to adopt recent technologies and adapt to changes in their shopping habits. For example, Tech Enthusiasts swiftly embraced AR and VR shopping because they are enthusiastic about adopting recent technologies.

## TIME SPENT ON ONLINE PLATFORMS

This measures the amount of time a person typically spends engaged with online platforms, whether for shopping or other activities. In our scenario of personas identified, Remote Shoppers spend a significant amount of time online due to geographical constraints, making them readily accessible for AR and VR shopping.

## EASE OF DOING THINGS

This parameter gauges how comfortable and proficient a person is with digital tools and online interactions, which can influence their ease of using AR and VR for shopping. In this case, Garment and Entertainment Enthusiasts find it effortless to navigate AR and VR shopping due to their comfort with digital tools from gaming experiences.

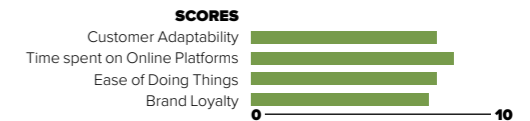
## BRAND LOYALTY

This parameter measures the extent to which a person is loyal to specific brands or retailers in their shopping habits. Fashion-forward Trendsetters, for example, are loyal to specific brands, which may influence their adoption of AR and VR shopping features introduced by these brands.



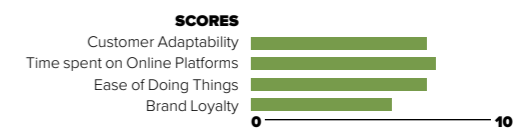
## GARMENT AND ENTERTAINMENT ENTHUSIASTS

These enthusiasts are accustomed to immersive experiences, making them prime candidates for AR and VR shopping. Retail Reply enhances their shopping journey with interactive elements and tailored experiences.



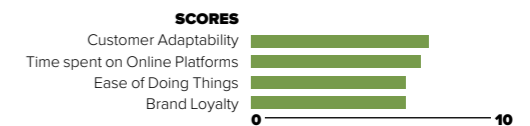
## FASHION-FORWARD TRENDSETTERS

Staying ahead in style is their mantra. AR and VR let them experiment with clothing styles virtually, attend virtual fashion shows, and get a first-hand feel of how garments fit before they buy.



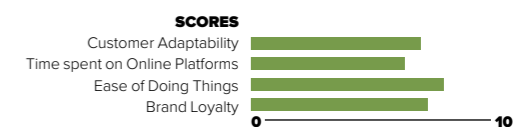
## TECH ENTHUSIASTS

Driven by innovation, these early adopters eagerly embrace AR and VR to elevate their shopping adventures. From exploring virtual stores to virtually trying on clothing and visualising products in their own surroundings. Retail Reply caters to their quest for cutting-edge experiences.



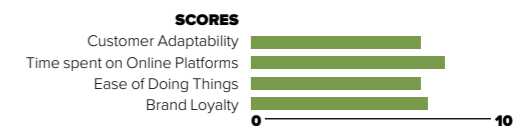
## INTERIOR DESIGNERS AND HOME OWNERS

Passionate about aesthetics, they use AR and VR to visualise furniture and décor in their living spaces. Retail Reply assists them in creating virtual room layouts and trying out different design elements effortlessly.



## REMOTE SHOPPERS

Geographical constraints don't hinder these shoppers. AR and VR technologies enable them to explore virtual aisles from any location. Retail Reply ensures their online shopping experience mirrors physical store immersion.



These personas are not mutually exclusive; they overlap and intersect. The key is understanding their distinct needs and preferences to offer tailored AR and VR shopping experiences.

# EMPOWERING IMMERSIVE AR EXPERIENCES

Augmented Reality (AR) and Virtual Reality (VR) have transformed the way we interact with digital content, bridging the gap between the virtual and real worlds. Key to this transformation are the common features shared by various AR and VR platforms.

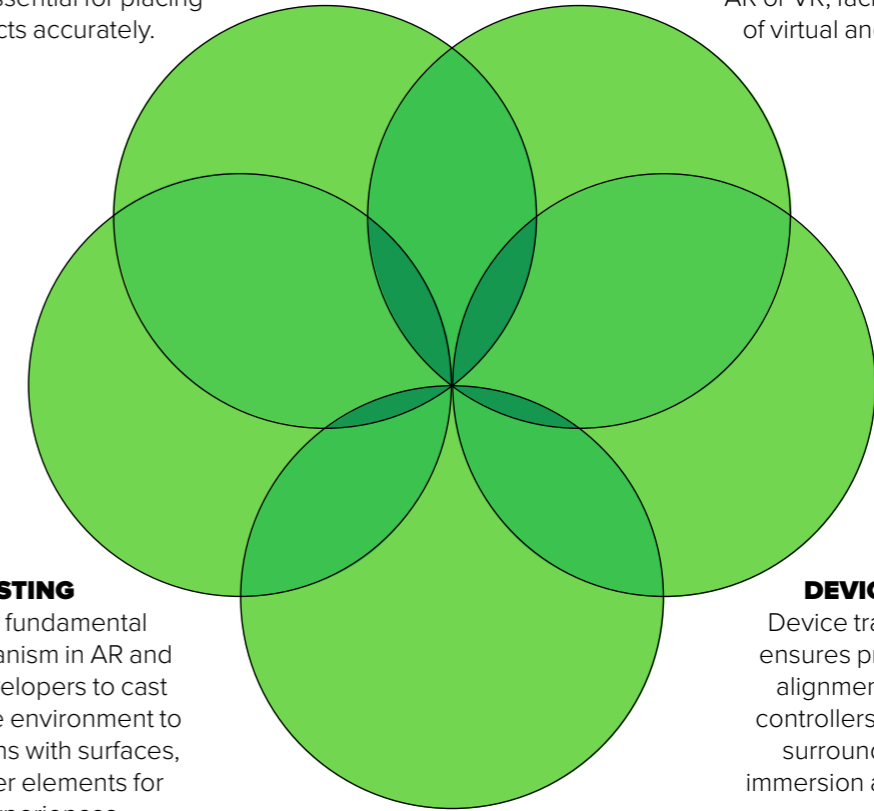
These features, including Passthrough, Plane Detection, Device Tracking, Ray casting, and Anchors, serve as the foundation for creating immersive and interactive experiences. In this discussion, we will explore these features without reference to any AR or VR platform, highlighting their universal significance in shaping the future of digital realities. The following below describes some of the features that are common among various AR and VR platforms.

## PLANE DETECTION

Plane detection is a core feature that enables the recognition of surfaces and objects in the physical environment, essential for placing virtual objects accurately.

## PASSTHROUGH

Passthrough technology allows users to view the real world through the device's cameras while using AR or VR, facilitating the integration of virtual and real environments.



## RAY CASTING

Ray casting is a fundamental interaction mechanism in AR and VR, enabling developers to cast virtual rays into the environment to detect intersections with surfaces, objects, and other elements for interactive experiences.

## DEVICE TRACKING

Device tracking technology ensures precise tracking and alignment of the device or controllers with the real-world surroundings, enhancing immersion and user interaction.

## ANCHORS

Anchors are points or markers placed in the real world that serve as reference points for positioning and stabilizing virtual objects, ensuring they remain fixed in place relative to the physical environment.

These features are common across various AR and VR platforms and play a crucial role in creating immersive and interactive experiences regardless of the specific hardware or software used.

In the ever-evolving landscape of AR and VR, the importance of Passthrough, Plane Detection, Device Tracking, Ray casting, and Anchors cannot be overstated. These features enable developers to craft experiences that seamlessly blend the digital and

physical realms, offering users immersive encounters with virtual content. Whether it is exploring virtual worlds, interacting with holographic objects, or enhancing real-world scenarios with digital overlays, these foundational capabilities are at the heart of creating AR and VR applications that captivate and transform our perception of reality.

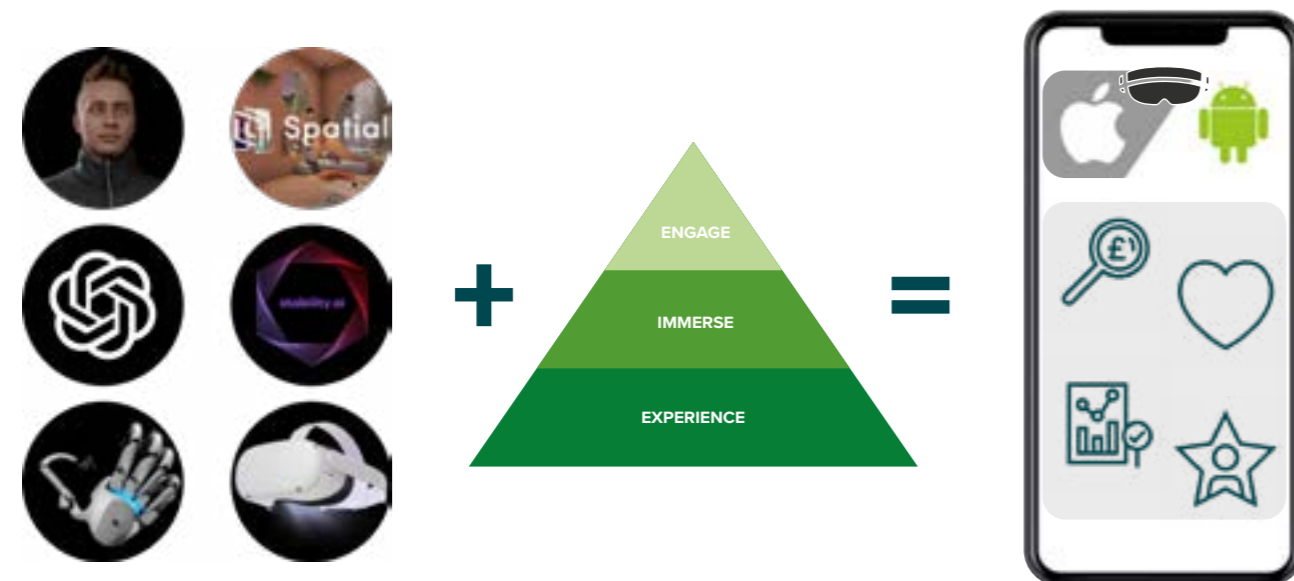
# SEAMLESS TRANSITION TO THE FUTURE WITH RETAIL REPLY

Embracing the power of AR and VR might seem like a monumental shift, but with the correct partner as your guide, the journey becomes remarkably effortless.

At Retail Reply we do not merely witness this evolution; we are catalysts for it. Our expertise does not just lie in the technology itself; it is rooted in understanding every unique business needs and tailoring solutions that align with specific goals, supporting the company throughout the whole journey - from concept to execution, we ensure that every step is intuitive and strategic.

## “EIE” - THE RETAIL REPLY MODEL

Technology combined with CX using the Retail Reply Model can help achieve business goals



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### AVATARS & VIRTUAL PRESENCE, DIGITAL IDENTITY

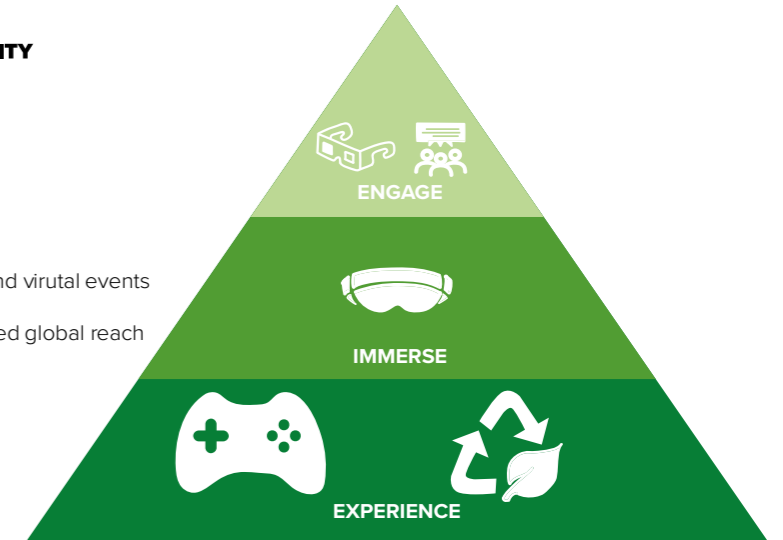
- Positive store staff interactions
- Attractive visual merchandising
- High-quality products and Interactive experiences
- Personalization, feedback and reviews
- Brand storytelling

### CONVERGING PHYSICAL & VIRTUAL WORLDS

- Virtual stores with personalized recommendations and virtual events
- Immersive try on experiences and social interactions
- Seamless intergration with the physical world unlimited global reach

### GAMIFICATION & HARDWARE

- AR/VR technologies
- Voice commerce and frictionless payments
- Sustainable practices and social commerce
- Influencer marketing and smart store technologies



“Engage, Immerse, and Experience” is a consulting model that leverages Artificial Intelligence (AI) and Augmented Reality (AR) or Virtual Reality (VR) technologies to enhance various aspects of business and customer engagement. Here is a summary of each component:

### 1. ENGAGE

This phase focuses on creating initial interactions with users or customers. AI-powered chatbots, virtual assistants, or personalized content recommendations can be used to engage users in a meaningful way. These technologies help in understanding user needs, answering queries, and guiding users towards their goals efficiently.

### 2. IMMERSE

In this phase, AR or VR technologies are employed to immerse users in a more interactive and immersive environment. AR overlays digital information onto the real world, while VR provides entirely virtual environments. Businesses can use these technologies for training simulations, product demonstrations, or virtual tours, allowing users to experience products, services, or scenarios in a highly engaging and realistic manner.

### 3. EXPERIENCE

The final phase focuses on delivering a memorable and valuable experience. This involves tailoring the content, interactions, and feedback loops based on user behaviour and preferences. AI algorithms can analyse user data to refine the experience continually, ensuring it aligns with user expectations and provides maximum satisfaction.

This consulting model helps businesses harness the power of AI and AR/VR to connect with customers more effectively, provide immersive and interactive experiences, and ultimately enhance brand engagement and customer satisfaction. It can be applied across various industries, such as retail, healthcare, education, and entertainment, to transform how businesses interact with their target audiences.

We become partners in navigating the uncharted territories of AR and VR, helping the client harness the full potential of these technologies to enhance customer engagement, boost sales, and redefine its brand's narrative.

It is already known that the future of retail is vibrant, immersive, and filled with unprecedented possibilities. As we unlock these potentials together, Retail Reply ensures that you are not just a part of this evolution – you are at its forefront.

Let us embark on this exciting journey to shape the future of retail, today.

## ABOUT THE AUTHORS:

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## USEFUL LINKS

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