Digital Retail Innovations 2014

Profiling digitally-driven innovation in retail

Glynn Davis Retailinsider.com

#digitalinnovation

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Contents

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within the UK
and Ireland.
GLYNN DAVIS

Welcome to the first **Retail Insider Digital Retail Innovations** report that aims to highlight some of the more interesting developments taking place in the retail sector in 2014.

Innovation has always had a role in this dynamic sector but we are currently in a period when the impact of digital technology is having a particularly significant effect on the industry.

Such is the necessity for retailers to bring about change to many of their increasingly out-dated ways of working that there has arguably never been a time when they have been so innovation-minded.

The effect of digital technologies is forcing seismic change on how retailers operate, which is on the one hand a bit of a headache. Conversely, for those merchants who are up to the challenge, it is providing very fertile ground for innovations to emerge.

As a result lots of fascinating initiatives, pilots, trials, and experiments are being undertaken, which is certainly creating an exciting time for retail executives and consumers alike.

The intention of this report is to throw the spotlight on some of the most interesting and potentially impactful of these digitally-driven innovations within the UK and Ireland.

The Top 45 list also encompasses some leisure organisations as they are leading the way in specific areas – notably mobile payment applications – which may have a decent chance of adoption within the broader retail industry. Some overseas innovations have also been included in a separate table as these could provide pointers as to where the UK could be headed.

This is far from being an exhaustive list – which would have been rather a tall order to complete – but it has instead sought to draw together some of the most widely recognised innovations alongside some lesser known and newer ones that have the potential to make a difference in the sector.

The Advisory Panel has been the essential ingredient in the creation of this report and in helping rank the innovations in order. As such I would very much like to thank them for their time and diligence during this process.

Finally I would also like to express my thanks to Webloyalty for their sponsorship of this report. The intention is to have it as an annual production that will act as a barometer on the levels of digital innovation in the retail sector.

GLYNN DAVIS
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I'd like to congratulate all of the businesses that we've mentioned in this report. From small retailers with smart ideas, to big brands with far-reaching influence, you are all helping to drive the sector forward.

GUY CHISWICK

I'm very proud for Webloyalty to be the sole sponsor of the first **Retail Insider Digital Retail Innovations** report.

I'd like to start by saying a big thank you to Glynn Davis, the author and driving force behind this report. It's an idea we discussed at the beginning of this year, and Glynn's done an excellent job of convincing his industry contacts to take part as members of the Advisory Panel, gathering ideas and producing what is the comprehensive and carefully complied report that you're reading now.

Also, I'd like to say a very big thank you to the 12 Advisory Panel members. Without their input, we couldn't have bought this idea to life. Their expert knowledge and hands on experience of ecommerce and retail has been invaluable, and I really appreciate the time that they've put into this.

At Webloyalty, we work with many leading online retailers in the UK, Ireland, and internationally, and I'm constantly impressed with the innovative ways they use new technologies, adapt to changing behaviour and deliver clever solutions to delight and impress consumers.

'Retail' is of course an incredibly broad category, and this is something we've tried to reflect in the list of innovations that we've showcased. I'd like to congratulate all of the businesses that we've mentioned in this report. From small retailers with smart ideas, to big brands with far-reaching influence, they're all helping to drive the sector forward.

In the last decade, we've seen a fundamental shift in the way people shop. Digital's had a huge impact on everything from promotion, to payment, to customer loyalty. With the tech sector in Ireland continuing to thrive and David Cameron backing plans to create a London technology hub to rival Silicon Valley, I look forward to seeing what future editions of this report will contain.

I hope you all will find this report as interesting as I have, and please do get in touch with your thoughts and feedback.

GUY CHISWICK
Managing Director, Webloyalty Northern Europe
@Webloyalty_Guy

Advisory panel

PETER WILLIAMS – chairman, Boohoo.com

Holds a variety of positions including the chairman's role at boohoo.com, Mister Spex, and OfficeTeam. He is also a non-executive director at Rightmove, Cineworld Group, Sportech and is a trustee of the Design Council. During his executive career he was chief executive at both Selfridges and Alpha Airports. He has also served on the boards of Asos, Blacks Leisure Group, JJB Sports, EMI, Silverstone, Erno Laszlo, Capital Radio plc and GCap Media plc.

JOHN BOVILL – IT and e-commerce director, Monsoon Accessorize

Joined Monsoon Accessorize in July 2013 as a member of the operational board, with responsibility for the full e-commerce P&L as well as the digital and technology strategy. Previously worked at Jacques Vert Group as Commercial Director and prior to that he spent a number of years at Aurora Fashions, assuming three roles during his tenure – supply controller, business development director and group IT director.

MARTIN NEWMAN – CEO, Practicology

Has been involved with multi-channel retail for more than 25 years – presently at strategic consultancy Practicology, which he founded. This followed a variety of roles that included head of e-commerce for both Burberry and Ted Baker, interim director of e-commerce for Pentland Brands, and head of marketing for Harrods' home shopping division. He is also a non-executive director of Conviviality Retail and sits on the advisory board of Wiggle.

CRAIG SMITH – e-commerce programme manager, Marks & Spencer

Currently responsible for leading the digital transformation in-store at M&S. Previously worked with several large multi-channel retailers including Tesco, Sainsbury's and Michaels Stores in the US. Also runs the popular retail innovation website www.Retail-innovation.com.

SHEILA BUCKLEY – founder, Digital Avenue

Set up Digital Avenue in 2012 and has a broad client base including RTE Digital, Littlewoods Ireland, Market Match and Brand Alley UK focusing on CRM, data and e-commerce business development. She has held many senior roles in the telecoms and retail sectors including head of online product development at O2 Telefonica and head of online for CPW Ireland. Also Spearheaded Ireland's only e-commerce retail industry group eTail Excellence Ireland in 2013.

SCOTT WEAVERS-WRIGHT, founder, Haatch

Launched new business venture, Haatch, in September 2013 as an incubator focusing on investments within the e-commerce and digital space. With an investment focus on graduates and start-ups in the digital realm the aim is for Haatch to provide much more than desk space and capital – it is set up as a collaboreative environment to nurture young businesses. Previously founder and CEO of Kiddicare.com before it was sold to Morrisons's where he held the position of non-food managing director and chief architect of Morrisons.com

PAUL WILKINSON – IT specialist in research, Tesco

Has the job of finding the best technology out there to make life easier – for Tesco customers and colleagues. His remit is to help people experience the future today as technology changes the way they shop. This involves dealing with the likes of Microsoft and Google as well as start-ups and then bringing back ideas to Tesco and figuring out how to make them work for the company.

DANIEL LUCHT – global research director, Research Farm

Leads a team of analysts and consultants, with a remit that includes developing strategic content and new revenue streams, as well as corporate planning. Daniel has over a decade of experience analysing the sector and identifying latest industry trends, working with FMCG companies and retailers such as Tesco, Nestle and Disney.

JOE TARRAGANO – director, Transform UK

Leads the retail practice at management consultancy Transform, working with a number of major retailers including Argos, Homebase, Tesco and Debenhams on their digital transformations and how they embed innovation and customer-centred thinking into their businesses. He joined Transform last year from eBay, where for 6 years he ran the retail business.

DAVID SMITH – solutions manager (digital), GS1 UK

Joined GS1 UK in June 2013 to develop and lead their digital retail engagement strategy. Prior to that he spent a year with the GLD Group developing their online retail strategies for a number of their clothing and footwear brands including Addict, Superga, Amplified Clothing and Kappa. He previously spent five years as director of operations at the online retail membership organisation IMRG. His earlier years were spent in sports publishing and at the Football Association.

SPENCER IZARD – European head, IDC Retail Insights

Manages IDC Retail Insights across Europe, providing advisory services, research, and consulting to end-user organisations and IT vendors operating in, and serving, the retail sector across Europe and globally. He also supports leading retail organisations in driving process optimisation and business change management across geographies and retail segments.

ELISA CECILLI – head of strategic insights, Portland Design

Currently heads up the strategic insights division of Portland Design where she has been since September 2013. Other roles have included innovation researcher at GDR Creative Intelligence and trend researcher at Canvas8.

The methodology

Following consultation with a broad selection of individuals across the retail industry – encompassing analysts, senior retailers, researchers, and IT specialists – a long list of digitally-driven innovations was drawn up.

During this process, and deliberations with some individuals on the Advisory Panel, this list was reduced down to 45 innovations from the UK and Ireland and an additional 10 from overseas.

Each innovation on the list was then scored privately by members of the Advisory Panel on four criteria:

• how innovative
• how potentially commercial
• potential influence across the sector
• potential benefit to consumers

Each criteria was scored out of a possible 20 by each Panel member for each innovation, which created a total score out of 960. Collation of these scores helped create four tables, based on each of the criteria, as well as a table for the all-important overall score.

The final report contains a separate Top 15 table for each of these four criteria as well as Top 45 for the overall score. In addition there is a Top 10 table for the overall score attributed to the overseas innovations.

INNOVATION RANKINGS

Position and score out of 960

1
753

Google Glass

It is very early days for wearable technology but the most high profile device to date by a long way is Google Glass eyewear that has gone through various iterations and has recently been made available to consumers in the US for a limited period for $1,500. It is very much in the domain of early adopters but this will no doubt change as a result of Google entering into a partnership with the eyewear company Luxottica, owners of the Ray-Ban and Oakley brands, to offer additional frame designs. Glass can be controlled by voice actions, with wearers saying an action, such as 'Take a picture', 'Record a video', and asking for directions as well as 'Send a message to…' For search results that are read back to the user, the voice response is relayed in a way that makes it almost inaudible to other people. The potential applications to retailers are without doubt significant.

2
748

DPD 'Follow My Parcel'

Asos is taking advantage of the various leading-edge DPD home delivery options, including its Predict service that notifies customers of parcel delivery within one hour thereby ensuring they do not have to wait in all day. This has been supplemented by the My Parcel service that allows the visual tracking of the parcel on a real-time map – down to a final 15-minute time-slot. The latest addition is access to five 'in-flight' options that can be taken the night before delivery and which allow customers to make a change to their delivery schedule that can now include deliver-to-safe-place, and collect-from-nearest-depot. Sunday deliveries have also recently been added.

3
709

InPost / London Underground lockers

Asda, Tesco and Waitrose are the first retailers to utilise online collection points at various London Underground stations that involve specially created lockers from parcel delivery firm InPost. The idea is for online-ordered goods to be collected by consumers when they are travelling through the tube station, in what it the latest example of click & collect lockers being placed in convenient locations where high levels of footfall are guaranteed.

4
692

Starbucks pre-ordering app

Meeting the requests of customers looking to reduce the amount of time they spend queuing for their coffee in Starbucks outlets the company has been trialling an app to allow pre-ordering of food and drink. Customers can order when in-line or before visiting one of the cafés. Such initiatives compliment Starbuck's other app functionality that has helped store transactions handled by mobile devices grow to account for as much as 11% of US store sales and predictions are that it will double over the next 12 months.

5
688

PayPal 'Order Ahead' and 'Pay at Table'

Three major restaurant chains Wagamama, Prezzo and Gourmet Burger Kitchen are using PayPal's Order Ahead and Pay at Table features that operate through an app. This allows take-away meals to be ordered ahead of collection and to also be paid for, thereby saving time. The Pay at Table functionality allows customers to view, split and pay, their bill directly from the mobile device without any employee intervention. The app also helps the chains with customer insights and satisfaction levels.

INNOVATION RANKINGS

Position and
score out
of 960

6
661

Westfield London / Collect+

Collect+ @ Westfield is a specially created luxury service hub that enables customers to collect orders that they have bought online and allows them to try the items on in the dedicated fitting rooms. This addition of the trying-on aspect to what is effectively a click & collect-type service creates an immersive multi-channel experience for shoppers and is a strong example of mixing digital with physical. Part of its appeal is that it ensures customers avoid having to make return trips for any goods that need to be sent back to the retailer.

7
655

McDonald's digital stores

The front-of-house area is the subject of a variety of ongoing pilots at a number of UK outlets of the burger chain. Kiosks are one area of experimentation as the company is keen to offer customers choice in how they use McDonald's. Orders are transferred onto a visible order board at the front counter that shows if a customer's food is ready or being prepared. Free Wi-Fi and contactless payment platforms are already in place in all McDonald's UK stores and there is the potential for handheld ordering technologies to be implemented for queue-busting. iPads have also been installed for keeping children entertained.

8
650

PayPal face recognition

In West London 12 small merchants have taken part in a trial to operate a payment system that lets customers make mobile purchases with their PayPal account using face recognition. The app highlighted participating merchants on a shopper's mobile phone and enabled them to check into a store by clicking on its name. Goods could be purchased by sliding an animated pin down the screen, at which point the person's name and photograph appeared on the store's payment system. The store employee then simply clicked on the customer's photo to verify the payment. PayPal has highlighted the trial as part of the journey that customers and retailers are making towards a wallet-free high street.

9
646

IKEA augmented reality app

IKEA's most recent app – for its 2014 catalogue – allows customers' to design their own rooms on their mobile devices thereby helping bring augmented reality firmly into the mainstream. It is possible to virtually place items from the catalogue around the image of customers' own rooms, and thereby work out if they are the right size, fit, colour, and style, before committing to making a purchase. It is also possible to view digital 'extras' such as 3D furniture, videos, alternative views of the room, and the option to mix-and-match things such as table legs and tops. As well as the serious business of room design, users can also have some fun with the system to create unusual interior landscapes – incorporating images of family members in among the furniture.

10
644

Eagle Eye / Greggs Rewards

By registering for a Greggs Rewards account - via an app or online – the food retailers' customers are able to top-up their accounts, which can then be used to pay swiftly for their purchases in-store. This is the first entirely digital loyalty programme in the UK, which records all customer purchases and rewards them with exclusive offers and treats. Created by Eagle Eye, the solution combines cash-less payment with a loyalty dynamic that suits the high frequency of visits prevalent among many of Greggs' customers.

11

638

Wahaca / FlyPay waiter-less payments

Mexican restaurant chain Wahaca has implemented a waiter-less payments app that enables diners to pay - including the splitting of bills - using their smart-phones in under a minute. Once the app has been downloaded the FlyPay solution enables the retrieving of a customer's bill via QR codes and NFC tags. The solution also allows restaurants like Wahaca to improve their digital marketing activities by being able to personalise the experience and to link into loyalty programmes. Although Wahaca uses the FlyPay pay-at-table solution it also has an order-ahead app that is being used by Burrito Mama.

12

627

B&Q 'Spaces' virtual designing

This is a major initiative at B&Q that enables 3D kitchen design to be undertaken in-store and at home via the B&Q website – with the solution accessible on all devices. It allows customers to design, order the relevant materials/items, have them delivered, and get them all fitted. It enables them to create the outline of their kitchen and view it in 3D as well as change the colours. Such has been its success that it is being rolled out to other categories – possibly to gardens and bathrooms.

13

627

Volvo roaming delivery service

Car maker Volvo is the first company to pilot what is being described as a 'roaming delivery' service whereby drivers can have online-ordered goods delivered to their cars by courier companies. The delivery firms use digital keys to lock and unlock cars for a controlled period of time. The owners of the cars will be able to track their vehicle using an app that indicates when it has been locked and unlocked, thereby indicating that the delivery has been made. The solution leverages the Volvo 'On-Call' app that notifies drivers where they have parked their car. This is another solution that has potential value to retailers – should it be possible to operate across car manufacturers.

14

626

Zapp

Among the myriad mobile payment solutions and digital wallets being launched, Zapp is regarded as one of the most likely to succeed as it already has the support of some major banking groups including HSBC, First Direct and Nationwide. Zapp utilises the Faster Payments infrastructure that has to date been mainly used to transfer money between banks – for the likes of standing orders – on a business-to-business basis. Zapp brings it into the business-to-consumer territory and will enable swift payments to be made from mobile devices (initially for online payments) at a competitive price for merchants compared with them using the card schemes.

15

626

eBay / PhiSix 3D virtual dressing room

eBay liked the product so much, it bought the company. PhiSix has developed a 3D visualisation and simulation technology for clothing that eBay will be introducing to its site – across marketplace, mobile and third-party retailers. The graphics company creates 3D models of clothing from photos, pattern files, and other sources, and simulates the behaviour of the garments doing different actions. Its technology allows consumers to see how clothes fit, and look, as well as how they move in different environments without the need to try them on. The idea will no doubt be for eBay to operate a virtual fitting room where shoppers can determine the fit of items using physically accurate simulations of the clothing. PhiSix is also able to recommend a size for the user's body based on basic measurement inputs.

Position and score out of 960

16
624

Burberry Beauty Box store

Burberry continues to position itself at the forefront of digital innovation in-store with its flagship outlets using interactive mirrors that react to microchips in the clothes and show wearers product information, as well as videos of the look-on-the-catwalk. Its new incarnation the Beauty Box store was designed to further blur the physical and digital boundaries with digital screens, a 16ft 'digital chandelier' showcasing monthly beauty content over multiple screens, and no tills. There is also a Digital Runway Nail Bar, where customers place a Burberry nail polish onto an RFID-enabled platform and choose their skin-tone in order to virtually experience the selected nail shade.

17
623

Schuh video call centre

Shoe retailer continues to develop its multi-channel proposition without complicating the journey for shoppers and its creation of a live video help service fits this ethos. Around 20 desks at its call centre have been given video capability and five are being added each year. Such is their appeal that 50% of engagements are now via video, with customers connecting to Schuh agents to ask often simple questions about things like colours and sizes. These interactions greatly add to the bottom line as the value of orders involving such a rich engagement are 10-15% higher and the conversion rate is four-times greater.

18
621

EAT / iBeacons

Eat is an early adopter of iBeacon technology in the UK and follows Macy's in the US and Apple itself in using the technology to send tailored messages to customers when they pass through certain parts of the store and are identified by the Bluetooth-enabled iBeacon devices. As well as promoting offers to EAT customers the retailer will also be able to track their movements. Although there are clearly privacy issues the potential of this low-energy technology in the retail sector is potentially significant.

19
619

Tesco electronic shelf-edge labels

Electronic pricing is moving ever closer, with a number of retailers undertaking trials including Dixons, Kingfisher and Tesco. The latter has been testing it within stores in Hungary – as well as at its Letchworth in Hertfordshire outlet – and is to roll out the solution much more widely. Using e-ink technology, the same as e-book readers, Tesco is able to change prices instantly. This means big cost reductions and time savings can be enjoyed as well as much less chance of errors because control is directly from a central system.

20
619

Good Food Talks

Giving visually impaired people access to menus via an audible app sounds like an obvious idea but such a solution has not been developed before now. With the Good Food Talks app users select their preferred method of reading the menu – either the text is read out or a zoom function can be employed. The app is free to diners while businesses pay an annual subscription that ensures the menus are kept up to date. Carluccio's was the first operator to use the solution and it has been followed by pub company Oakman Inns.
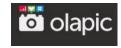
21 Asos / Olapic crowd-sourcing images

617

The US-based firm Olapic is enabling retailers like Asos to integrate photos and videos taken by their customers and shared on social media into the brand's platform. Olapic is able to pick up the images, provided they have been given as designated hashtag, and aggregate them into a neat comprehensible stream. It is then possible for shoppers to click on the photo to view other user-generated images or to purchase the items directly from the photo. Olapic works with clients like Asos to determine which images deliver a greater rate of conversion and can work to pull similar photos from its customers. The technology is disrupting the way retailers showcase their products online, with Olapic reporting that brands typically see an average increase in sales of 7% from using the technology.

22 Asda 3D printing

609

The UK grocer was early to spot the potential for mainstream 3D printing when it offered a limited run service in October 2013 to produce 3D personalised figures – that sold for £40 each – at its York store. Utilising the expertise from parent company Wal-Mart's labs in the US Asda used 3D printing technology to produce the full colour mini figures that proved very popular with its shoppers. The supermarket recently embarked on a 50-store '3D Printing Road-show' that further highlights its belief in the long-term potential of the technology.

23 Asos / Editd buyer intelligence

608

Asos gives many of its fashion buyers' access to the subscription service of Editd that aggregates fashion trends and retail information, mood boards and social media to help them make better informed decisions. An easy to use interface allows buyers to easily compare the performance of brands and to look at price-points for particular trends. Asos has claimed the data insights derived from Editd has helped it structure its pricing more competitively and drive revenue up 37% in the last quarter of 2013. Editd is also used by Target and Gap in the US.

24 Amazon predictive shipping

607

As part of its ongoing intent to up-the-pace of delivery competitiveness Amazon filed a patent for what it calls 'anticipatory shipping' whereby the online retailer would box and ship products it expects customers in a specific area will want in the future but that they haven't yet ordered. The packages could wait at the shippers' hubs or on trucks until an order arrives. The company might fill out partial street addresses or postcodes to get items closer to where customers need them, and later complete the label in transit. For large apartment buildings, a package without addressee information may be speculatively shipped to a physical address that has a number of tenants. To determine what it ships Amazon will use data including previous orders, product searches, wish-lists, shopping-cart contents, and returns. Amazon has stated that the predictive shipping method might work particularly well for a popular book or other items that customers want on the day they are released.

25 DFS / LOFT 3D room planning

604

The furniture retailer has successfully been utilising an iPad app, the 'Sofa and Room Planner', which is used by both customers and DFS employees on the shop-floor to plan a customer's room. The solution is being enhanced using Loft technology that allows customers to upload photographs of the rooms that they wish to decorate and to view how various DFS products would look in that space in a 3D rendering. This offers a much richer experience that can be viewed via a typical app or web solution.

INNOVATION RANKINGS
Top 45 – Digital retail innovations

26

600

Argos digital stores

Argos took a radical leap forward when it opened its first digital stores before Christmas 2013 that introduced a variety of digital initiatives. Among them was the replacement of its paper-based catalogues with tablets and iPads with the option for customers to order and pay at this point and thereby pass directly through to FastTrack desks. Free Wi-Fi is also provided as part of a total upgrade of the stores where the design is now super sleek and features large dynamic displays that show real-time information such as weather updates and social media. Argos is also installing NFC capability into some of its outlets that will give customers access to special offers on their mobile devices. The retailer is also planning to open smaller format stores to take advantage of its click & collect capability that leverages delivery-from-store.

27

600

Hubbub empowering independents

This young company seeks to give independent food stores on the high street the same multi-channel capabilities as the supermarkets. Starting in North London it gives specialist shops in the area an online proposition on the Hubbub website from where it collates the online orders for customers into a single basket. It then collects the goods from each of the physical stores and provides an online delivery service to the customer's home. An app has also been made available to put further digital capabilities into the hands of the growing band of small retailers signed up with Hubbub.

28

594

Carphone Warehouse iPads and PinPoint

To address the consumer shift to mobile devices Carphone Warehouse has equipped all its store employees with tablets in order that they can access its PinPoint app. This is a needs-analysis tool incorporating a live tariff checker that also utilises other live data to determine recommendations for individual customers. There is also a customer-focused app Honeybee that provides similar functionality and can be seamlessly linked to PinPoint to ensure the customer's shopping journey is consistent regardless of whether they are in-store or at home.

29

591

Decathlon RFID/mobile in-store capability

The sports goods group had developed its own RFID solution that is being rolled out to its 700 stores (in 18 countries) to form a major part of Decathlon's mobility strategy for in-store. This involves the development of a smart device/tablet solution for the shop assistants to use around the stores, which when combined with the RFID-tagged products creates a powerful multi-channel capability. Store employees no longer need to use the in-store PCs to access additional product information, orders can be taken on the devices, and stock availability can be queried, along with other advanced functionality.

30
578

Tesco augmented reality shelf-management

A development with the research labs of IBM in Israel has resulted in Tesco trialling a solution that enables store employees to photograph shelves of products on digital devices, which are then identified by image recognition technology. Onto this is superimposed an augmented reality version of what the shelf should look like whereby it is possible to identify any deviations from the plan, which can be corrected. The technology also has a shopper aspect as it can identify specific products and then display relevant information – using augmented reality – on their digital devices above the image and rank items according to criteria like nutritional value.

31
576

Euclid Zero footfall monitoring

Silicon Valley-based Euclid has developed a simple software solution to enable the monitoring of customer behaviour in-store via their mobile devices. The solution works on retailer's Wi-Fi networks that pick up the customer's presence in-store – based on an opt-in policy – which enables the collation of metrics such as engagement rate, visit duration and frequency. This all helps to optimise the performance of the retailer's marketing activities. It is possible to compare behaviours at different stores and undertake A/B testing to develop the most effective in-store promotions. The solution requires no integration and is simply activated from the retailer's Wi-Fi control panel.

32
565

Tesco / Amscreen OptimEyes facial recognition

Bringing facial recognition into retail stores, the Amscreen OptimEyes solution scans the faces of customers to determine age and sex that then enables tailored adverts to be run on screens in-store. It is being trialled with major retailers including Tesco forecourts. As well as adding to the theatre in-store and potentially driving extra revenue from major brand advertisers, the solution also has the potential for customer monitoring around stores and for incorporation into loyalty programmes.

33
553

N. Brown digital stores

The catalogue and online retailer continues to build its multi-channel offering by opening physical stores under its dual Simply Be / Jacamo brand and has set a target of 25 such units. They showcase a variety of in-store technologies including: iPads for employees; magic mirror style changing rooms where customers can take photos that can then be emailed or posted on Facebook; and touch-point solutions that allow customers to access the full range of products while shopping the store's limited ranges. These shops are at heart physical showcases for the broader N. Brown online offering. Among the many benefits of the stores is that their heavy use of technology has enabled the retailer to more richly engage with its customers and collect emails for ongoing communications.

34
549

Uniqlo magic mirrors

Uniqlo has implemented 'Magic Mirror' technology in a number of its stores in partnership with Sharp and DNP technologies, which allows customers to try on garments in different colours without having to physically change clothes. From an iPad app, customers can select various styles and colours and when they look in the mirror, whatever colour or style they have picked it is instantly transformed onto the image in the mirror. A picture can also be taken from the app that can then be emailed or posted onto social media platforms. There are ambitions to roll out the technology across Uniqlo stores in what is the first step on the road to a completely virtual fitting room for the clothing retailer.

35

536

Waitrose digital store

The grocer's Swindon store brings together various innovations and in-store systems that the company has been trialling in various parts of its business and is the test-bed for a number of new digital initiatives that will likely appear at other outlets across its portfolio as the company look to further build its multi-channel credentials. Touch-screen devices have been placed around the store for customers to access additional product information and Waitrose's online services. A large LCD screen sits in the beers, wines and spirits section to add some theatre, and in the café area screens will be used to introduce shoppers to Waitrose TV that has an interactive aspect. Other trials using iBeacons to allow the grocer's Quick Check (scan & go) service to be used on customers' mobile devices is also planned.

36

535

Micksgarage.com photo delivery confirmation

A very simple digital initiative has helped Ireland-based car parts and accessories retailer Micksgarage.com massively reduce its level of customer complaints via its call centre and had a positive impact on the care and attention paid by its workforce on the packaging line. As a last step in the despatch of orders a photograph of the fully packaged box is taken and sent to the customer within their order-despatch/tracking email. By being able to provide pictures of each parcel it has been easier for customers to find and recover lost items. Such a move has helped emphasise the company's association with technology, innovation, and automation – that is not typical in its category – and has driven repeat purchases while also ensuring cost control through improved logistics management.

37

529

Tictail online shops

Based in Sweden, Tictail, enables online stores to be created in only minutes by small independent merchants looking for a painless and cost-efficient way to trade online – with PayPal as the free payment option. Since setting up in 2012 it has attracted over 35,000 stores in 110 countries, with the UK one of its main markets. The initial service is free and the company makes its revenues from retailers taking up its additional services that are available in Tictail's app store, which include distributing promotional offers and live chat.

38

514

Boxpark Market Place

Shopping mall Boxpark, which is made out of old shipping containers, has added a digital arm in partnership with eBay. It gives the merchants in its mall (many of which are independents) the ability to trade from an online store that will be housed within the Boxpark Market Place. Additional multi-channel capability is provided by an app and an iPad Point-of-Sale system that can be used by sales employees in the physical Boxpark mall to accept cashless transactions. The simple functionality of the solution enables the easy sharing of images across social media platforms.

39 Shop Direct / Quill leveraging content

514

Rather than use paid media to differentiate its brands online, Shop Direct is using the 'content marketing' skills of Quill. This involves Quill's network of specialist content creators around the world – writers, editors, graphic designers, photographers and video producers – working on its web-based platform, which ensures every creator and each piece of content is quality controlled. This configuration offers businesses a more cost-effective, scalable and agile alternative for the production and distribution of tailored, multi-language content than is possible in-house or via traditional publisher and agency models. Shop Direct uses this varied content for product category information, recent trends, on-brand editorial pieces, and info-graphics. This approach to online content has helped Shop Direct improve its organic search visibility – with SEO traffic up 25% year-on-year.

40 Argos / Blippar augmented reality catalogue

513

Argos has teamed up with augmented reality app developer Blippar to bring its paper-based catalogues into the digital age. Once customers have downloaded the app they can scan products from the retailer's physical catalogue to view additional information via their mobile device – including video. Once directed to the website through the app, customers have the option to discover further details about each product, reserve items for collection, or purchase products for delivery. This gives each consumer the opportunity to choose the channel that best meets their requirements, creating a more convenient customer experience, and freeing up its in-store employees to concentrate on more value-added customer service activities.

41 Courtney Lennon Frockadvisor app

510

Ireland-based fashion brand Courtney Lennon created the Frockadvisor app – a customer service and engagement platform that links retailers with their loyal customers. It is joined by invitation or approval thereby creating a circle of excellence where rich and engaging content is created for the end-customer. Within Frockadvisor is Fotocon, which enables fashion fans to post a picture of a product they like onto the platform, hit 'want', and a notification is then sent to the retailers and brands in their preference list. The retailer can then photograph something similar that they have in stock, on their mobile device, and push it back directly into the hands of the potential customer. The Frockadvisor payment gateway provides a full service solution for purchases to be made on the platform.

42 Topshop / Oculus Rift virtual reality catwalk

491

The fashion chain took a major step into the future when it used Oculus Rift virtual reality headsets to give a group of customers a chance to virtually sit on the front row at London Fashion Show. The headsets give shoppers a 360 degree virtual view and for the Topshop initiative they took in a live runway feed as well as some backstage action. This is one example of how new virtual reality technology from the likes of Facebook-owned Oculus Rift can be used to enhance the in-store experience for customers.

43

476

Karl Lagerfeld digital flagships

The fashion designer's new flagship store on London's Regent Street is fully embracing digital technology with iPads fitted into the changing room walls to allow shoppers to take photos and share them on social media platforms. There are also iPad Minis located on the display racks to enable customers to pull up further information and to explore the entire Lagerfeld collection online. The technology had earlier been deployed at the brand's Paris and Amsterdam flagship outlets.

44

471

'My Westfield' personalised shopping app

Shoppers at both Westfield London and Westfield Stratford City malls can enjoy a personalised shopping experience on their mobiles via an app that enables them to vote for the brands they like and dislike. Customer profiles are then built up from 600 interests, 2,000 brand affinities and 84 demographics fields based on the retailers and the content they like the best. They can then be kept up to date with relevant offers and events as well as receiving tailored messages from their favoured retailers such as Debenhams, House of Fraser and John Lewis who are among the many names to sign-up to the app.

45

412

South Shields shopping wall

The combined efforts of South Tyneside Council and City Dressing have enabled four local retailers to gain a presence on the high street and also give a use to a vacant shop unit. They have created a digital shopping wall in the empty shop that features each of these selected merchants who have an individual QR code that can be scanned by shoppers and takes them to the relevant online store.

INNOVATION RANKINGS

Top 15 – How innovative

1	Google Glass
2	Volvo roaming delivery service
3	PayPal face recognition
4	Asda 3D printing
5	Topshop /Oculus Rift virtual reality catwalk
6	Amazon predictive shipping
7	PayPal 'Order Ahead' and 'Pay at Table'
8	DPD 'Follow My Parcel'
9	Burberry Beauty Box store
10	Wahaca / FlyPay waiter-less payments
11	Asos / Olapic crowd-sourcing images
12	Tesco / Amscreen OptimEyes facial recognition
13	EAT / iBeacons
14	Tesco augmented reality shelf-management
15	Hubbub empowering independents

Top 15 – How potentially commercial

1	DPD 'Follow My Parcel'
2	InPost / London Underground lockers
3	Tesco electronic shelf-edge labels
4	PayPal 'Order Ahead' and 'Pay at Table'
5	Starbucks pre-ordering app
6	Google Glass
7	Asos / Editd buyer intelligence
8	McDonald's digital stores
9	Zapp
10	Schuh video call centre
11	Wahaca / FlyPay waiter-less payments
12	Argos digital stores
13	Eagle Eye / Greggs Rewards
14	Euclid Zero footfall monitoring
15	Asos / Olapic crowd-sourcing images

INNOVATION RANKINGS

Top 15 – Potential influence across the sector

1	DPD 'Follow My Parcel'
2	Google Glass
3	Tesco electronic shelf-edge labels
4	InPost / London Underground lockers
5	PayPal 'Order Ahead' and 'Pay at Table'
6	Burberry Beauty Box store
7	EAT / iBeacons
8	Eagle Eye / Greggs Rewards
9	McDonald's digital stores
10	Zapp
11	IKEA augmented reality app
12	Starbucks pre-ordering app
13	Westfield London / Collect+
14	Wahaca / FlyPay waiter-less payments
15	Asos / Editd buyer intelligence

Top 15 – Potential benefit to consumers

1	DPD 'Follow My Parcel'
2	Good Food Talks
3	Starbucks pre-ordering app
4	InPost / London Underground lockers
5	Google Glass
6	PayPal 'Order Ahead' and 'Pay at Table'
7	B&Q 'Spaces' virtual room designing
8	eBay / PhiSix 3D virtual dressing room
9	McDonald's digital stores
10	IKEA augmented reality app
11	Eagle Eye / Greggs Rewards
12	Carphone Warehouse iPads and PinPoint
13	Westfield London / Collect+
14	PayPal face recognition
15	Volvo roaming delivery service

INNOVATION RANKINGS

Top 10 – Overseas

Position and score out of 960

1

676

Disney MyMagic+ wristbands

At Disney World in the US visitors can now get waterproof rubber wristbands, embedded with computer chips, instead of paper tickets. When scanned, the RFID-enabled bands act as a park entry ticket, a FastPass, a hotel room key, and a credit card. The wristbands are part of a new MyMagic+ 'vacation management system' that can track guests as they move throughout the park as RFID scanners are installed across the complex. The system is designed to track users' purchasing habits and Disney plans to use this information to devise more sophisticated and personalised experiences in which things such as messages and prices could vary between customers. For instance, if parents agree to certain settings, employees playing characters in the park can use hidden sensors to track children and their information and then surprise them by greeting them by name.

2

659

Hointer digitally-driven store

Ex-Amazon employee Nadia Shouraboura has created a unique digital shopping experience with her clothing store Hointer in Seattle. It uses mobile software and robots in the back-end to deliver a very different type of shopping experience that involves barcode scanning via a mobile app, which brings up product information, and the ability to order direct from mobile devices and have these goods waiting in the changing room. New sizes can be ordered and items rejected instantly, and payment made directly from the customer's device. All the back-end activities are handled by robots. As customers engage with the store Hointer collects a rich stream of data that it uses to constantly improve its proposition.

3

629

Macy's / Shopkick / iBeacons

US-based department store Macy's is a pioneer in trialling iBeacons and has been using the Bluetooth technology to reward shoppers entering its stores. Working with shopping rewards app Shopkick it has been able to send targeted offers to opted-in customers on a trial basis that is being extended to include a wider group.

4

617

Uber cab deliveries

Disruptive taxi service Uber is moving into the courier business, using the experience of its mobile-based taxi operation that was utilised in a short trial at Christmas to deliver goods in short time-frames across New York City. In April it showed its true intent for shaking up deliveries with its UberRush app, which allows consumers to summon couriers to make deliveries anywhere in Manhattan with a $15 starting rate that increases by $5 for every 'zone' crossed during delivery. The potential for retailers to tap into this as a premium delivery option are obvious.

5

595

Lift12 leveraging data

The Singapore-based fashion company makes design decisions on the back of lots of data, which it collects on fashion trends, pricing from fashion websites, labels, retailers and social media. Using this rich mix of data, its designers work on creating the collections, with the entire process taking between five to six weeks. This works out at about eight collections a year. Lift12 then uses a cloud-based inventory management system, which features sales analytics that allows for quicker replenishment as well as helping the company build greater intelligence on its consumers. Overall, fast cycles mean less risk, potentially more sales, and quicker adaptations of designs.

INNOVATION RANKINGS

Top 10 – Overseas

6

592

DHL crowd-sourced deliveries

DHL has been experimenting with a package delivery system in the Swedish capital of Stockholm that utilises crowd-sourcing. Through the app, MyWays, consumers are used to deliver packages to the end-customer. When a shopper has bought online the package will be available to other Stockholm residents to pick up from a DHL service point and deliver the goods at the specified time and place. In return they get the fee the original shopper negotiated with DHL. The firm is targeting people who regularly drive past a DHL service point and who don't mind making a detour for some extra income.

7

582

Auchan / Quirky crowd-sourcing products

The collaboration between France-based Auchan and Quirky is enabling the supermarket to discover new products for its customers through the crowd-sourcing route. The Quirky universe of consumers can propose ideas, which are then voted on, and improved to the point that there is some confidence in the goods being turned into final products. Auchan then uses the Quirky brand name to highlight the unique nature of this range of items in its stores. Quirky is also working with US-based home-wares retailer Bed Bath & Beyond.

8

533

Land / Synqera loyalty generator

Upmarket Russian supermarket Land has implemented the Synqera solution across its stores in St Petersburg, which comprises a compact printing device (from Star Micronics) with an interactive touch-screen. When visiting customers activate the unit with their loyalty card it can target them with relevant content and promotions via printed personalised recommendations based on predictive analysis. The devices help shoppers discover new products as well as incentivising loyalty members to purchase the special promotions. Its strength is its delivery of the targeted promotions at the actual point-of-purchase.

9

523

Sephora 3D store layout kiosk

Health and beauty retailer Sephora has introduced a kiosk into one of its megastores in China that enables customers to view the store layout in 3D. The interactive touch-screen enables shoppers to search on specific products, brands and categories. The actual location of the item within the store is then shown on the screen in a 3D representation of the outlet's layout, which makes navigation around the shop significantly easier. The screens compliment the other tablet technology that is located around the store.

10

505

Kate Spade 24-hour shop windows

US-based retailer Kate Spade created some buzz around a number of pop-ups in New York City involving the creation of 24-hour virtual stores within physical shop windows. From the touch-screens customers could order from the selected 30 items and have the deliveries made to their homes within the city in a mere one hour time-frame.

Retailinsider.com

Retailinsider.com is a free-to-subscribe blog/website that aims to adhere to its strap-line of 'Taking a look behind the obvious on the high street, online and in the City'. It's not just another news site but instead offers up a cocktail of opinions and insights on the retail industry along with the occasional leisure sector content to spice up the mix.

The regular insights are complemented by a range of carefully selected columnists, and regular slots such as Q&A's with leading e-commerce & multi-channel retailers and the 'Innovative Retailers' series.

For more information please visit retailinsider.com or follow @Retailinsider on Twitter.

Webloyalty

Webloyalty is a leading reward programme provider working with major online retailers to help them build stronger, more profitable relationships with their customers.

Through their membership programmes, Webloyalty helps their online retail partners' customers save hundreds of pounds a year while providing the partner with an additional revenue stream. As well as incentivising customers to make repeat purchases at the partner's site, they can also earn cashback and get great deals on everything from fashion to electronics to travel at hundreds of top online stores.

Webloyalty was established in the UK in 2007 and has since expanded into France, Germany, Spain, Italy, Ireland, Brazil and the Netherlands.

For more information please visit webloyalty.co.uk or follow @WebloyaltyUK on Twitter.

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Digital Retail
Innovations 2014

Can you think of a great, new digital innovation being used in the retail sector?

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