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Brick-and-mortar retail is not dead

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Visa's global head of innovation Mark Jamison points to trends that retailers can explore to reinvent themselves as next-gen retailers

As 2019 draws to a close, brick-and-mortar retailers are crossing their fingers that the holiday season will help them stave off the fate that has claimed dozens of fallen counterparts. Bankruptcy filings by Forever 21 and Barneys New York headline a slew of big American retailers who have gone bust, fuelling further talks of an impending 'Retail Apocalypse'. Add those casualties to venerable names such as Toys R Us and Sears, and one might say retail is on its last legs.

That is not entirely true, proclaims **Mark Jamison**, Global Head of Innovation and Design at Visa.

"Mediocre retail is in trouble but next generation retail, the retailers that understand that it's about experiences and personalisation, they're winning," he asserts, echoing various industry insiders' view that "[retail is not dead, but boring retail is dead](#)".

TRENDING

Speaking at the recent Asia Retail Leaders Conference (ARLC) 2019 held at Singapore Management University (SMU), Jamison presented several trends that successful retailers are recognising and acting on to succeed in the fast-evolving landscape. A key trend is the increasing number of options for consumers to pay without a cash register, be it with a phone, a watch or voice-activated devices such as Amazon Echo.

Citing Nike's flagship New York store, Jamison detailed how the sporting giant integrated the concept into the layout. "There's no point of sale, there's no cashier, you don't wait in the line to buy something," Jamison points out, adding that all transactions are predicated on customers downloading the Nike mobile app and loading it with payment credentials. "You see there's a QR code there, you look at that and it brings up all the information about [an item] and you can buy it right there with your app.

"You go through the store and when you're done, you walk out the door, they hand you a bag and all of your stuff's there. You don't have to talk to a person. There's no checkout line."

Jamison also highlighted British fashion brand Asos, which linked up with Google to [let shoppers buy via Google Assistant](#). Jamison describes it as an experience that is "completely private and powered by A.I., running on rich data sets to make sure that everything you're experiencing is personalised".

"The ability to pay for stuff is just happening everywhere, so the way you used to think of retail is not true anymore," he tells the audience. "Just remove that constraint that there has to be some point of sale, that people are going to stand in line...because they have no patience."

Another trend, Jamison observes, is that of online-only brands creating physical storefronts. Recalling Everlane CEO Michael Preysman's famous quote that "[w]e are going to shut the company down before we go to physical retail" and his eventual concession that [basically no online-only business is profitable](#), Jamison says it is a lesson that is becoming accepted retail wisdom.

"The irony of what we see happening in brick-and-mortar retail was the press saying it is dying, [but] all of the most successful online brands are actually creating [physical] retail," Jamison says, decrying what he calls "the false dichotomy of online versus online". "That's their sign of success because they're learning that you have to have both. You can buy something online and return in a retail location."

SUCCESS ONLINE, OFFLINE, AND ON THE LINE

Related to that trend is what Jamison terms All channels get connected, where features of the online world is used to fuel physical retail, and vice versa. The example he used was Brazilian fast-fashion brand C&A, who built hangers showing real-time Facebook 'like' numbers for the garments on it.

"Think about all the things we've learned about online shopping and online commerce," Jamison says. "You go onto a site and you're looking for something, and you can read the reviews and you can see which ones were rated how many stars. Let's say item A has been rated two and a half stars, and item B has been rated four and a half stars and has all these really positive reviews and 10,000 people bought it; which one are you going to buy?"

"In the physical store you never really had that. So why don't you start to fuse those things together?"

Other innovations, such as [CaliBurger's face recognition payment system](#) and [Starbucks's Mobile Order & Pay](#) to order ahead of time – "Customers want to walk in, pick it up and go; if you're in the quick-serve food industry, you'd better get that down" – reflect consumers' constantly evolving habits and ever-rising service expectations. While retailers may feel overwhelmed by the speed and magnitude of changes in the sector, Jamison reiterates: it is certainly not dead.

"The whole thing about brick-and-mortar retail being dead – it absolutely is not; mediocre retail is dead," he argues. "The ones that have a passion for their customers, that are able to provide personalisation, that use data in all the right ways, that are tech savvy and are really committed to creating the experiences that will delight their customers, they're going to win. That's the future of retail."

Mark Jamison was a speaker at the Asia Retail Leaders Conference organised by SMU's Retail Centre of Excellence that was held on 14 November, 2019.

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