

»» The dawn of the phygital consumer

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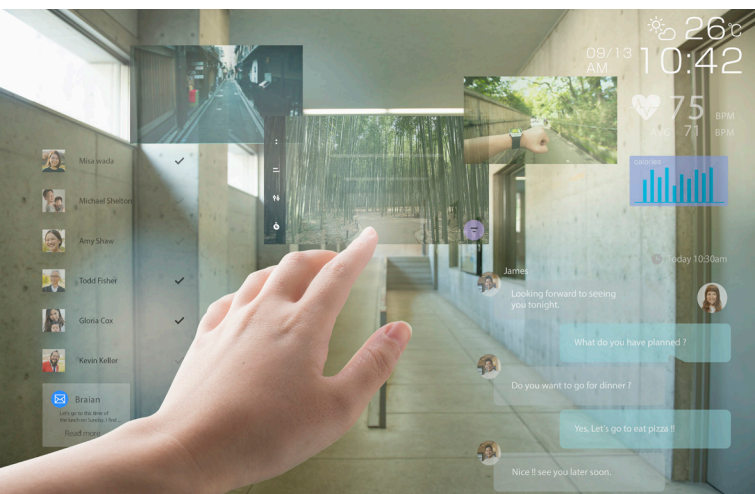
We are going to do a little experiment. We will time ourselves to see exactly how long it takes us to buy something for example, the latest novel by British author Ben Brooks through our Amazon app. We open the app, search for the book, press buy (our card details are already saved), it asks for our digital fingerprint and then a message confirms we will receive it in 24 hours (the advantages of Prime). In total, 30 seconds. Now let us do the same thing in a physical shop. We skim the shelves of the international literature section, find the Bs, find the book, head for the till, wait in line, hand over our card, they ask us if we are a member and we pay. In total, assuming a satisfactory purchase process, five minutes. Not only do we not reject the romanticism of the bookshop, the possibility of discovering new books, the act of touching the pages and covers, but on the contrary, we celebrate it. These elements are currently lacking in the digital world, but, without doubt, in the coming years it will progressively work to acquire it, through virtual reality or through the development of the new phygital business model a marriage of the disintermediation of the digital, with the sensory experience of the physical.

As consumers, we have learned to demand a unified purchase experience that tends towards the convergence of the infinite potential of the digital world and the tangibility of the physical. If buffering is not acceptable in the digital purchase process, nor are waiting periods when it comes to buying a product in the physical world. On a similar level, the digital purchase experience cannot forego the immersive capacity and test options of the physical world. The convergence of the physical and digital affects all facets of our lives, but manifests itself very clearly in our experiences as consumers. According to a recent study by *Mindtree*, **60 percent of consumers recognize they like to combine online shopping with physical shopping.**¹ Beyond an intersection, the phygital experience is an example of the need for brands to orient their activities toward a model that looks face to face at the consumer and transcends product sales, with the objective of generating services that function as **ecosystems in which the physical and digital combine.**

A UNIQUE EXPERIENCE

The most visible case of phygital convergence, where digital becomes physical, is **Amazon Go**. Amazon, through CEO Jeff Bezos, has been saying for years that it would not provide physical sale spaces. But thanks to its capacity for evolution and commitment to working toward its primary goal of being the most client-oriented company in the world, Amazon began opening pop-up stores with technological gadgets, to which bookshops will now be added and, most importantly for this topic, a new vision for retail called Amazon Go, initially launched based on fresh produce. Looking beyond the fact that its full roll out continues to be delayed, the idea is clear. Through what has been defined as “just walk out” technology (a mixture of facial recognition, motion capture, sensors, QR codes and artificial intelligence), Amazon is proposing

¹ *Mindtree*, 5 Key Insights to Winning Today U.S. Phygital Shopper, 2015.



that our phygital experiences have the best of the physical world (the ability to touch the product and obtain it immediately) and the best of the digital one too (speed and removal of the intermediary processes). What the beta version launched in Seattle and currently only available for Amazon employees demonstrates is that there is a line between the possibilities offered by the phygital experience, and it will send the traditional purchase experience back to the 20th century.

“As the integration of technology allows us to take this leap naturally; the phygital experience does not cease to grow”

With Amazon Go, there is a clear case of the shift from digital to phygital. It is certain all e-commerce (a term that, in this context, seems outdated) is changing to meet the need to acquire those characteristics of the physical world that prove key in purchase processes. In this sense, what is paramount is **the sense of space that comes from immersive experiences**, and, specifically, 360° virtual reality recordings. If physical shops are moving towards touch screens, the integration of apps and mobile payments, the digital ones are progressively reaching toward possibilities that offer proof of a product through augmented reality: a virtual visit to the store, having the sensation of touching the stock or an immersive experience that allows us to enter the brand's world and experience it from within. We don't have to go very far to find examples of this: several months ago, **Massimo Dutti** launched a VR function for their website, which allows visitors to use VR glasses to visit a store and view products.

NEW CONNECTORS, NEW POSSIBILITIES

Once the motivations and needs that shape the increasingly phygital environment are understood, it is necessary to understand the keys to technological disruption, through which this process of physical and digital coexistence is developed. Like when Morpheus

introduces Neo to the Matrix or when the Pevensie children of *The Chronicles of Narnia* enter the wardrobe to arrive in a new kingdom, we also need connecting elements that allow us to make the leap to the other side. Since the integration of technology allows us to take this leap naturally; the phygital experience continues to grow. The development of four connectors in particular will prove key to this integration in the coming years.

- **Mixed reality:** as previously commented, one of the biggest challenges faced by digital experiences and their integration with the physical world lies in spatial characteristics. Virtual reality and 360° environments offer an opportunity for the digital purchase experience to acquire some of the indelible characteristics of physical ones. However, it is more likely that **this part of the revolution will come from technologies building mixed realities**, eliminating the need for blocked vision and movement generated by virtual reality. The recent development of devices such as Microsoft's **HoloLens** or the success of the augmented reality game **Pokémon Go** seem to be more useful and natural touchstones when combining a physical purchase experience with all the information and accessibility of the digital.
- **Smart Data:** after the explosion of the Big Data concept, it is necessary to further focus on Smart or Meaningful Data. To put it another way, it is paramount to shift from attempting to analyze huge masses of information to working toward structuring data focused on the need or problem, in which it would no longer matter whether we are talking about large blocks of information because the goal is to ensure a more satisfactory user experience. On the other hand, while consumers understand, more and more, that our data is focused on this use, our demand for personalization will become ever greater. Our tolerance for error approaches zero.
- **Artificial Intelligence:** just as today we connect to electricity without thinking twice, artificial intelligence will begin to invade all aspects of our user experiences. The development of chatbots, which are quickly becoming a feature of our day-to-day life, is unstoppable. Apple's Siri, Amazon Echo's Alexa and Google Home are leading this market. In his recent Ted Talk, **How AI can bring on a second Industrial Revolution**, **Kevin Kelly**, founder and executive editor of *Wired*, pointed out how artificial intelligence will grow to cover all aspects of our activities linked to efficiency, leaving humans with those associated with inefficiency, which include gems such as creativity and innovation.



- **Internet of Things (IoT):** for some time, we have discussed connected environments that at some point began to look like an illusion. However, the development of aforementioned disruptors are turning IoT into a reality in which all our devices join together in an integrated service to improve our experience as consumers. In the latest **Fjord**² trends report, Accenture Interactive pointed out how we have increasingly evolved from designing devices toward designing the ecosystems within which we relate and consume. This evolution has been key in supporting the development of an integrated experience, in which devices are only different facets of a superior experience.

Today, our experience as consumers does not begin or end in one world or another, but allows us to move back and forth, like someone travelling between planets, through these connectors—with many more to come. Touchscreens, beacons (devices that function through a Bluetooth signal), RFID cards (which store all product information), smart changing rooms and Light ID (which uses light to communicate with our mobile devices) will all, over the coming years, drive

an integrated consumer experience more oriented toward service than the mere collection of products. Companies like not only Amazon, but textile giants such as DAFITI and Inditex, have created shops that epitomize the ROPO effect (Research Offline–Purchase Online), allowing us to touch, see and smell what we are ultimately going to buy. In a context of constant and accelerated digital disruption, other developments, such as driverless cars –another innovation poised to exploit our profile as consumers of services– make it necessary for us to go back to the basis of everything, reviewing the proposal that guides our consumer offerings. That is why, in coming years, **we will see the triumph of brands that understand their relationship with their consumers as an integrated experience. An experience that, beyond occasional interaction, boosts the development of interconnected service platforms where the digital and physical are one.**

² Fjord Trends 2017, Accenture Interactive



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