

Where Retailers Should Make their Technology Investments in 2021 and Beyond

February 2021

Table of Contents

INTRODUCTION

Scope

Key findings

STATE OF RETAIL TECH

Consumers are more comfortable with tech-infused retail experiences

COVID-19 accelerated the digital transformation across retail ecosystem

Crisis put a spotlight on the power of technology across retail operations

Key areas of retail tech investment that will be explored in this report

SPOTLIGHT: ONLINE DISCOVERY

Crisis-inspired e-commerce boom expected to lead to a long-term shift

Most preferred online features focus on improved delivery and checkout

Top use cases have thus far focused on website's foundational aspects

Virtual try-ons enable brands to enhance the online experience

Case study: IKEA continues to develop virtual shopping features

Using AR/VR to replicate physical experience shows the greatest promise

SPOTLIGHT: DIGITAL PAYMENTS

Easy checkout is becoming fundamental to the e-commerce experience

Ease of use is the top reason consumers use digital wallets

Consumers abandon online purchases for delivery rather than payment

COVID-19 drives interest in contactless payment options

Case study: Visa reports surge in contactless payments usage globally

Futuristic payment experiences are viewed as long-term propositions

Virtual assistants have the potential to change how consumers pay

SPOTLIGHT: DELIVERY AND COLLECTION

Rise in e-commerce is forcing a reinvention of the last mile experience

Cost outweighs speed in terms of desired delivery features

Consumer spotlight: Chileans have strongest desire for click-and-collect

Tech products are the most common click-and-collect purchases

Case study: Best Buy staved off sales decline by adding kerbside pick-up

Almost half of consumers are open to robots or drones making deliveries

Consumer spotlight: Chinese most open to robotic or drone delivery

Case study: Meituan Dianping unveils robotic delivery in February

Delivery initiatives expected to gain more momentum in years to come

SPOTLIGHT: IN-STORE EXPERIENCE

Despite the 2020 surge in e-commerce, stores will continue to play a role

Consumers see greatest value from checkout-free options

Virtual fitting rooms appeal to those who view shopping as an experience

Case study: AI-powered Fit:Match tech reduces need to try on clothes

Case study: SenseMi offers virtual fitting in store and online environments

Big city consumers are most open to in-store assistance from robots

One-fifth of retail professionals said crisis sped up in-store tech initiatives

KEY TAKEAWAYS

Why retailers and consumer brands should invest in new technologies

When and where retailers should be making retail tech investments

Successful retail tech innovation comes down to these key factors

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