



How Phygital Customer Experience Is Transforming the Retail World

PAYMENT



Scan this to pay



Introduction

A decade ago, **omnichannel marketing allowed global retailers to increase turnover**, improve consumer data collection, and provide better customer retention rates.

However, today, they've moved beyond the omnichannel approach and embraced phygital retail — **a strategy that bridges the gap between physical and digital channels.**

Phygital: A new retail journey

Consumers exist in **the phygital world** — a space where they **enjoy the interactivenss of physical shops** but want the hassle-free experience of e-commerce stores.

By implementing phygital retail, store owners can take the best elements of e-commerce and combine them with the experience of shopping in a brick-and-mortar store.

This allows **consumers to enjoy an enhanced and efficient in-store shopping experience**, while retailers can harvest a substantial amount of untapped customer data.

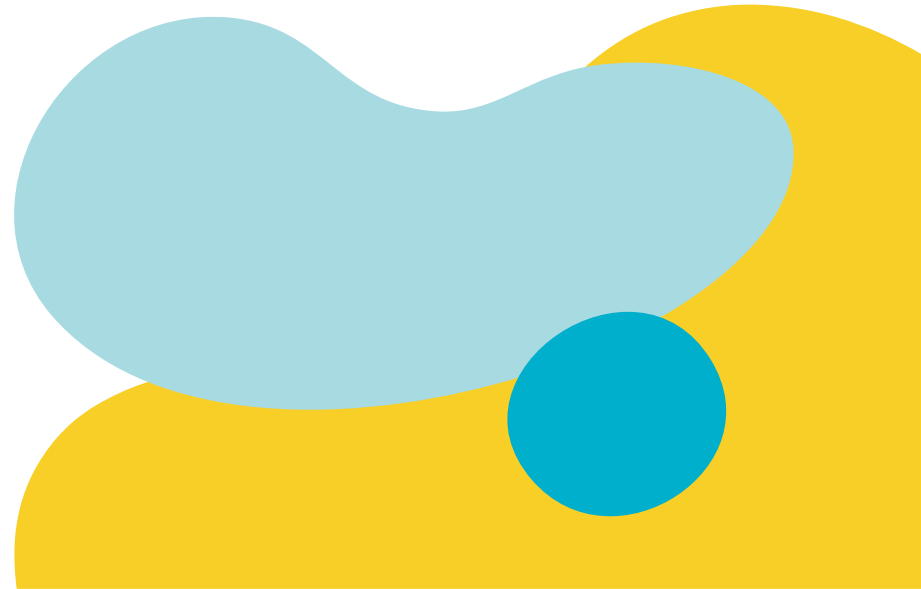




Designing a phygital customer experience

A successful [phygital customer experience](#) is one that combines the three I's — **Immersion, Immediacy, and Interaction**. Here are brands that implemented the perfect phygital strategy to provide a powerful customer experience:

1. Amazon Go
2. KFC
3. Nike
4. Rebecca Minkoff
5. Nespresso



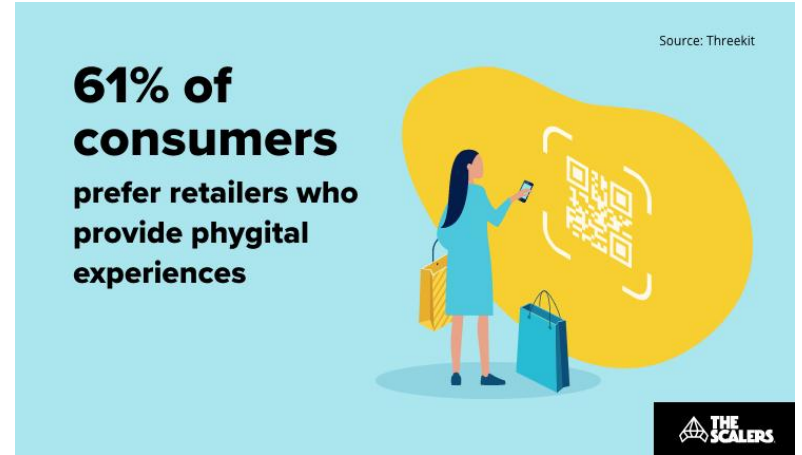


1. Amazon Go

The beta Amazon Go store in Seattle allows customers to **enter the store by scanning a QR code at the entrance.**

They then select products from the shelves, add them to their shopping bag, and simply walk out the door.

While Amazon's in-store technology tracks the items in their bags, the **Amazon Go app automatically charges the customers'** linked bank account or credit card.





2. KFC

KFC **phygital stores in China** allow consumers to enter any one of their stores and **place their orders on touch-screens**.

The payment is then completed using **facial recognition technology**.

The brand also uses AI to predict what their customers might want to eat and offers them customised menus at the ordering kiosk.



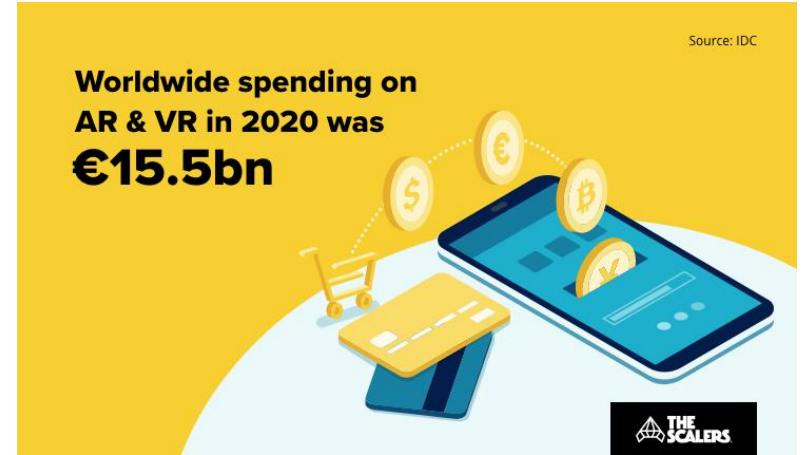


3. Nike

Nike's House of Innovation store in New York has **mannequins with scannable QR codes**, which allows customers to request sales associates to bring a specific colour or size of an item on the sales floor.

They can also use the touch-screen interface at the store to **design their dream pair of sneakers**, which can be created on the spot in 90 minutes or less.

After shopping, **Nike's instant checkout system** eliminates the need for buyers to stand in-line at the checkout counter.





4. Rebecca Minkoff

The mirrors in a Rebecca Minkoff store are **giant interactive touch screens**. When you walk into the store, they ask you what you'd like to drink.

While you're waiting for your drink, you can go through their **catalogue on the 'mirror'**, choosing items you'd like to try on.

You can then proceed to the **phygital fitting room equipped with different light settings** to show you exactly how an outfit looks under varying lighting.





5. Nespresso

New Nespresso stores in Europe and the USA allow buyers to select their **coffee sleeve and different Nespresso pods** and place them in a large container.

Using the Internet of Things and connected chips, the total amount to be paid is displayed on a screen.

Customers can pay and leave with their Nespresso pods without waiting for checkout assistance.





To wrap it up

Today, retailers worldwide are evolving their marketing strategies and coming up with new ways to increase sales.

As digitalisation continues to permeate the lives of consumers, **phygital is the perfect strategy to create a holistic marketing space.**

Thank you



thescalers.com