

# 4 ways digital innovation gives retail customers what they crave

By [John Watling](#)

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Customers expect an easy, hassle-free omnichannel shopping experience; and digital innovation is the answer that retailers have been waiting for. It has been rapidly transforming retail value chains in recent years. From raw materials and manufacture tracing to consumer labelling and customisation, digital innovations are spurring new levels of connectivity and are essential to the competitiveness of the retail business.



Source: [Pexels](#)

Ensuring digital and online service integration improves the shopping experience, which can be crucial in attracting and retaining customers.

There is an ongoing need for technology to improve the customer experience and drive the constant renewal of retail sales. According to [Incisiv's Connected Retail Experience Study 2022](#), retailers across all segments are accelerating technology adoption plans to improve customer experience and operational efficiency.

Retailers focused on digital innovation in the last 24 months were rewarded with excellent income and loyalty for their efforts. According to the study, while retailers are satisfied with the overall store experience and operation, they are dissatisfied with the digital maturity of their stores.



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For instance, in the fashion industry, customers want seamless, customised experiences that include information on responsible sourcing and sustainable manufacturing practices. The successful brands and retailers will adopt and adapt technology to support customer interactivity – a critical element of the competitive fashion landscape.

Thanks to digital technologies, like radio-frequency identification, near-field communication, artificial intelligence and machine learning, virtual and augmented reality, and blockchain, fashion brands can increase connectivity and transparency while supporting a more circular economy.

At Accenture, we have identified four connection points that transform sustainable retail and the consumer experience.

## 1. Traceability and transparency

Research shows that 72% of millennials believe that brands should make it easier to buy or consume sustainably, and 71% of them would support a mandatory simple labelling standard for products that can be used to determine how sustainable a product is.

Traceability and transparency can protect brands and consumers from the grey market and counterfeit goods. It can monetise circularity, such as re-commerce and recycling markets, drive seamless omnichannel, and enable the capture of required sustainability data.

## 2. Towards circularity

Giving products a digital identity enables circularity from fabric labels beyond enhanced care by linking recyclers to resale markets that can embed products into online gaming. Connecting consumers to products will drive circularity, which drives transparency, engagement, marketing and new revenue streams.

Currently, [33% of waste](#) is mismanaged globally through open dumping or burning, and waste generation is expected to increase to about 3.4 billion tonnes in 2050.



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## 3. Digital consumer engagement

Digital innovators find new ways to connect products to customers, deepening relationships through personalisation and customisation. From curated offerings driven by AI to bespoke offerings at scale, the product becomes a strategic digital marketing channel, increasing loyalty and spending as it reduces waste.

In the future, Ralph Lauren stores may not have as many ready-made products. Piloting 'Create Your Own' garments online, the brand aims to let customers create the product of their choice from scratch, a concept testing in stores that imagines a very different and connected future.

## 4. The future of retail

Digital innovation is redefining retail at all junctures, changing the future of consumer experience. In-store theatre and immersive storytelling are upgrading traditional retail with intelligent fitting rooms with interactive mirrors that can share product traceability or help to get you a different size – all powered by RFID.

Voice shopping is set for rapid growth with the proliferation of smart home speakers. Most shoppers want to see products online in 3D and augmented reality and are willing to pay more, driving a significant reduction in returns.



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## A new era of innovation

Adapting new retail models that prioritise and curate consumers' needs requires innovation that legacy commerce never has. Fashion brands that offer customers the prescriptive experiences and transparency they crave can win market share. It's about leaning into a cultural shift, adopting and adapting technology to connect with customers digitally.

What's possible? Better conversion. Fewer returns. Greater productivity. And more sustainable operations that drive a new era in fashion. Across the industry, brands and retailers are collaborating to bring visibility to the consumer and each other, thereby fuelling growth.

An important consideration for retailers is that new technologies cannot be viewed in isolation. Those retailers who embrace and experience digital transformation will be the ultimate winners in this competitive market. While retailers are looking to accelerate their digital initiatives and develop new technology strategies, they express a greater desire to collaborate across ecosystems.

At every level of the organisation, retailers are looking for technology to create new opportunities to optimise their business, increase their revenue share and increase the loyalty of their customers.

## ABOUT JOHN WATLING

John Watling leads seven of Accenture's businesses in Africa. These businesses are retail, consumer goods, telco, media, banking, insurance and industrial. He supports clients in digital innovations and commerce, assisting them to resolve complex business challenges, drive transformation and growth in a rapidly changing business environment, and deliver real value.

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