

RETAIL TREND RESEARCH

THE RETAIL REVOLUTION

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With **SONAR Trend Platform** Reply is able to create an overview and mapping of relevant trends related to **Retail Technology** based on their occurrence within expert media articles, mass media, patents and scientific publications.

SONAR

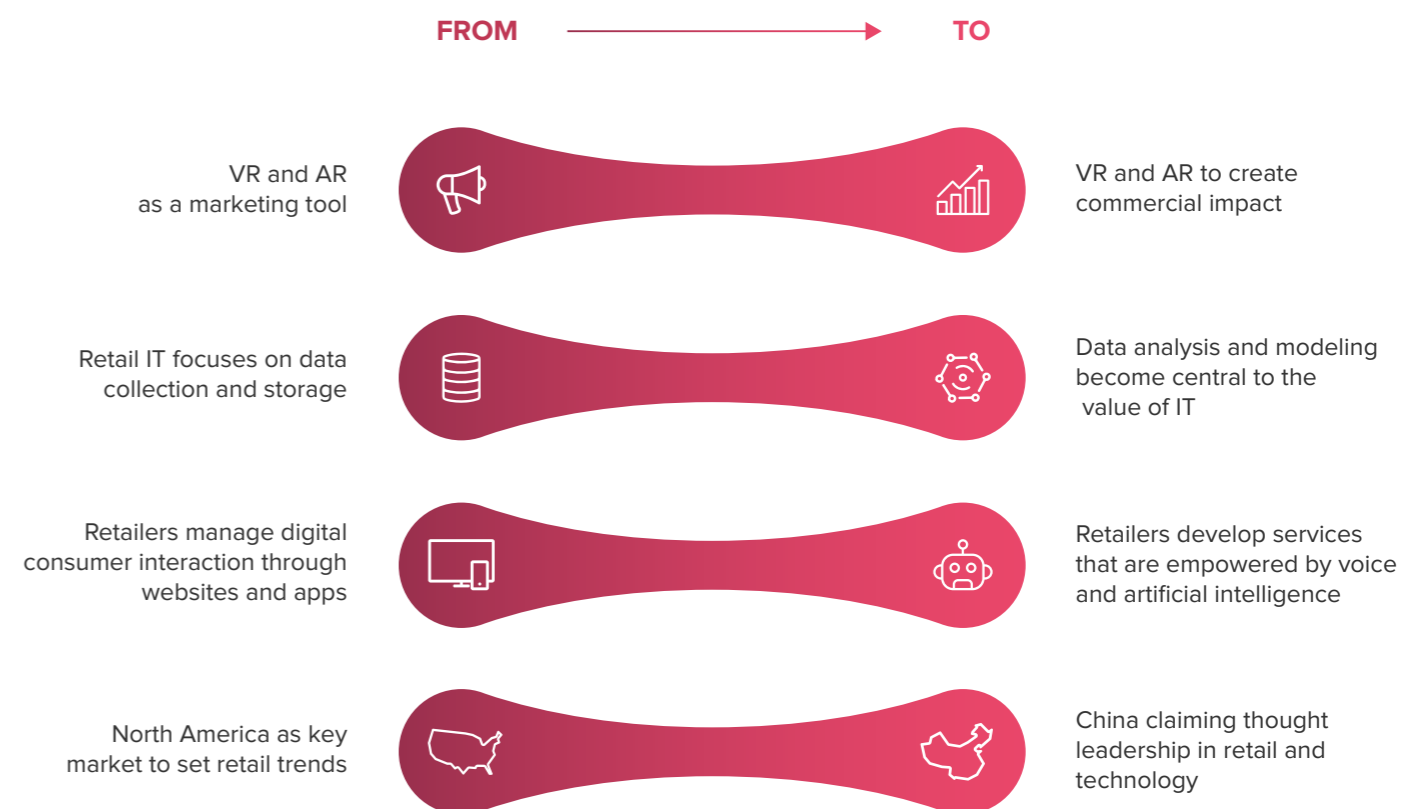
SONAR is an innovative, **DATA-AS-A-SERVICE TOOL** for quantified foresight. It recognises, compares and analyses existing trends, and identifies new developments in real-time.

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THE CHANGING RETAIL SECTOR

Trends in retail are characterized by a shift **from hype to maturity**, retailers are using new technologies with a clearer business focus. Technologies that have previously been considered in a marketing and experimentation context are increasingly being used to create **concrete commercial value**.

The main changes that the retail sector has undergone recently can be summarized as follows:

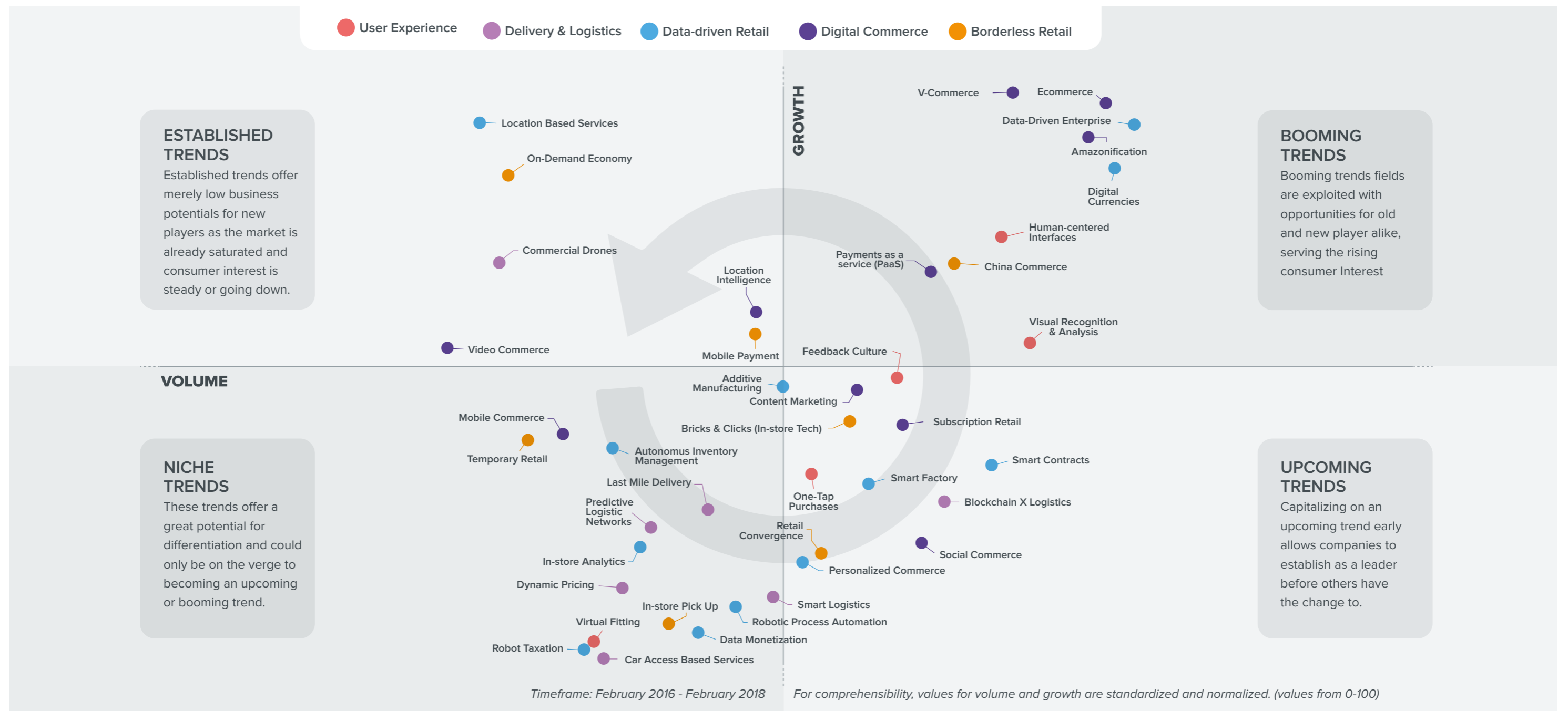


WHAT IS TRENDING IN THE RETAIL MARKET?

Here's an overview and illustration of the **relevant trends** around the Retail Sector, based on their appearance in trade media, mass media, patents and scientific publications.

The arrow in the illustration above implies a typical trend development and a **life cycle from a small and growing trend** – which is discussed in relatively few scientific articles and publications –

to a larger, established trend with stagnating growth, which has long been discussed in various media and has shifted from niche circles into the mainstream.



MAIN FOCUSES

Leading trends are evolving around virtual and augmented reality for retail (**V-Commerce**), the use of data, machine learning and advanced analytics (**Data-driven Enterprise**) as well as the increasing use of voice assistants, chatbots and other digital interfaces in engaging with consumers (**Human-centered Interfaces**).

Across all relevant trend fields, **Chinese retailers** and technology firms have developed into **industry thought leaders** and pioneers in execution.

Companies like Alibaba, Tencent and JD demonstrate that **the distinction between physical and digital retail is a thing of the past**.

V-COMMERCE: TECHNOLOGY MEETS RETAIL

Virtual reality shopping is giving consumers the convenience of online shopping and the experience of being in a store at the same time – in order to experience stores, products and service in a whole new way. With the help of VR or AR applications customers will be able to try and test products – at home or in-store – more easily, and in a more personalized or

gamified manner. Virtual reality technology will play a secondary role, while augmented reality apps will continue being the forefront, according to Stewart Rogers, author and analyst at VentureBeat. In his opinion, “dealers who don’t discover mobile AR for themselves within the next six months will lose ground”.

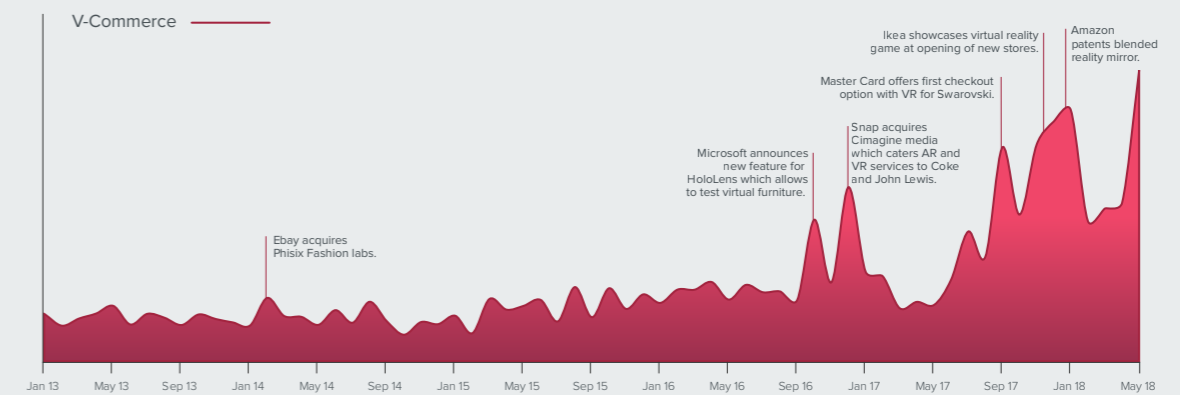
V-COMMERCE:

DATA-DRIVEN ENTERPRISE

HUMAN-CENTERED INTERFACES

CHINA COMMERCE

By 2020, **3% of eCommerce** revenue will be generated because of AR experiences, a total of **\$122 billion** in revenue worldwide.
ABI Research



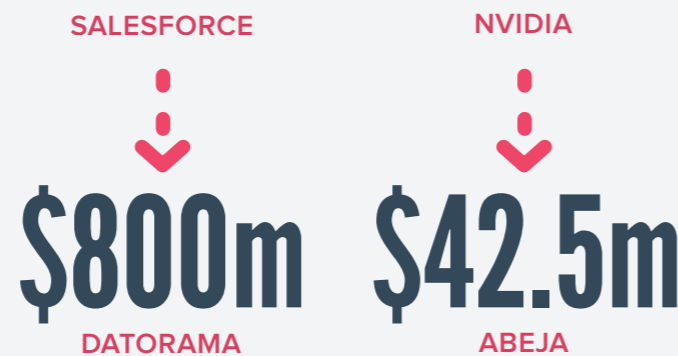
These are booming or upcoming trends, meaning the number of articles in various media dealing with these phenomena has drastically increased over the past 12 months.

DATA-DRIVEN ENTERPRISE: THE ART OF CREATING VALUE FROM DATA

The exponential growth of data is forcing companies to find fast and efficient ways to process and analyze them. By turning relevant data into useful insights, companies could come up with tailored solutions for internal processes and their customers alike. Having data-driven strategies via advanced business

analytics, operational intelligence and machine learning, is a must for companies to preserve and leverage their position. The biggest players in the market are right now Nvidia, Google and Sentient, but some trending players are already on their heels: Cambricon, Cerebras and ByteDance.

The major investments in this field were made for example by Salesforce. The company acquired the AI startup Datorama for approximately \$800 million. Nvidia invested \$42.5 million in ABEJA, a company that **develops business solutions for retailers using AI and deep learning.**



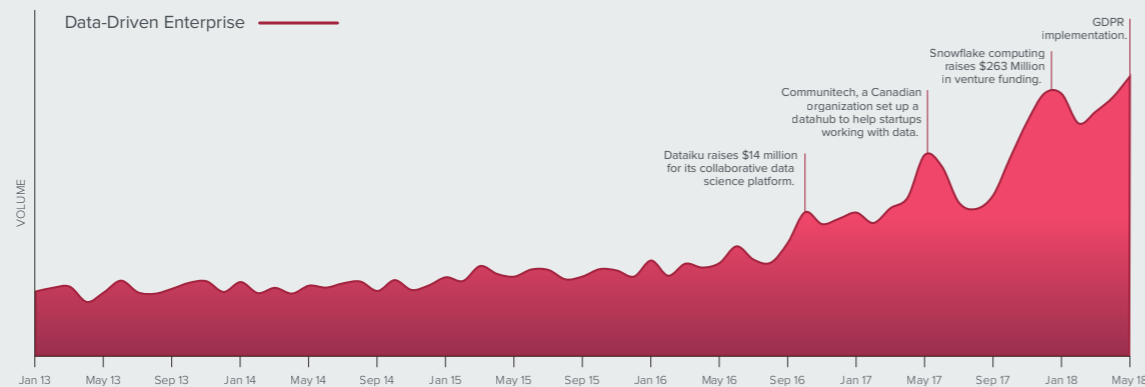
HUMAN-CENTERED INTERFACES: ELIMINATE BARRIERS WITHIN THE CUSTOMER EXPERIENCE

The smartphone already allows us to take the digital world everywhere we go, leaving just a few taps on a touch screen between us and the real immersion. Now, human-centered interfaces such as voice and gesture-controlled digital assistants are removing this last barrier and leading into an era of a much more

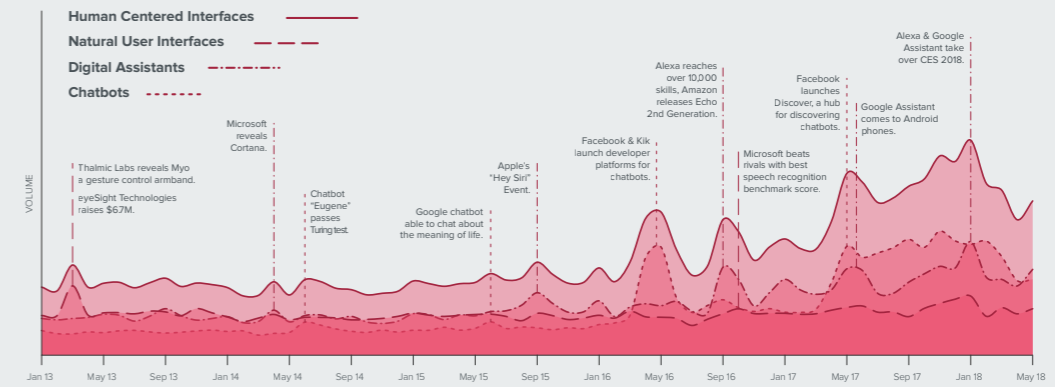
natural form of communication between humans and machines. In retail, this transformation will significantly alleviate obstacles within the customer experience, speed up communication and information access, and enable far more intimate and emotional customer relationships.

More than 5 Billion consumer devices supporting Digital Assistants will be in use in 2018, **3 Billion more will be added by 2021.** *IHS Markit 2018*

1 in 5 consumers have made a voice purchase through a home assistant, and **another third plan to do so in the next year.** *Walker Sands' 2017 Future of Retail Report*



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CHINA COMMERCE: ASIA KNOWS OUR FUTURE

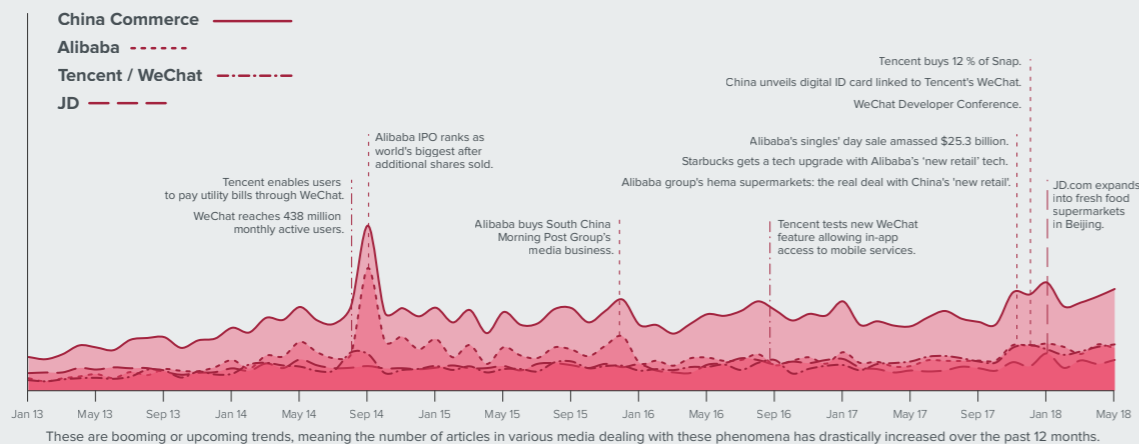
The era of “New Retail” that Alibaba founder Jack Ma envisioned is a seamless fusion of offline POS, digital technologies and next-level logistics for a dynamic new retail world supported by mobile online payment. China’s e-commerce platforms are evolving into a new world order of

retail, and their primary currency is data. Among the booming trends in Chinese retail are new payment methods.

Chinese stores and services are increasingly centered around mobile payment apps like WeChat Pay and Alipay.

Alibaba invested \$2.9 billion in Sun Art Retail in 2017, which operates several well-known supermarket brands.

Google invests \$550 million on China’s second-largest e-commerce player JD.com, **working together to develop better retail infrastructure in multiple markets.**



REPLY AND RETAIL

The scenario in the retail sector will look completely different tomorrow. With Reply at your side, you will always be informed about the latest trends and technologies in the retail sector.

REPLY specialises in the design and implementation of solutions based on digital media and new communication channels. Through its network of highly specialised companies, Reply partners with major European corporations in the telecoms and media, industry and services, banking and insurance, and public administration sectors, to devise and develop business models built on the new paradigms of big data, cloud computing, digital media and the Internet of Things. Reply's services include: Consulting, Systems Integration and Digital Services.

