The digitization of the store will bring the best aspects of ecommerce into physical retail

Article

Physical retail must adapt to intensifying competition from ecommerce. Every physical retail incumbent feeling heat from Amazon recognizes the need to better compete with digital's

informational and convenience advantages. But they must do so without losing the experiential edge offered by brick-and-mortar.
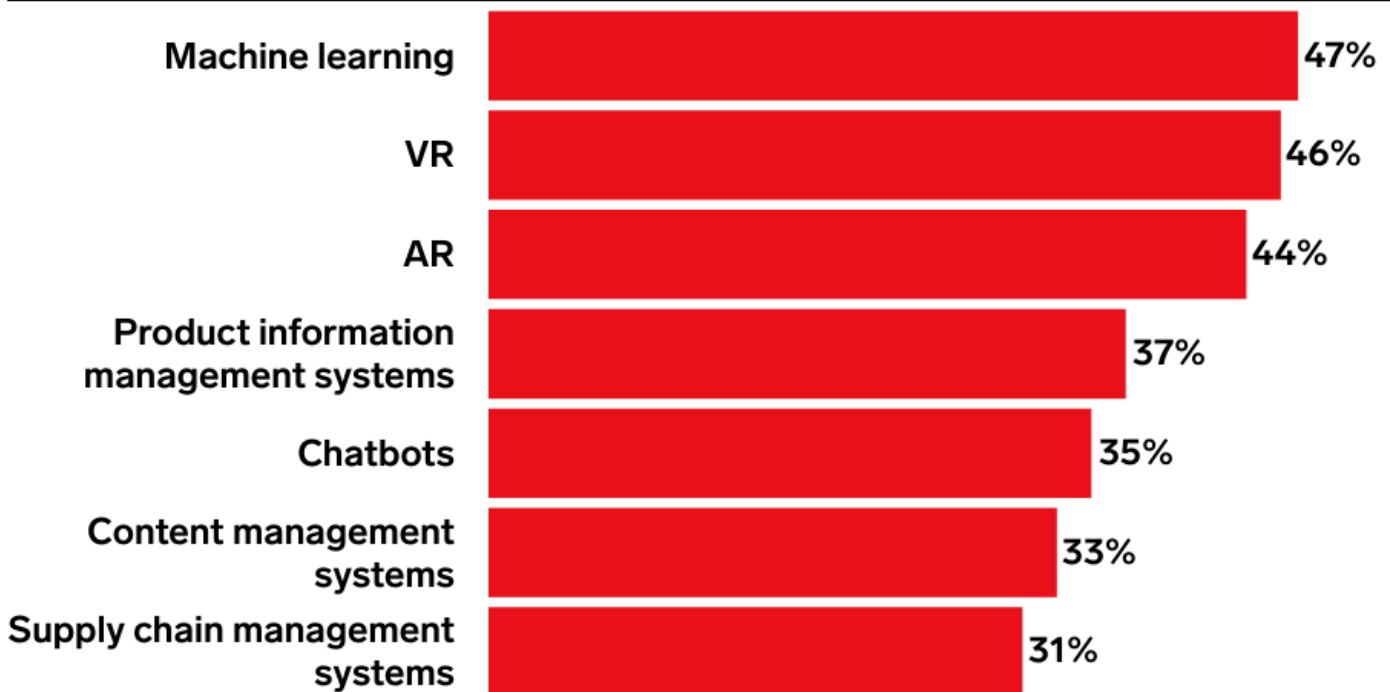
Retailers must now navigate the complexity of investing in expensive—and sometimes risky—technologies. Retailers digitizing stores face significant hurdles, with capital expenditure requirements topping the list, per a July 2022 Retail Systems Research (RSR) study. They're also wary of adding complexity—which can be disruptive to CX—and uncertain ROI.

Digital merchandising brings the best parts of ecommerce shopping into the store.

- **Ratings and reviews at the physical shelf are on the way.** Thirty-seven percent of retailers planned to adopt product information management systems, while 33% anticipated using content management systems (CMS), per a March 2023 survey from Elastic Path and CMSWire Research. These systems can deliver valuable product information to shoppers at the store shelf. Ratings and reviews, which deliver the social proof critical to ecommerce conversion, will soon become a more common element of in-store decision-making. VR- and AR-enabled in-store technology will also give consumers new ways to test drive products prior to purchase.

Retail Technologies That Merchandisers Worldwide Plan to Adopt, March 2023

% of respondents

Technology	%
Machine learning	47%
VR	46%
AR	44%
Product information management systems	37%
Chatbots	35%
Content management systems	33%
Supply chain management systems	31%

Source: Elastic Path and CMSWire Research, "The State of Merchandising: How Retailers Are Adapting to Change in the Digital Era," May 2023

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▪ **Better CX at the shelf will drive more conversions—and minimize returns.** Digital shoppers expect depth of product information and customer insights before making a purchase, and a failure to provide it at the physical shelf adds unnecessary friction. Digital shelf technology that delivers insights at the moment of truth means more products added to the shopping cart, and it also reduces the likelihood that the wrong item will need to be returned.

Digitization of the Store 2023