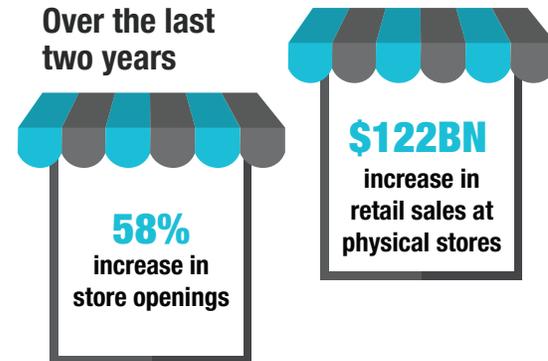


SHOPPER MARKETING TECH: 2018 TRENDS

“The Retail Apocalypse”. The mere mention of these foreboding words summons images of doom and gloom for the industry at large. But is the in-store landscape as close to the brink of demise as the media predicts? While stores are closing at an ever-faster rate, there is ample evidence to suggest that consumers are seeking out traditional retail stores now more than ever. Store openings have actually increased over 58% over the last two years, and retail sales at physical stores are up \$122 billion – not exactly a portrait of an industry in its death throes.

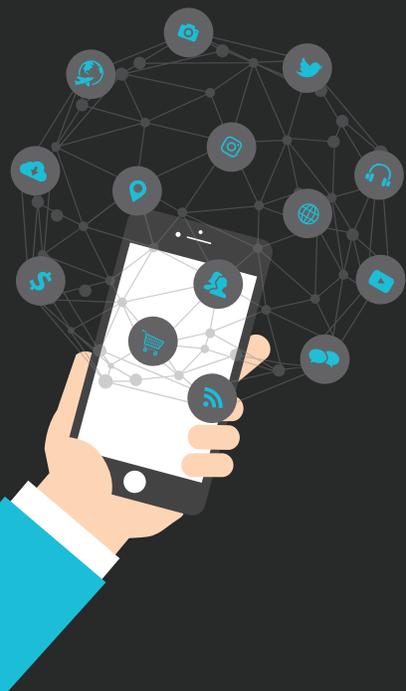
The path forward is clear - it is the integration of shopper marketing technology into the retail environment that will ultimately future-proof brick-and-mortar stores. Technology allows for experiences, and experiences create stories, engagement, and genuine authenticity that resonates with a new army of modern, digitized shoppers. In this whitepaper, we'll highlight the critical shopper marketing technology trends that your marketing tactics can adopt in 2018.



TREND 1: THE CONTINUED EVOLUTION OF IN-STORE SMARTPHONE ENGAGEMENT

The smartphone has now become a universal fixture, inseparable from the hands and lifestyles of modern consumers. And while 95% of Americans now own a smartphone, even through this heavy market saturation will be the continued growth of smartphone adoption in the US: from 238 million users in 2018, to 270 million by 2022.

Smartphones in many ways are the core component of in-store marketing tactics; they're sophisticated pieces of hardware and software that allow brands to connect intimately with consumers. But for a brand to engage with consumers through these technology portals, they need to understand why consumers are motivated to use them in the first place:



Millennials are concerned with convenience and speed: for them, smartphones enable them to make informed decisions, like researching a purchase and making mobile payments, quickly and easily.



Gen Z gravitate towards experiences: for them, smartphones allow them to interact with their surroundings and engage in stores on a deeper level, such as contacting friends, with social influencers, taking selfies, or sharing photos of potential purchases.

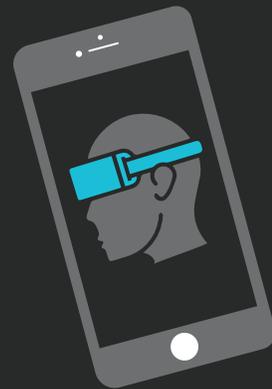


Baby Boomers and older generations are concerned with information seeking and functional utility: these demographics use smartphones to research products, keeping track of past purchases, and manage their shopping lists.

These motivations create a platform for effective tactics. But exactly how are savvy marketers using smartphones to disrupt the retail landscape?

AR & VR TECHNOLOGIES

Augmented reality and virtual reality experiences bring consumers out of the ordinary and into new possibilities for innovative brand interactions and engagement. Smartphones are now able to facilitate AR and VR experiences, without the need for costly, unwieldy head-gear technologies. AR & VR experiences facilitated with smartphones are becoming an important facet of retail design, with relatively little investment compared to permanent technology installments due to the scalable nature of such solutions.



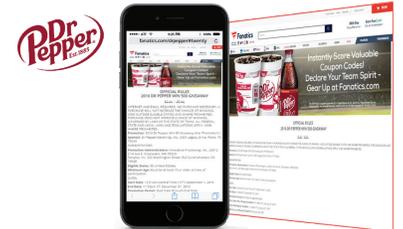
IKEA Place, which was launched in the US last year, allows users to design customized virtual interiors using digital layouts of IKEA furniture laid out with visualizations of their own homes. The app is said to be 99% accurate in scale, rendering 3D images to react to light and shade.



IMAGE RECOGNITION INTEGRATIONS

One of the main advantages of smartphones is the enhanced ability to quickly capture images and share them. This aligns with many consumer segments' motivations for using smartphones in-store and out. Brands need to seek ways to build marketing tactics and promotions that capitalize on imaging technologies. Image Recognition technologies allow consumers to participate in shopper marketing programs by snapping photos, which helps establish a more engagement with the brand.

Dr Pepper wanted to reward product purchase and leverage smartphone capabilities to better connect with consumers while leveraging their college football sponsorship. Snipp created an image recognition program that allowed shoppers to simply take a photo of the UPC on the bottle, and send it in on their mobile devices to receive a coupon for subsequent Dr Pepper purchases as well as a reward code for 25% off Fanatics.com.



RECEIPT PROCESSING TECHNOLOGIES

Receipts are the ultimate connection to a consumers' actual spending habits. Brands that leverage receipt processing technologies can unlock the inherent power of the smartphone and tap-into a treasure trove of consumer insights. Receipt processing tech is also the best way to verify purchase and allow consumers to participate in marketing tactics like promotions, rebates and loyalty programs without the costly need to affect packaging, all while offering a modernized digital platform that engage digital savvy consumers.



Caruso
SNIPP!



Caruso properties are home to a wide array of retailers, all leveraging independent POS systems, posing a serious challenge to developing a unified loyalty program. They needed to improve their loyalty program process and functionality while delivering a great consumer experience to increase footfall and repeat customers.

Caruso integrated SnippCheck, Snipp's market-leading receipt processing capability and loyalty technology into their loyalty rewards program to provide a less cumbersome and 'technology forward' alternative to their traditional program. The combination of Snipp's receipt processing and loyalty technology capabilities enabled ease of entry and participation, delivering on the client's key objective - the best possible user experience for their consumers.

Consumers could start earning rewards immediately, by submitting their receipt via text, mail, app, website or widget or even at the concierge desk using a Snipp hosted concierge site. SnippCheck validated the purchase and awarded consumers with loyalty points and parking vouchers.

TREND 2: THE RISE OF SMARTSTORES

Smartphones are just the tip of the iceberg in terms of developing ways for brands to interface with consumers using technology. While smartphones are great for scalability and accessing consumer spending habits on a more personal level, there are limitations with the sophistication of features that these devices can enable. Larger-scale technology additions to the in-store environment are becoming ever more popular in 2018 and beyond; these so called "smart-stores" blend innovative technology and the Internet of Things seamlessly with the traditional shopping environment, so that engagement with these elements feels natural and comfortable for shoppers across demographics.



As with any disruptive innovation, there are pros and cons of harnessing the power of smartstores for retail. As time moves on, the "cons" become insignificant, while the "pros" become harder and harder to ignore:

Pros:

- Reduce staff and wages
- Increase consumer excitement for shopping trips
- Ability to tailor offers and promotions to individuals
- Enhance operations such as data collection

Cons:

- Technology unfamiliarity or lack of resonance with some consumers
- Higher initial capital investment
- Less scalable than leveraging personal tech like smartphones

The technology supporting smartstores is a booming industry, with practically each new week revealing a treasure trove of innovations. The number of smart-devices for in-store is expected to explode in the next few years, increasing from 2.5 billion last year to 5.4 billion in 2020.

Here are a few examples of smartstores in action, and the kinds of technologies these disruptors are leveraging:

VOICE-ASSISTED AI'S

The human voice is one of our most coveted means of communications as a society, but until recently, it has been challenging to successfully implement technology sophisticated enough to deliver natural, organic experiences. AI is changing the game for voice-assisted tech, with sophisticated machine learning algorithms improving speech recognition and virtual response quality. Smartphone aficionados are already familiar with the benefits of voice-assistance: nearly half of all smartphone owners have a voice assistant that they engage with regularly. Smartstores take this to the next level by building voice-assisted AI into store aisles themselves.

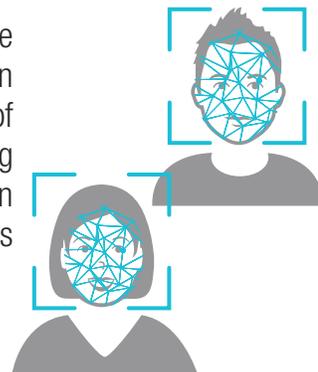
Best Buy has partnered with Amazon Alexa to make their products available for 'voice shopping'. Users can learn about and purchase the retailer's 'Deal of the Day' products and Alexa can also ask customers questions and recommend products based on their needs. Consumers add the Best Buy skill to their Alexa device via the Alexa app or Alexa skill store, log in with their Best Buy account and say "Alexa, talk to Best Buy" to begin shopping.

amazon alexa



PHYSICAL-TO-DIGITAL INTERFACES

Facial recognition is a feature gaining serious ground in the world of in-store technology, with wide consumer acceptance; more than half of consumers understand the benefits of facial recognition technologies and plan to utilize them. For stores, the benefits are many; from tracking the flow of traffic amongst the aisles, to collecting demographic data, and of course, to create interesting experiences and personalized moments for shoppers. But there's a lot of great stuff on the human body besides the face, and technology marketers are beginning to understand that; new technologies can interface with many aspects of the human physiology for even more unique experiences.



LEDERUNDSCHUH[®]

HUMANIC



Leder & Schuch, a prominent shoe retailer in Europe, has adapted 3D foot scanning technology to integrate its physical outlets with their digital in-store offerings. The 3D scanning solution helps shoe retailers provide online shoppers as well as brick and mortar customers with a fast and convenient way of selecting the perfect-fitting shoe. It is far more accurate compared with conventional measuring gauges and much more user-friendly, particularly when it comes to the often difficult task of fitting shoes for children.

RFID

RFID & NEAR-FIELD-COMMUNICATIONS (NFC)

RFID & NFC tech work towards achieving a better in-store experience by managing how shoppers interact with the physical spaces around them. Directing traffic to certain parts of a store, analyzing points of friction in the aisles, and presenting an opportunity for marketers to engage shoppers on a deeper level help make these tech integrations a no-brainer.

Lululemon is putting the power of stock inventory management in the customer's hands. Instead of asking for assistance from a store associate, customers can scan a barcode on the physical products with the Lululemon app which links directly to the product page on the commerce site.

It then uses RFID to do a real-time inventory check across all the stores, sorted by locations in proximity to the customer, allowing customers to access their desired product as efficiently as possible.



TREND 3: OPPORTUNITIES TO BUILD LOYALTY

Technology that ignores the human factor is just a string of bits and bytes, cold and meaningless. What technology really means for marketers is the promise to create stories and narratives that deepen brand equity and inspire passionate consumers.



At the end of the day, long term loyalty in the retail aisle can be achieved by connecting the digital dots; understanding what keeps consumers coming back time and again, and creating incentives for them to do just that.

- ⚙️ 85% of loyalty program members who have redeemed with their mobile phone say their experience was improved by that technology.
- ⚙️ By 2020, customers are expected to manage 85% of their relationships with enterprises without interacting with a human.
- ⚙️ A third of US consumers are loyal to brands that engage them in “multi-sensory” experiences, using new technologies such as virtual reality or augmented reality.
- ⚙️ Satisfaction with a loyalty program's technology is highly correlated to overall program satisfaction.
- ⚙️ 95% of those satisfied with the technology provided by a program are likely to renew their program membership.





Bavarian Inn Perks Club Loyalty Program is an award-winning enterprise loyalty program, where members earn points based on purchases at any of the Bavarian Inn entities redeemable towards dining, shopping & lodging as well as special “extended family” membership privileges. Snipp loyalty technology solution has automated the previously manual processes and unified the many participating locations through a technology integration for an enhanced and seamless member experience bringing the 26,000+ loyal families into the 21st century of loyalty clubs.

REFERENCES

<https://marketingland.com/retail-game-changers-millennial-gen-z-shoppers-brick-mortars-essential-future-226011>

<https://www.statista.com/statistics/201182/forecast-of-smartphone-users-in-the-us/>

<https://www.chainstoreage.com/news/five-things-retailers-need-know-millennials-baby-boomers/>

<https://www.retaildive.com/news/nrf-98-of-gen-z-shop-in-stores-some-or-most-of-the-time/521176/>

<https://www.retaildive.com/ex/mobilecommercedaily/older-generations-adopt-a-shopping-initiated-move-towards-mobile-study>

<https://www.econsultancy.com/blog/69455-five-new-and-innovative-examples-of-augmented-reality-in-retail-apps>

<https://r-stylelab.com/company/blog/iot/internet-of-things-in-retail-meet-smartstores>

<https://www.oracle.com/corporate/pressrelease/oic18-loyalty-divide-retail-041218.html>

<https://www.retaildive.com/news/best-buy-taps-amazons-alexa-for-voice-ordering/510133/>

<https://www.forbes.com/sites/bryanpearson/2018/03/15/3-ways-retailers-can-use-facial-recognition-to-express-better-experiences/#598c5c4c1766>

<https://www.essentialretail.com/news/530b0c21ced70-shoe-retailers-step-forward-with-new-technology/>

<https://www.retaildive.com/news/report-walmart-developing-facial-recognition-tech/447478/>

<https://www.insider-trends.com/top-25-examples-internet-things-retail/>

<https://www.bondinsights.com/the-loyalty-report-2018-press-release/>

<https://marketingland.com/7-biggest-trends-driving-customer-loyalty-232518>

<https://blog.accessdevelopment.com/customer-loyalty-statistics-2017-edition>

CONTACT US

 www.snipp.com

 lets.talk@snipp.com

 www.twitter.com/snippinc

 www.facebook.com/SnippInc

 www.linkedin.com/company/snipp

Snipp is a global loyalty and promotions company with a singular focus: to develop disruptive engagement platforms that generate insights and drive sales. Our solutions include shopper marketing promotions, loyalty, rewards, rebates and data analytics, all of which are seamlessly integrated to provide a one-stop marketing technology platform. We also provide the services and expertise to design, execute and promote client programs. SnippCheck, our receipt processing engine, is the market leader for receipt-based purchase validation; SnippLoyalty is the only unified loyalty solution in the market for CPG brands. Snipp has powered hundreds of programs for Fortune 1000 brands and world-class agencies and partners.