

ARTICLE

RETAILTAINMENT: PACKAGING THE OFFLINE SHOPPING EXPERIENCE

A WNS PERSPECTIVE



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RETAILTAINMENT: PACKAGING THE OFFLINE SHOPPING EXPERIENCE

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In the opening scene of the movie *Breakfast at Tiffany's*, a yellow cab pulls up in front of Tiffany & Co., and Audrey Hepburn walks towards a display window to gaze at jewels while eating a croissant. This scene planted the idea of having breakfast inside the iconic store in popular imagination though Tiffany's was never in the food and beverages business. But in November 2017, in a remarkable case of reel meets real, the company announced the launch of its first-ever retail dining concept – The Blue Box Cafe.¹ The luxury store has positioned the space as 'experimental and experiential – a window into the new Tiffany.'

Tiffany's foray into an entirely new business can be attributed to the pressure on brick-and-mortar stores to offer 'experiences' to shoppers. As traditional retailers lose customers to online competitors, they are now banking on retailtainment — an emerging trend in retail — to set their cash registers ringing again.

Retailtainment is the convergence of ambience, emotion and activity to encourage shoppers to return to physical stores through enticing, memorable in-store experiences.

¹<http://press.tiffany.com/News/NewsItem.aspx?ID=324>

REKINDLING THE JOYS OF IN-STORE SHOPPING

The Visa Index on consumer spending has reported an in-store spending decline of 2.6 percent against an online shopping increase of 6.5 percent.² This comes as no surprise as the global competitive marketplace created by the Internet has disrupted the traditional way of competing on merely price and product.

For retailers grappling with a reduced number of physical stores, it has become an imperative to find innovative ways to grow the appeal of the physical store. Consumers today look at shopping as an experiential social activity. The onus is therefore on the retailers to offer just that.

Retailtainment re-imagines and transforms shops' floor spaces into avenues for experiencing leisure and entertainment. It intelligently integrates lifestyle activities with digital experiences and creative spaces to lift in-store shopping to greater levels of engagement. The mood is carefully set to encourage exploration and possible purchase of products and services.

By creating immersive retail experiences, retailers aim to grab the consumer's attention to make them linger and increase the opportunities for purchase.

OPPORTUNITY FOR STRATEGIC DIFFERENTIATION

In today's highly competitive retail environment, retailtainment may be just the winning differentiator for reconnecting with shoppers. Consumers need to see how products fit into their needs, lifestyles and aspirations to be convinced to make that trek to the store.

Guess what is the secret of the 90-minute average stay time at Bauer Hockey? It's the company's hockey rink within the store that gives shoppers an opportunity to try on skates and hockey equipment. Personal fit experts help customize the gear depending on the skill levels and playing styles. Similarly, the Kohler Experience Center in New York allows customers to sample the faucets, showerheads and sinks by taking a shower in-store.

Another technology that is already playing a game-changing role in creating the digital presence in stores is Virtual Reality (VR). For example, stores in China are virtually transporting shoppers to New York to browse products for their purchases.

²<https://www.visa.co.uk/newsroom/uk-consumer-spending-on-course-for-weakest-year-since-2013-despite-modest-august-uptick-70068?returnUrl=/newsroom/listing?tag=consumer+spending+index>

SCIENCE BEHIND RETAILTAINMENT

However fun it may sound, designing and creating sensory consumer experiences call for meticulous understanding of the psychology of consumer behavior and spending. This can be done either through observation and experimentation or through use of analytics to:



Understand the market, consumers and competition, and how these can disrupt the future



Design the right solution that best fits the store as well as its existing and prospective customers



Understanding emerging and disruptive trends

The Mall of the Emirates in Dubai seems to have got the science right. It has integrated its IT platforms to create a central customer data repository to make future-ready decisions based on customer behavior. It also applies learning from leading technology companies (such as Google, Facebook and Amazon) and successful start-ups to ward off competition from non-traditional players. This learning has resulted in the mall building the world's largest indoor ski slope and snow park.

MORE THAN JUST A UNIQUE EXPERIENCE

While unique and experiential marketing can increase the footfall in brick-and-mortar stores, retailtainment is more than just that. Retailers must ensure seamless purchasing channels, optimize costs through right analytics and insights, and deploy the right technologies for a simple, convenient and comprehensive shopping experience – including purchase transactions.

This means taking care of the basics – the right product at the right place, right time and the right price. It requires a knowledgeable, empowered and customer-driven sales force with a strong foundation of retail software (in merchandizing, customer engagement, point of sale and analytics). Also required are the right capabilities to speed up or slow down sales pitches and customize conversations to excite, educate and entertain the shopper.

'Shopping is just the beginning' – proclaims the tagline of Mall of the Emirates. Remaining relevant through unparalleled experiences is the pivotal objective of retailtainment, as it ventures to create social hubs and entertainment destinations. Such a strategy can serve to incentivize shoppers to give up the convenience of online shopping – occasionally, at least. If done right, the retail industry may just crack the code to bringing the magic back to the world of in-store shopping.





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