

Remodista
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INNOVATION SCORECARD

The state of retail commerce, artificial intelligence, customer experience and IoT.

We surveyed the Remodista community at the 2018 Collective Think to understand the scale of innovation amongst our experts.

MEASURE OF INNOVATION

Innovation can be perceived by the market to be an intangible, nearly whimsical quality that you do or do not have. In reality, innovation is a practice. With practice comes improvement.

During 2018 Remodista's Collective Think, we were able to speak to leaders across the retail industry to help understand how they were using, benefiting, and planning for some of the most innovative topics in the industry. Leaders from organizations like Capgemini, Victoria's Secret, Keds, Revlon and Burberry joined other elite brands and shared their perspectives.

As a reflection of our learnings we've built a new scoring method to offer insights into where a particular group is in their understanding of a topic.

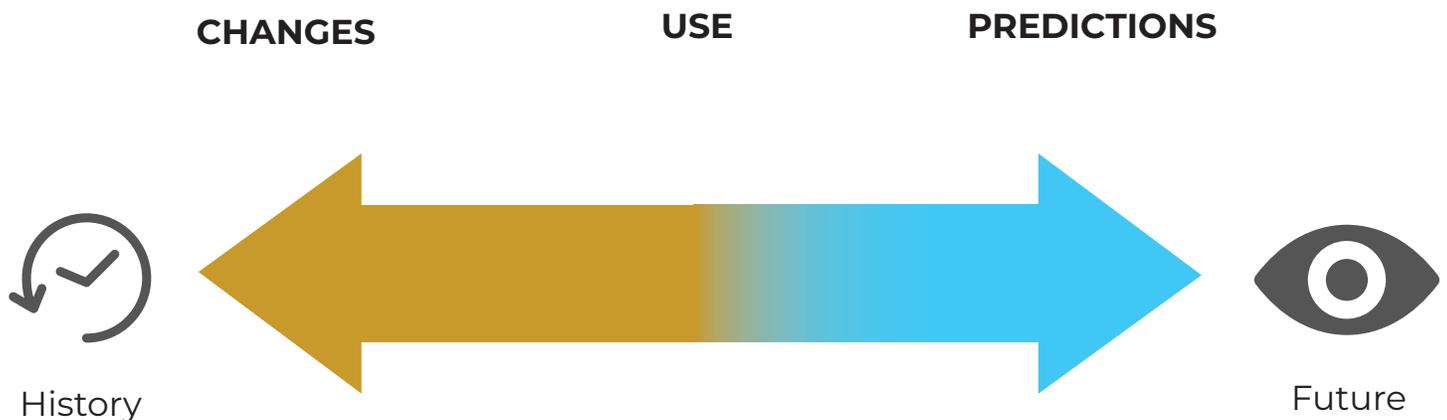
Participant responses are broken up into three main categories:

Changes - responses categorized here reflect historical comparisons around this topic and the shifts they're seeing in the market.

Use - responses in this group are focused on current use cases. Leaders are looking into the market to understand what's happening now, setting up critical foundation for future-looking perspectives.

Predictions - responses in this group reflect a deeper understanding of the context around the topic.

This tangible measurement map offers real, measurable understanding of the state of an industry, topic, challenge.



1 COMMERCE

Because commerce plays such a critical day-to-day roll for most retailers, seeing beyond the now can be challenging. The majority of our experts were evaluating the changes and thinking towards the future.

CHANGES - 43%

The changing customer experience was a huge focus here, with mention of how smart phones, omni-channel, and how trust and lifestyle play into brand loyalty.

USE - 23%

A small sample of our experts discussed purchase points, influencers, brand voice, marketing funnels and profitability.

PREDICTIONS - 30%

Marrying the online and offline world in a way that triggers traditional shopping pleasure centers, empowering consumers, and open source payment and customer experience played a roll into future-statements.



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2 CX

CUSTOMER EXPERIENCE

As waves of technology shifts connected to customer experience recedes from shore, retailers will move to more future-sensing activities. In the meantime, lack of transparency into buying habits due to technology blocks still plays changing landscapes.

CHANGES - 48.1%

The majority of leaders are still deeply invested in the changes impacting his arm of retail. Conversations around in-person experiences, research, and frictionless purchases.

USE - 25.9%

Using full spectrum branding with 360 degree approaches or each part of a shopper's life with an emphasis on clean design and good employee relations.

PREDICTIONS - 25.9%

Predictive personalization makes an appearance, helping shoppers to get what they want without even understanding what that is.



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3

IoT

INTERNET OF THINGS

Context is key for Internet of Things. Innovation around IoT flexes in response to how one can it to help build brand, serve the customer and grow revenues.

CHANGES - 46.6%

Leaders discussed how ultra-convenience is changing customer relationships with brands and influences new expectations with IoT. Data privacy, connectivity protocols, interconnectivity between online and offline experiences dominated conversations.

USE - 25.9%

Tactical uses were still a hot topic. Understanding how things actually connect, serve the brand and influence the customer experience guided our expert conversations.

PREDICTIONS - 23.3%

The complete opportunity is still being sussed out by retail leaders. Smart clothing, self-operating machines and nods to a fourth industrial revolution appeared in discussions.



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4

AI

ARTIFICIAL INTELLIGENCE

A heavy focus on use cases plays a role in the artificial intelligence/machine learning discussion. Retail leaders are looking for ways that AI can help enable customer journeys and technology while walking the line in ethical capacities.

CHANGES - 11.1%

Aside from references to the AI winter post-1990, the discussion around AI drifted away from comparisons. This is a reflection of a lack of context in early AI outside of theoretical practice.

USE - 62.9%

Most of the leadership discussions were focused on exploring how AI and machine learning were currently being used in the market. Often those examples fell outside of the retail industry.

PREDICTIONS - 22.2%

Most retailers see AI as a gateway to more meaningful human interactions. The rise of better and more accurate AI leave humanity open to be more productive and strategic.



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Business' readiness to take on disruptive ideas can be measured across a spectrum that contains five customer segments: Innovators, Early Adopters, Early Majority, Late Majority and Laggards.

Most of our leaders fell into the early adopter and early majority range. We were delighted to see that the Women2Watch community, one we perceive as filled with pioneering thinkers, landed as early adopters and innovators. Given their propensity for raising their hands to pilot new solutions, this makes sense.

Four elements -- all of them reliant on human capital -- influence the spread of a new idea, according to Rogers: the innovation itself, communication channels, time and a social system. Innovations have to be widely adopted to be self-sustaining, and the hard work lies in getting to the point where an innovation reaches critical mass.

Artificial intelligence was our community's strongest area for innovation, with customer experience the second strongest. We should consider a primary focus on AI, perhaps with a customer service integration. An AI-integrated commerce solution may be a worthwhile path to pursue. Because diffusion of innovation manifests itself in so many different ways, and is sensitive to the types of adopters and

innovation processes at play, we have to be honest with ourselves about our strengths.

The good news is that our community of dreamers and builders is actively testing the future, with more than a handful of us already building and innovating. The community shouldn't avoid any of the four solutions, but an internet of things or customer service solution would call for strengthening areas that haven't proven our biggest successes.

RESOURCES

<https://ondigitalmarketing.com/learn/odm/foundations/5-customer-segments-technology-adoption/>

https://en.wikipedia.org/wiki/Diffusion_of_innovations#CITEREFRogers1962_5th_ed

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TOPIC AREA: **RETAIL, COMMERCE, CX, IOT, AI**

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