



# Touchless Retail in the post-Covid-19 world

Delivery models and use cases





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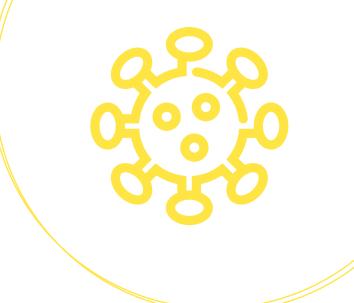
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### Introduction

The pandemic has a long-lasting impact on employee and consumer demands and expectations regarding safety. The health crisis led people to avoid touching objects and interacting with other humans. Managers focus on their sustainability when trying to address the disruptions on supply chains, the revenue losses and the drop in demand. In the rapidly evolving "touchless" economy, businesses need to reconsider their models and adapt to satisfy customer and staff requirements. <sup>1</sup> Covid-19 has forced businesses to adopt and consumers to familiarize with no-touch technologies including smart speakers, QR codes, radio-frequency identification (RFID), augmented and virtual reality as well as touchless models including payment, delivery, and ordering.

Retail is one of the sectors most affected by the pandemic and inevitably contactless technologies found many applications in the market, offering solutions and a breath of optimism for retailers. <sup>2</sup> As shoppers begin to experience the convenience of touchless online shopping, getting them in the store again means bringing the contactless experience inside. <sup>3</sup>



The shift in consumer behavior led to a new era for retail with the introduction of the term "touchless retail". Eliminating or making virtual all possible human touchpoints across the end-to-end customer journey from product selection to delivery at the doorstep means:

- Search, evaluation and product selection is completed on a smartphone, laptop or another digital device such as voice speaker or self-service kiosks
- The entire payment process is also completed on a smartphone applying voice payments, self-scanning checkout, mobile app payments or tap-and-go payments.
- Human involvement in order fulfillment and delivery is reduced to the minimum with the use of robotics, drones and automation.
- Automated drop-off or pick-up stations installed in apartment buildings or local communities prevent human contact at the point of receipt. Among the most popular delivery models are curbside pick-up, drive thru, buy-online-pickup-instore, buy-online-pickup-in-lockers and contactless home delivery.<sup>2</sup>
- 1. Howells, J., (2020, June). Accelerating digitization for the touchless economy. Orange Business Services
- 2. Capgemini. (2020, August). Touchless retail: What the rest of the world could learn from China's new ways to shop.

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With such actions in place, customers can use their smartphones to select, learn about, and purchase products, while employees can do their everyday tasks. <sup>4</sup>

Consumer concern about the spread of the virus is an important reason to avoid retail stores that have not adopted Covid-free practices.

A lot of research has been done lately on technologies, applications and formats that consumers perceive as hygienic and safe in times of crisis and beyond and expect from companies to provide them as options. Ultraleap, a natural user interface company, surveyed 538 consumers and 12% out of them said that touchscreens in public spaces are hygienic, while the around 82% said touchless interfaces would be more hygienic and give better protection. The research also found that 71% of consumers in the UK expect to interact more with touchless technologies such as gesture interfaces in the future, as opposed to traditional touchscreens. <sup>5</sup>

Similarly, in May 2020, a survey conducted by PMNTS, on 2,065 US residents found that 67.4% of consumers expect merchants to provide "order online for delivery", "order online for curbside pickup" (63.4%), "contactless payments" (59.7%), "online inventory status updates" (58.3%) and "in -store mobile wallet acceptance" (35.4%). Those percentages are much higher among those who have embraced digital channels to buy groceries and other products and also more concerned about contracting the virus than other consumers. 6 Covid-19 has given the retail sector a dramatic change; retailers and brands need to adapt immediately to the sense of new conservatism towards 'contactless' solutions that consumers will be opting for in the future. In addition to basic hygiene and cleanliness, the new norm would be to make the consumer journey touchless, from discovery to purchase and delivery. 7

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<sup>4.</sup> Floerkemeier, C., (2020, October). The future of contactless retail with scanand-Go. Today Retail.

<sup>5. 365</sup> Retail. (2020, June). A touchless future for retail?

<sup>6.</sup> PYMNTS.com. (2020, June). The great reopening: Shifting Preferences.

<sup>7.</sup> Chhabra, N., (2020, May). Why going 'Touchless' should be the priority for retail post Covid-19 pandemic. ETRetail.com.





Covid-19 has changed the way we live our lives, allowing for greater digital adoption. One of the most significant lessons that businesses have learned from the pandemic is how critical it is to be ahead on the digital transformation curve. 108 The demand for digital shopping options for touchless kiosks, curbside pickup, touchless payment, voice and face recognition applications and mobile and electronic commerce have become higher than ever, driven by consumers' desire to avoid in-person interactions and risking contracting the virus. 109 Mobile integrated loyalty programs, mobile order tracking, alerts when everything is ready and excellent customer service during the customer journey are among the additional features that companies should offer in order to satisfy their customers. Despite that consumers' digital shift is led by the fear of contagion, there are still many who have started to appreciate digital solutions benefits and are intending to continue to use them in the future. 110

Technological integration is an integral part of business success. Retailers have to be well prepared to keep up with the increasing e-commerce developments, and higher robotic automation in the near future. 111 Companies that leverage already widespread mobile technologies such as geofencing technology, Al, voice-based recognition and contactless capabilities in combination with the analysis of each user's data, will meet much more effectively the needs of consumers in speed, convenience and security. Digital experiences will continue to grow in popularity even in the post-Covid-19 era, and businesses that will immediately react and implement technology into their delivery model will gain a strong advantage. The pandemic has brought several tech revolutions overnight, marking the beginning of a contactless future. 112

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