

A hand holding a smartphone with a colorful abstract background and a fingerprint icon on the screen. The background is a deep blue with a pattern of small, dark, irregular shapes. The phone's screen shows a vibrant, multi-colored abstract design with shades of red, orange, yellow, green, and blue. At the top of the screen, there are icons for signal strength, Wi-Fi, and battery. A white fingerprint icon is visible on the screen. The text 'Retail 2020: The Road Ahead' is overlaid on the phone's screen in a white, bold, sans-serif font. The word 'wirecard' is in the bottom right corner in a white, lowercase, sans-serif font.

Retail 2020:

The Road Ahead



wirecard



Retail will change more in the next 5 years than it has in the last 50.

Jörn Leogrande, EVP Wirecard Labs

The retail industry continues to evolve, with digital innovations offering brand new potential for businesses—online and in store. In this report, “Retail 2020: The Road Ahead”, Wirecard Labs presents key findings from our survey of consumers in seven global markets: Brazil, China, Germany, Singapore, United Arab Emirates, UK, and USA. Based on the answers of 5000 consumers between the ages of 18 and 44, the insights show changing customer attitudes towards retail and technology—significant for merchants wanting to keep pace with global consumers. Four main areas were identified in the results that will play a major role in the next era of retail: mobile tech, retail solutions, innovations for convenience, and new ways to use data.

01/ **Mobile and more**

02/ **Next-level retail experience**

03/ **Innovating convenience**

04/ **Value of data**



01 / **Mobile and more:**

The buzz continues around mobile tech.

Mobile is already becoming well established in the market. Customers are relying more and more on smartphones to shop online or as personal shop assistants in store. Mobile payment at the point of sale is rapidly growing in adoption.



Mobile payment in store

Customers are either already using or interested in using their mobile phone to check out in store, even for large ticket items. The majority of Chinese consumers already use the technology. Most customers in the USA said they would like to see it implemented.

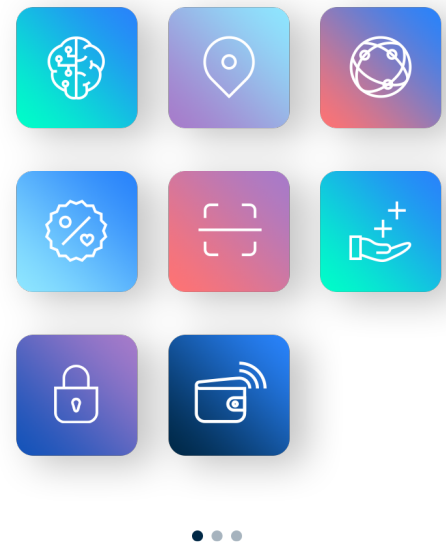


Apps and QR codes

There is a lot of interest in new ways to use a mobile in store. Most respondents said they would like to use an app to purchase products without needing to go to the check-out—particularly in Brazil. Payment via QR code also created interest and is already being used by over 20% of Chinese respondents.

More services on mobile

Customers in nearly all countries would like to do more with their mobile, such as buying additional insurance for an item via app or accessing personal finance to pay for items in installments. Where Germany is less interested in installments, most customers in the other six countries answered “very interested”.



Smartphones are the new sales floor

47%

of consumers globally **use mobile wallets** as a payment method.



81%

of people are willing to use mobile wallets to **buy big ticket items**.

54%

of consumers would like to see the technology or experience **implemented or improved**.

02/ Next-level retail experience:

New ways to convince customers—in store and at home.

Experience-enhancing technologies for retail are on the rise, offering customers many more options to find product information, try before buying, and speed up the shopping process. Biometric payment that uses fingerprint, hand, or facial recognition is growing in interest, offering a way to pay online or in store with next-level cashless convenience.

69%

would use fingerprint or hand scan,



48%

would use voice recognition,



81%

would use self-checkout,



81%

would use VR to try items of clothing before buying online.

50%

would use facial recognition,



74%

would buy products in an unmanned store,



We asked several countries how interested they are in trying new retail tech and combined this info with the country's current adoption rate. Here are our top three:



**Facial recognition:
Brazil**

Interest rate: 57%
Adoption rate: 1%



**Fingerprint:
UAE**

Interest rate: 68%
Adoption rate: 3%



**Voice recognition:
China**

Interest rate: 79%
Adoption rate: 4%



Smart in-store tech

Customers are interested in experience-enhancing tech such as Smart Mirror to ask for extra items or information. Unmanned stores appear popular too, offering a high-tech, sensor-based answer to a faster purchasing experience.



At-home customer experience

Advanced tech enables customer experience to be extended to e-commerce such as with virtual reality for a try-before-you-buy approach. The majority of respondents are “very interested” in using VR to try on clothing, especially in Brazil, China, and the USA.



Biometric payment

There is significant willingness for biometric payment technology. Besides reluctance in Singapore, most countries are likely to use fingerprint or hand scans to confirm payment. Facial recognition for payment is less popular but still significant, especially in China.

What is Smart Mirror?

Intelligent, interactive screens or mirrors allow easy, convenient self-service for customers.

A customer simply holds a product up to the Wirecard Smart Mirror and gain instant additional information, see recommendations and promotional offers, and check out there and then.

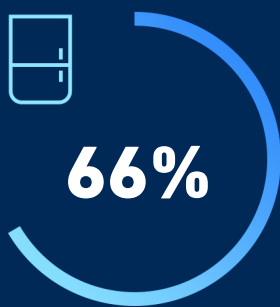


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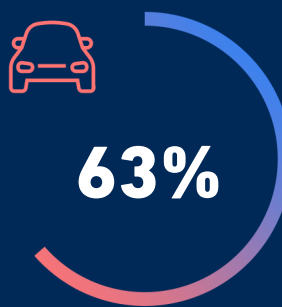
03/ Innovating convenience:

Integrating retail into everyday life.

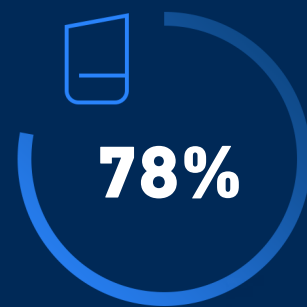
Convenience is still one of the main drivers in consumers' interests. Our survey found many respondents interested in, or already using, retail technology that is integrated into their home, office spaces, or cars.



are likely to reorder out of stock groceries via **smart refrigerator**.



are likely to shop in their **car**.



are likely to shop via **smart home** devices/appliances.

Smart appliances

The idea of a smart device or appliance, such as a fridge reordering groceries that are low on stock, is popular all over.

The most willing countries to use this are China, Brazil, and the UAE. Automated commerce is likely to increase in popularity in homes all over the world.

In-car purchases

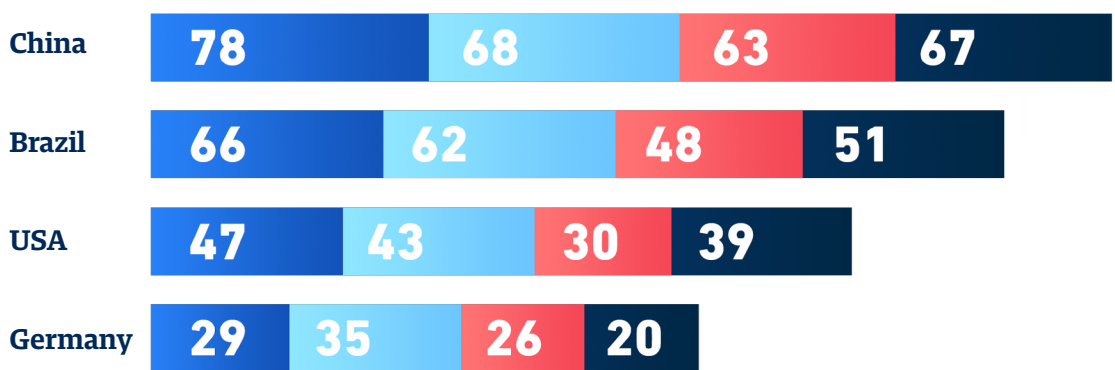
Shopping while driving is even a plausible scenario according to results. A large portion of respondents are “likely” to use the option to shop for goods or services safely while driving in their car, Chinese consumers in particular.

Smart speakers

Many customers are open to voice recognition to confirm payment such as with smart speakers. Germany is comparatively reluctant to pay for items using voice recognition on a home device—the rest of the global market are likely to do so.

04/ All about data

Data will remain decisive in attracting and retaining customers. Customers appear to be more open to sharing data if it means they can gain a convenient way to shop in return. An exciting innovative approach to retail, however, is data as a currency. Consumers could actually start to bargain personal data in exchange for goods, opening up new territory for retail.



Willingness to share data (%)

◆ Personal preferences ◆ Fitness/health data ◆ Location data ◆ Text messages

47%

Readiness to use superinnovative solutions like brain scanning

36%

Willingness of consumers to offer photographs or chat conversations as payment

52%

Likelihood of consumers exchanging fitness/health data for goods and services

Data as a currency is an exciting field and forms the basis of the “Get your data’s worth” infographic on the [Wirecard Knowledge Hub](#).

Conclusion

Customers appear to be more willing than ever to adopt tech into the retail experience. The results show that the road ahead for retail will involve smart tech, well integrated into a consumer's daily life. Merchants and retailers can benefit from technologies in multiple ways. On the one hand, there are more options to satisfy customers with boosted convenience and a faster customer journey—much of this relying on innovative payment methods. At the same time, labor resources can be minimized with the use of self-service technologies.

Customers are ready to start taking advantage of technologies such as self-checkout, mobile payment, smart devices in the home, and some are even opening up to the idea of data as a currency. Now is the time for retailers to use retail and payment solutions creatively to level up the customer experience and keep up with consumer demands.

