



Shopping Then and Now:

Five Ways Retail Has Changed and How Businesses Can Adapt

WRITTEN BY

Sridhar Ramaswamy

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THE **RUNDOWN**

Constant connectivity, contextual relevance, and a multi-screen world are changing both online and offline shopping. As the digital and in-store experiences blur, it is opening up exciting new possibilities for forward-thinking retailers. Sridhar Ramaswamy, who as Google's SVP of Ads and Commerce oversees the technology behind Google Shopping, explains how combining classic retail truths with digital savvy can help retailers do what matters most: serve their customers better.

Consumers no longer see a distinction between online and offline shopping. Whether it's searching on a laptop, browsing main street shops or hanging out at the mall - it's all shopping. To adapt to the competitive new reality, smart retailers are drawing on classic retailing truths of the past and augmenting them for the now.

Innovative retailers are embracing this new reality, using digital to extend their storefronts. These are my top five observations on how shopping has changed and suggestions for how marketers can adapt to join the retail revolution.

1. SHOPPERS KNOW AS MUCH AS SALESPEOPLE:

THEN

People came into stores with little to no knowledge and relied on a salesperson to advise them on what to buy.

NOW

Today's shoppers have become accustomed to doing their own research to get the maximum value out of every dollar they spend, and to feel secure about the purchases they're making. With this power shift comes a great opportunity for retailers; those that use tools and insights from the web have the opportunity to close the gap between the smart online consumer and the offline retailer, and to stand out in a competitive marketplace. Every moment in a consumer's decision journey matters. To win these moments, smart retailers need to be there when inspiration strikes consumers and as they start researching purchases online.

2. RETAILERS CAN DELIVER PERSONAL, RELEVANT SUGGESTIONS AT SCALE:

THEN

Retailing began with shopkeepers who would welcome in people from the neighborhood and then come to learn their customers' needs and preferences.

NOW

In our constantly connected world, a device is just a proxy for what really matters - getting to know your customers. Devices provide context, helping us learn what matters to a consumer in a particular location and at a particular time. Coupled with the intent provided by search, this is incredibly powerful. It can help retailers deliver relevant suggestions, essentially recreating those shopkeeper conversations at scale. The right message at the right moment is the next level in customer service - it can quickly and easily turn intent into action.

Context also allows retailers to better than ever anticipate what a customer might need based on when, where and how they arrive at their site and help them decide how to respond to them. People are constantly looking for product information, deals, local availability and local discounts online - and retailers who aren't there to supply the right information when people raise their virtual hand will lose out.

3. MOBILE DEVICES DRIVE FOOT TRAFFIC TO STORES:

THEN

Finding the right store - and the product you needed - depended on familiarity, or serendipity.

NOW

As the lines blur between online and offline, innovative retailers are integrating mobile into their brick-and-mortar store experience. When shoppers search for a store name or category, they expect to see a map with directions, a phone number that they can easily click-to-call, or special offers that match their location and time of day. Adidas worked with their agency iProspect to evaluate how mobile clicks on their store locator links were driving in-store sales, and found that for a mobile investment of \$1 million, the value brought by store locator clicks in mobile ads generated an extra \$1.6 million in sales.

The search element of shopping doesn't end once the customer walks into a store. At some point, we've all been lost in the supermarket, searching the aisles for an elusive item. Mobile can be a map, a shopping list, a personal shopper, a salesperson and a product finder all at once.

4. OPINIONS CARRY MORE WEIGHT THAN EVER:

THEN

Retail therapy was an activity shared by friends and family - and word of mouth was a social force that transformed new products into must-haves and small shops into retail empires.

NOW

This is truer than ever. With YouTube and social networks like G+, people are now sharing their opinion on products not just with a group of friends, but with millions of people. This is why Google Shopping incorporates reviews and introduced shortlists to make it easy for people to discuss products and purchases with friends and family. Smart retailers are recognizing the opportunities that lie in digital where instead of basing campaigns on the broadest reach possible they can now zero in and speak directly with the individuals, or communities of fans, who love their products most. Retailers are also seizing the opportunities around online comments by advertising against terms like "reviews" and working to promote the positive and counteract the negative.

5. PRODUCTS CAN JUMP OFF THE SCREEN:

THEN

The internet was fine for researching, but there was no replacement for holding, feeling, inspecting a physical product on a store shelf or showroom floor.

NOW

Interactive video, 360 views, gestural controls are just a few of the options bringing products alive on customers' multiple screens. Each digital stride opens exciting opportunities to close the gap between an on-screen image and that experience of holding a product in a store. Google Shopping has introduced 360-degree imagery to some product sets to give shoppers a better sense of what an item really looks like. Some innovative retailers are even offering shoppers virtual try-ons. Eye-glasses retailer Warby Parker, for example, invites customers to mix and match frames against their photo. When retailers showcase products online in a unique way, they create opportunities for customers to interact with products on an emotional level. When consumers' emotions are activated, their desire to buy is sparked. We are only beginning to see the possibilities.

As digital weaves itself deeper into the fabric of our lives, smart retailers understand making the most of new opportunities is not about gadgets or technology. It's about human nature. Forward-thinking retailers should be looking at how they are interweaving digital tools like contextual targeting, mobile and video with sales, marketing and customer service. When these things are used well, the technology becomes invisible. Customers simply see retailers as being very good at giving them exactly what they want.



Sridhar Ramaswamy
SVP of Ads and Commerce, Google