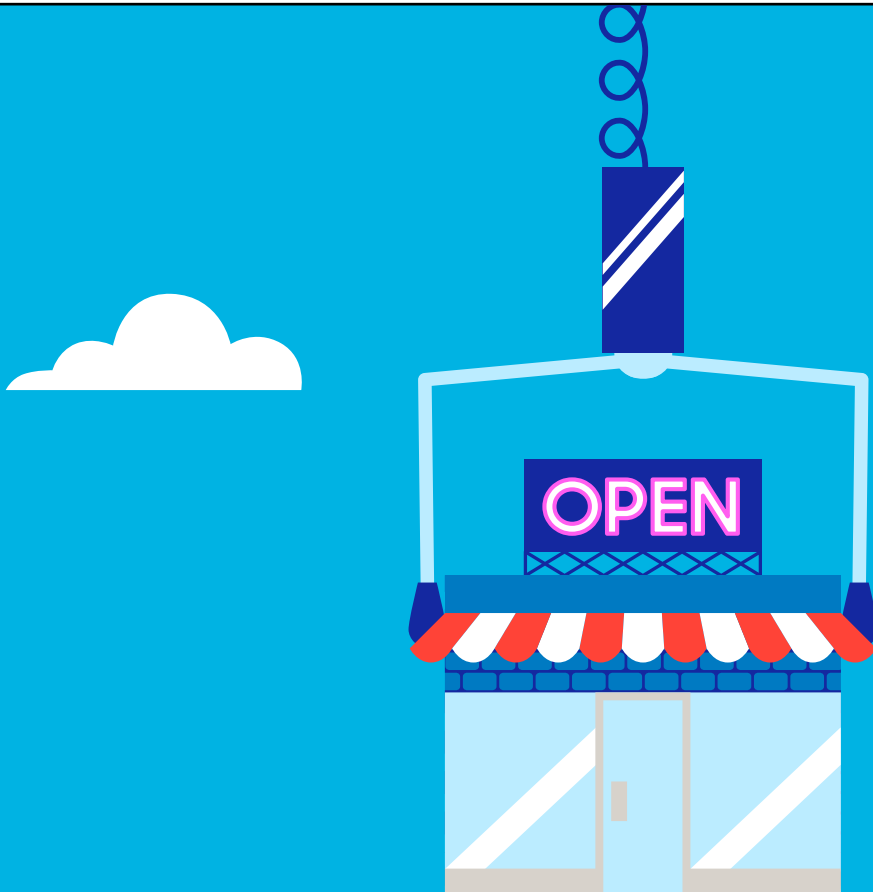SAMSUNG

eBook:

Pop-Ups: The Retail Store of the Future

OPEN

Today's digitally fueled pop-up stores, store-within-a-store, store-on-a-truck and other temporary or limited-inventory locations combine the best of a digital experience with the full immersion that comes with in-store shopping. This is accomplished by creating small spaces where shoppers can experience and get in-depth exposure to products and the brand in an open and inviting environment.

Pop-up locations can serve as full-on experiential showrooms with little or no inventory while digital infrastructure handles the transaction and delivery. These connected spaces put products in a setting that deepens customer relationships while enabling data collection on product interaction.

The pop-up format is proving its value for a wide range of use cases. As a result, as of March 2016, pop-ups constitute a $50 billion industry in the U.S., according to industry database PopUp Republic.[1]

This makes pop-up mastery simple at scale, so retailers can test, experiment and innovate as easily as they do in digital spaces, rapidly learning and adapting based on how consumers respond.

But not all pop-ups deliver the same value. Only data-driven pop-ups — those that collect data about customers' in-store behavior and deliver a digitally empowered customer experience — match e-commerce's ability to provide insights while taking full advantage of physical retail benefits. Connected pop-up spaces deliver these key advantages:

57%

Transforms data dark to data bright.
Connected pop-ups bring the applied personalization of your website into a physical store, which has often been a data-dark spot until now. You now have insights into what customers do inside the four walls. This brings together the best of the virtual and physical worlds.

Drives loyalty. Win a customer's loyalty and you also win a long-term relationship with high lifetime value. Loyalty results from time in front of the customer delivering exciting and engaging experiences. According to Accenture, 57 percent of consumers spend more on brands or providers to which they are loyal.[2]

Localizes the experience. Today's consumers are interested in products and experiences that relate to the tastes and traditions around them. Connected pop-ups enable you to gather the data you need to tailor each location to regional preferences, and even deliver customized content to individual shoppers.

"Rather than investing in initiatives aimed at directly increasing the wallet share of loyal customers, companies can benefit from placing greater investment emphasis on leveraging the goodwill and word-of-mouth generated by the loyal base as a source of 'warm' acquisitions," note analysts at Accenture. "That means recalibrating investments to focus on retaining customers with highly satisfying experiences and leveraging their connections to acquire new customers. That's where the hidden pools of loyalty returns lie."[3]
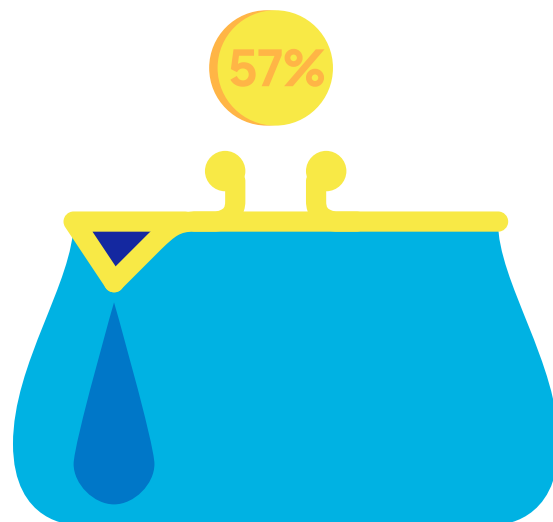
Putting Data-Driven Pop-Ups to the Test

B8ta stores are tech gadget stores with eight locations in the U.S. — and soon you may see them inside retailers including Lowes and Macy's. Instead of owning inventory or selling on commission, B8ta charges hardware makers a flat fee to display their products in a minimalist, appealing environment. Tablets next to each product display related content — and there is no pressure to buy. The value for consumers comes in what B8ta founders call "the emotional experience of a demo,"[4] while product makers benefit from clearly visible cameras tracking and reporting anonymous data on how many impressions, discoveries, demos and sales their products receive.

Chapter 1: Pop-Up Considerations

When evaluating what type of pop-up shop might work for your brand, it's important to know there are three main types of pop-ups:
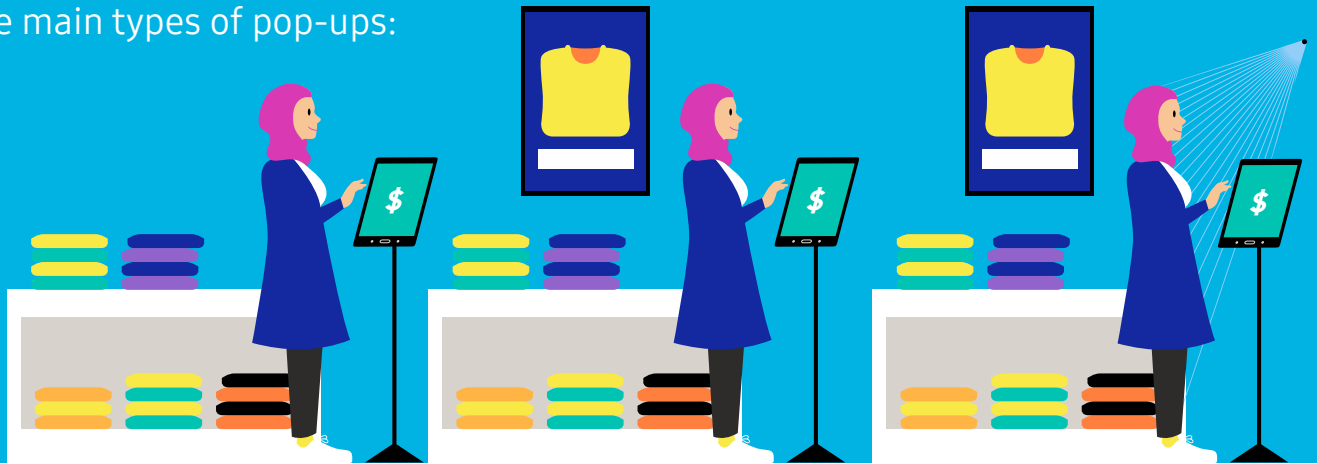
1. Non-digital pop-up. This setup includes physical products, with perhaps a mobile point of sale (mPOS).

2. Digital pop-up. This format includes a mobile point of sale, a digital display and some sort of content management system (CMS).

3. Connected pop-up. This includes digital technologies integrated with point of sale devices, digital displays and mobile solutions that are preconfigured, modular and integrated with analytics, which removes the need for complex design and testing.

By applying real-time analytics including heat mapping to the data these devices generate, you can gain new understanding about customers and what they think and do.

The first two formats accomplish the goals of connecting with customers, serving up experiences and promoting the brand fostering loyalty. But the only thing they teach you is anecdotal feedback, often collected on paper. However, this is only available when manually gathered and analyzed well after the fact.

Samsung Connected Spaces is the only setup that adds rich data about customers and what they do when they visit the store.

Live dashboards enable you to remotely monitor what's happening in real time, or on staff-facing tablets in the store, and manually or automatically change content based on what you see. The dashboard can provide data about high-traffic times, a heat map of an entire store, and demographics about gender, ethnicity, age range and how many are in a group.

To make the most of Connected Spaces, it's important to consider these important questions:

Content Creation: How will the model serve up creative?

To make best use of the pop-up, it's important to consider yourself a "director of experiences," crafting the visit to deliver the desired impact.

The best approach is to start with goals: Is the intent of the pop-up to educate shoppers about the product? Build awareness and loyalty? Forge more direct relationships with customers? Identify locations, test product concepts or ensure market positioning appeals to the intended demographic? Enter a new domestic or international market? All of these are effective and valid use cases for pop-up stores, and will narrow down your needs.
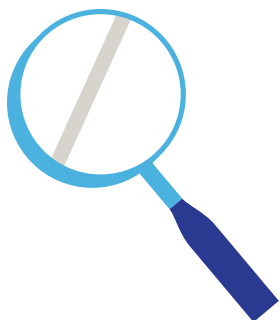
Return on Investment: What's the best way to calculate pop-up ROI?

Non-connected pop-ups can only achieve a crude ROI calculation, such as total revenue less the cost of producing and running it. Connected pop-ups are capable of a far richer ROI calculation, because they include the true value of data in the mix.

Connected pop-up ROI calculation should also be based on the store's goals. Testing a new product, testing a variety of products in a variety of layouts, scouting new locations for a brick-and-mortar store and looking for your regional demographics, testing different media, layouts and colors — all lead to different measures of ROI.

Customization: How do you identify which technologies you want in your Connected Spaces?

Figuring out main objectives will help identify which types of setups and technologies will be most effective. The desired customer experience determines what technology is best suited for your pop-up.

Videowalls make for dazzling, one-to-many impressions, while touch displays lend themselves to a two-way interaction. Pop-ups shaped around awareness may not need mPOS, while those based on revenue goals will need a speedy and easy-to-use point of sale. Kiosks are great to help visitors access endless aisle merchandise or engage in a personalized experience.
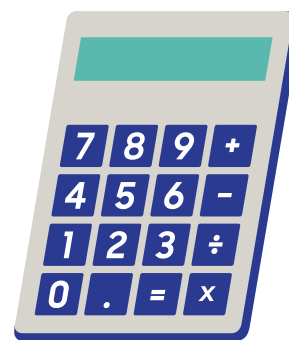
Chapter 2: Benefits of Samsung Connected Spaces

Unfortunately, for most retailers the numerous tasks required to move a pop-up from concept to live venue are time-consuming and costly, particularly digital pop-ups.

Many turn to agencies, which work methodically to figure out what your needs are, then produce concepts for review and revision. Then 25 to 30 weeks later, you have a pop-up with a hefty capital cost attached, a now-dated concept and a design you may never use it again. Even after must-haves including establishing design, locations and content, your IT and operations staff must accomplish many of the same steps required to open a new store, but in a shorter timeframe and with fewer resources.

Analysts estimate that the cost to erect a pop-up store in the conventional way are about 20 percent of what it costs to launch a permanent store.[5]

"The logistics of this are the toughest thing," says Ken Morris, a partner at the consulting firm Boston Retail Partners.[6] "It's making sure there's a process in place to move inventory around,

account for returns, stage the equipment and product, and disassemble efficiently. You really have to have a supply chain to support this."

Samsung Connected Spaces remove this burden by packaging all the technology and services needed to quickly set up a fully digital pop-up store.

This turnkey model includes transactional and engagement technology as well as cameras that generate the rich data needed to optimize the pop-up around your stated goals. You can mix and match any of three different modules offering a range of pre-integrated technology to suit your goals and desired customer experience.

The solution includes the analytics, reporting and dashboards you need to reap maximum value from the investment — plus speedy installation and ongoing tech support.

Samsung Connected Spaces include:

Modular Design:

Samsung offers three standard Connected Spaces to choose from. Everything is modular, so technology and modules can be mixed and matched. Module 1 is 5x10 ft. and includes up to 12 devices, while Module 2 supports a 10x10 ft. format with up to 18 devices; both install in two days. Module 3 is for 10x20 ft. spaces, supports up to 24 devices and sets up in three days.

TCO of Connected Spaces:

Go well beyond the lower costs of the modular rental model to calculate return on investment through rich data. Connected Spaces not only teach valuable lessons about your products, promotions and customers that you can apply across the business, but also allow you to make changes in real time to boost revenue and customer satisfaction.

Easy Teardown and Setup:

This is the quintessential "Solution in a Box," including everything you need to operate a digitally enabled store, including data and analytics. Modules can be assembled in a variety of ways and "skinned" to suit an individual brand's requirements, so it can be put together quickly. Everything is plug and play, so there are no integration headaches. Set-up and tear-down services are included in the price.

Versatile Range of Technology:

Solutions may include targeted smart signage, kiosks, POS transactions, Samsung Pay, mobile devices and virtual and augmented reality. They also include a media player, furniture and cabling. You always get the latest generation of technology, without worrying about capital investment, aging technology or end of life issues.

As-a-Service Rental Model:

This makes the pop-up an operational expense, and converts what was typically a large fixed cost budget item into a weekly rental cost, delivering a more favorable impact on the bottom line.

Individualized Experience:

Real-time access to live data means you can sense and respond with personalized content based on what the cameras are collecting.

Ideation to Implementation in 90 Days or Less:

Removes time-consuming IT design, spec, procurement and set-up that often delay from scratch pop-up projects.

Longitudinal Reporting:

Close your in-store retail data gap with time-based reporting. You can find out who shops on Tuesdays versus weekends, how content impacts weekly traffic patterns and how the new product release is trending over time.

Samsung Connected Spaces are a complete turnkey solution delivered through a partner ecosystem. This includes:

1. Barrows and VML, which provide retail and consumer goods marketing insight on how to attract, engage and sell to a shopper, as well as contributing modulated furniture.

2. NCR, whose intuitive Silver Quantum POS application comes pre-installed on Samsung's Galaxy tablets.

3. Ingenico, a manufacturer of point of sale payment terminals.

4. Pop-Up Mob's activation services so the pop-up can be "live" on the market faster.

# Chapter 3: Gathering Data With Cameras and Dashboards

With data breaches in the headlines almost daily, retailers are under pressure to create personalized and engaging shopping experiences while keeping customer data secure and being transparent with how they use it.

The 2017 Global Security Report from Trustwave shows that the retail industry leads the way with 22 percent of incidents.[7]

Ensuring a robust perimeter can be particularly challenging in temporary locations with unknown conditions.

Samsung Connected Spaces gather the detailed data you need to create bespoke experiences without collecting personally identifiable data (PII). The solution collects data passively with behavioral sensing capabilities via cameras and makes assessments of gender, age or other desired characteristics.

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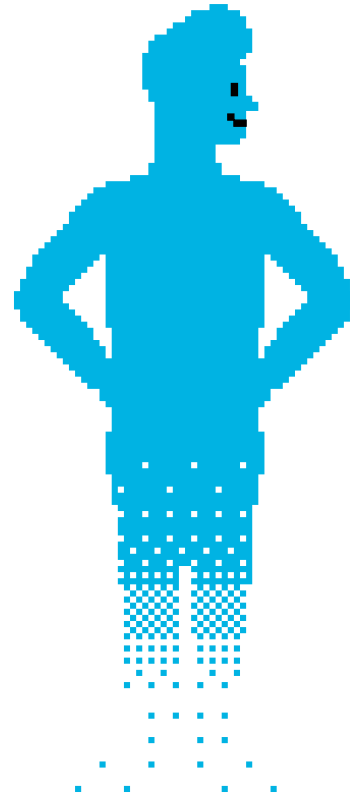
Data is gathered and reported in real time without disrupting the consumer's journey. This means you can collect the specific data you need without concern about data privacy and security. Instead of personally identifiable information, each guest is evaluated and assigned a numeric code.

You can know a middle-aged Hispanic male, code 155, spent 3.7 minutes of dwell time at a book display, for example, without violating his privacy or requiring opt-in. You can do more with anonymized data, because you can use it and share it without concern for privacy regulations.

All data collection and analytics are included in the weekly flat fee rental price.
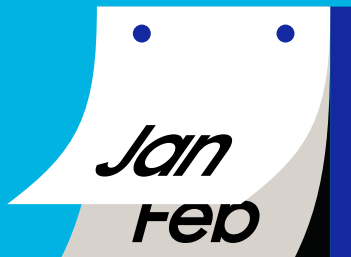
Here's how it works:

Cameras capture data such as People Count, Zone Count, Dwell Time, Heat Mapping and Demographics. No video is captured.

Analytics assign codes to each identifiable customer including pertinent demographics.

Data is reported via dashboards in real time, where you can merge it with external and internal factors to suit your specific needs.

Reporting also includes longitudinal data indicating trends you may need to pay attention to. Samsung Connected Spaces includes access to performance data for one year.

Real-time information is relayed to the associate in the pop-up or a remote manager so you can make immediate adjustments.

Connected Spaces are smarter, faster and more flexible than conventional pop-up design and deployment. This makes pop-up mastery simple at scale, so retailers can test, experiment and innovate as easily as they do in digital spaces, rapidly learning and adapting based on how consumers respond.

Chapter 4: Applying Data, Now What?

The ability to collect and analyze data about customer behavior is the critical element that transforms a pop-up from a limited-benefit focus group-like opportunity into a fully functioning business concept incubator.

Data-driven insights close the gap between online and physical retail, so you can gather real-time, longitudinal and deep dive insights that shape decisions, both immediate and longer term.

In its 2017 U.S. Retail Outlook report, commercial real estate firm CBRE forecasted that the future of physical retail is "rogue retailing" such as pop-ups, trucks and other non-traditional spaces. This model requires more flexibility from both landlords and retailers in order to account for greater risk.[8]

No retailer or manufacturer wants to wake up and discover they've lost market share, and have suddenly been overtaken by a formidable competitor armed with better data. Pop-ups generate a whole new source of insights about consumers, providing you opportunity to experiment and learn in real time and use the results to level the playing field.
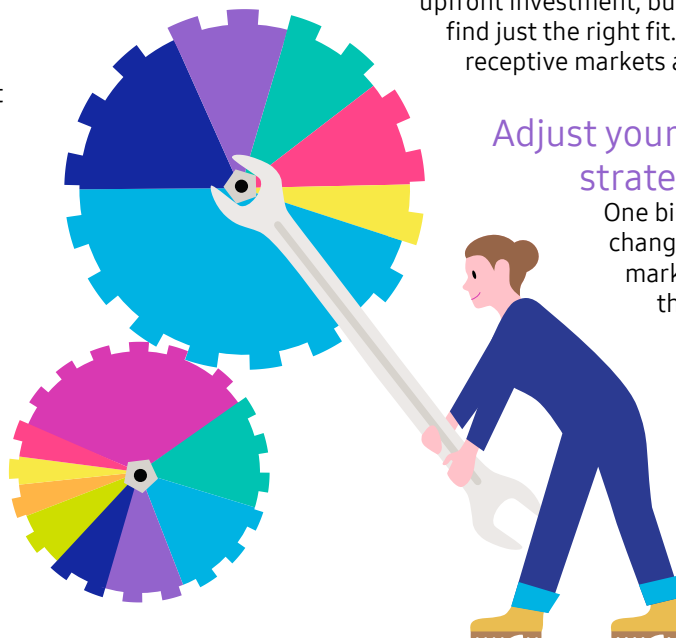
Here are the main ways you can apply data:

Learn more about local customers to test new store location. Consumer tastes and preferences vary by region. Connected Spaces can reveal if your brand and marketing resonate with local shoppers, and determine if a particular site draws your target market. The format is ideal for rapid prototyping and deployment, to get ideas to market fast and stay ahead of the competition. You can not only find out if a location works without a big upfront investment, but test multiple locations in an area to find just the right fit. You can also learn what your most receptive markets are.

Adjust your overarching marketing strategy based on findings. One big benefit of e-commerce is the change to easily test and compare various marketing strategies and fine-tune them based on instant feedback. Connected Spaces create this same opportunity in physical spaces. Blending this with e-commerce, call center and other customer feedback streams provides a rich foundation for decision-making,

so you can be sure your overall marketing strategy resonates across the brand.

Respond to issues in real time.
Remote access to heat mapping via the dashboard, for example, can tell you your staff is getting overwhelmed and you need to dispatch more associates. You can quickly learn that a location aimed at millennials is actually drawing seniors, and adjust your content and inventory accordingly.

Measure impact and patterns in content.
By relating behavior and metrics to content, you can discover patterns to shape marketing and personalization efforts.

Just as with e-commerce, you can learn how specific content impacts things like dwell time: The 11 a.m. product preview resonated best on weekday nights, with longer dwell times on Thursday and Friday and a 23 percent increase in conversions over other periods. Or, this type of content on outward-facing screens work best at drawing consumers into the pop-up.

Discover a better layout for your retail space.
Connected Space's extensive network of cameras mean you have visibility to every square foot of the pop-up store. Via heat mapping and people counting, you can see who is shopping, what they look at, which zones draw traffic and which get ignored — and how these patterns change over dayparts or other timelines. Real-time data means you can A/B test content, make immediate changes and get instant feedback.

Compare your pop-up's performance via benchmarking.
Widespread use of Samsung Connected Spaces modules across retailers generates a rich pool of anonymized data. This is invaluable for benchmarking, so you can see, for example, how your specialty store pop-up's performance compares to the benchmark of all specialty store pop-ups across a variety of metrics. Additionally, you can see if on-site product preview videos perform best on weekday nights between these hours. This allows you to make on-the-fly changes to current pop-ups and shape longer term decisions across the business.

Incorporating smart connected retail technologies into the pop-up allows you to think more broadly about the role of retail going forward.
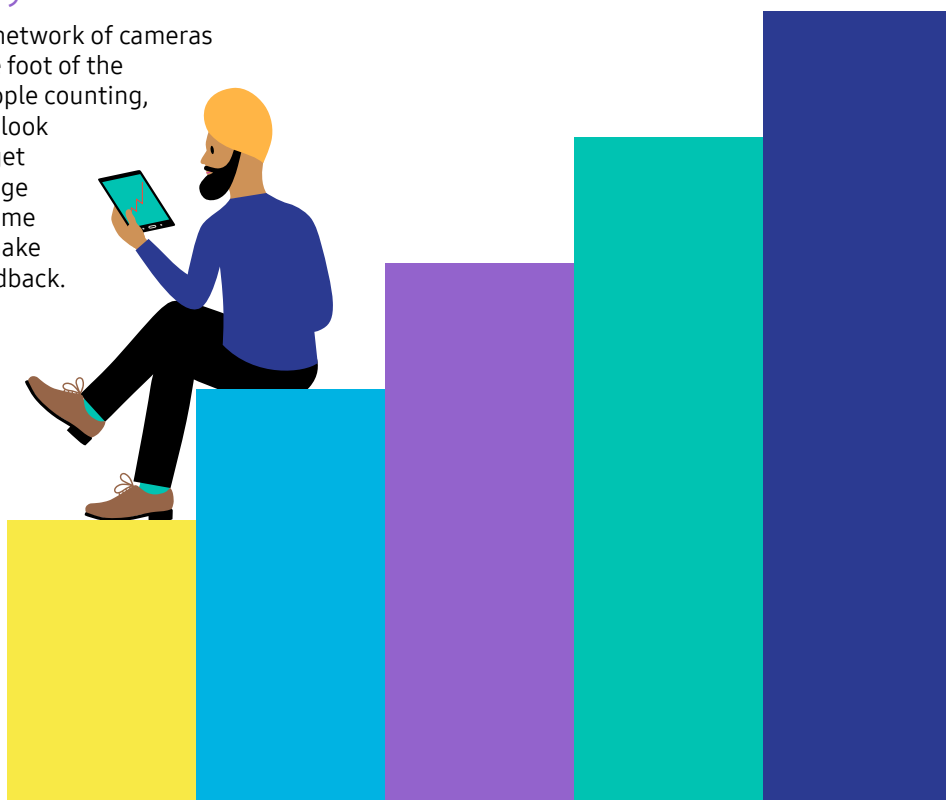
Conclusion: Samsung Connected Spaces Deliver Excitement and Data

The growth and excitement around pop-ups in retail make it clear this is not just a temporary byproduct of a shifting economy. When pop-ups are turbo-charged with customer behavior data, they become useful tools for relating to and learning about customers. Data-fueled pop-ups become test labs where you can experiment and learn about products, locations and behavior while also providing a relationship-deepening experiential retail encounter that drives revenue and customer loyalty.

"We're going to see more of this. It's the theater of shopping," says BRP's Morris. "It gets people engaged and is creative. That's what the pop-up is made for, to bring excitement back to retail." Samsung Connected Spaces enable you to bypass the high costs and challenges of pop-ups with an as-a-service model that includes all the technology and services you need to quickly set-up a fully digital pop-up store. This innovative turnkey model includes transactional and engagement technology as well as cameras that capture store data and provide retail analytics and insights into store activity.

With Connected Spaces, you get the best of both physical retail and e-commerce, so you can delight customers, generate buzz and gain new insights to improve your business.

"It gets people engaged and is creative. That's what the pop-up is made for, to bring excitement back to retail."[9] - Ken Morris

About Samsung for Retail:

Move your business forward with Samsung Connected Spaces, a pop-up shop outfitted with cutting edge retail technology designed to make the most of your business. Build better relationships with customers, customize your store, get up and running and start analyzing data in no time at all. You'll sell faster than you ever thought possible.

Learn more: https://www.samsung.com/retail

Resources:

1. https://www.bizjournals.com/newyork/news/2015/12/10/how-pop-up-retail-exploded-into-a-50b-business.html
2. https://www.accenture.com/t20170216T035010Z__w__/us-en/_acnmedia/PDF-43/Accenture-Strategy-GCPR-Customer-Loyalty.pdf
3. ibid
4. http://money.cnn.com/2017/11/17/technology/b8ta-store/index.html
5. http://www.glossy.co/store-of-the-future/the-anatomy-of-a-pop-up-launch
6. ibid
7. https://www.trustwave.com/Company/Newsroom/News/2017-Trustwave-Global-Report-Reveals-Cybersecurity-Trends/
8. https://www.cbre.com/research-and-reports/United-States-of-America-2017-Market-Outlook
9. Ibid, Glossy