



WHITE PAPER

retail VR

2023

THE FUTURE OF E-COMMERCE

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A/ DEFINITION AND ORIGINS

Online retailing has grown exponentially in recent years, transforming the way consumers shop and interact with brands. While traditional online retail platforms continue to thrive, a new trend is emerging, that of 'Virtual Stores'.

These immersive online spaces offer a unique shop experience that could well represent the future of online retailing.

1/ What is a virtual store ?

A virtual store is a virtual space that allows consumers to buy products and services in an immersive online shop. Unlike a physical store, a virtual store can be accessed from any location and at any time of day.

But what are the differences between virtual stores and e-commerce?

2/ Virtual Store vs E-commerce

E-commerce and virtual stores are two concepts linked to online commerce. However, there are some notable differences between the two. E-commerce, also known as electronic commerce, refers to the sale of goods or services online via a dedicated website. Transactions are carried out entirely online and products are shipped directly to the customer.

Virtual stores, on the other hand, are online platforms that enable physical shops to extend their online presence. Products can be delivered to the shop or to the customer's home. In addition, virtual stores immerse customers in a virtual shop environment.

In short, e-commerce focuses on online sales via dedicated websites, while virtual stores enable physical shops to extend their online presence and offer an immersive virtual shopping experience.

According to Fevad, e-commerce is growing all the time. In fact, its growth rate in the third quarter of 2022 was 16.8% higher than in the third quarter of 2021. And with good reason, virtually all brands are offering their products for sale on the Internet. They do this via their own website or via marketplaces.

Virtual stores are useful for companies selling products or services online, as they allow customers to see and handle products virtually before buying them.

A/ DEFINITION AND ORIGINS

3/ The different types of virtual stores (VR, AR)

There are different types of virtual shops, using both virtual reality and augmented reality to offer innovative shopping experiences:

1. Virtual Stores in VR

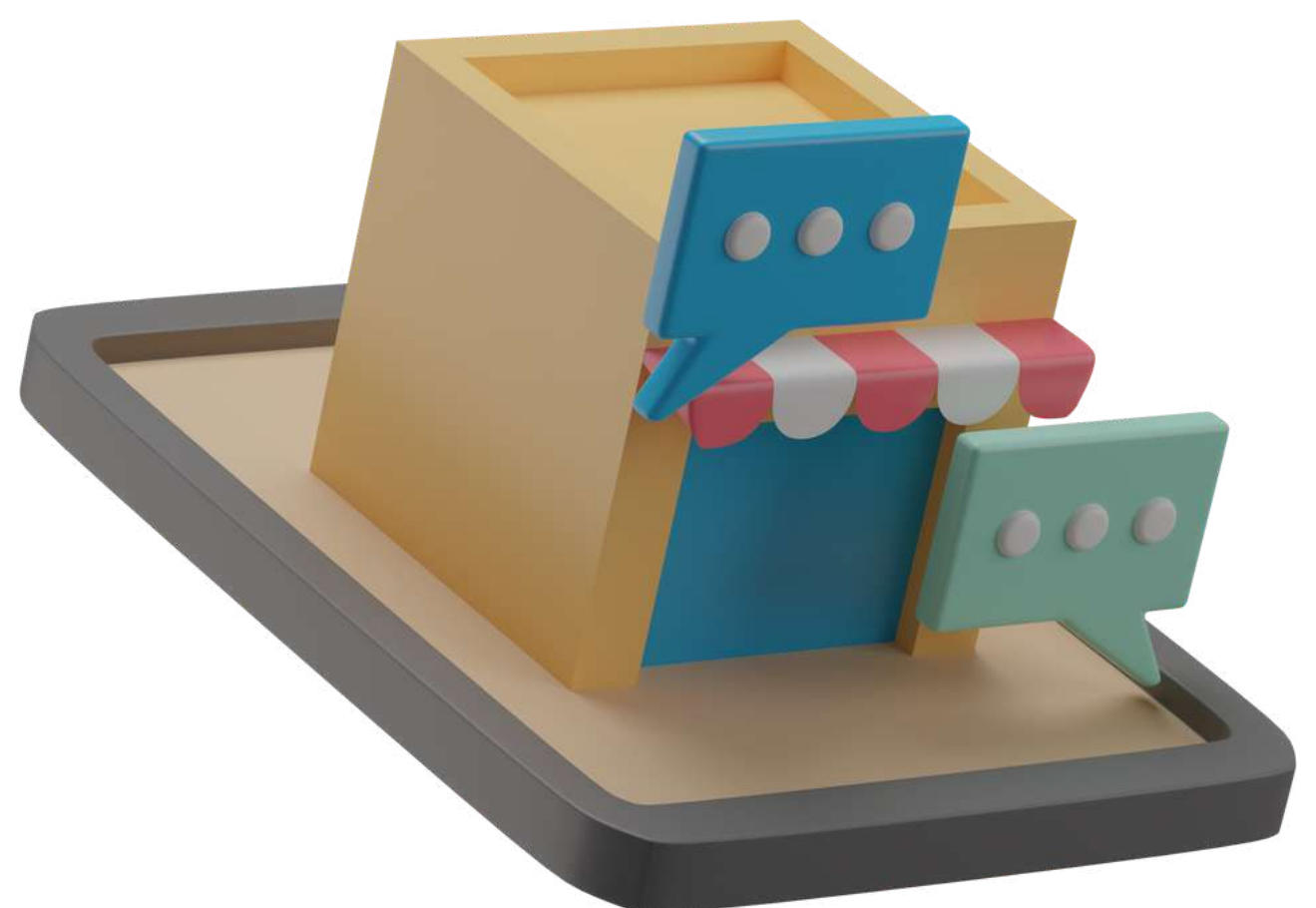
Virtual reality shops recreate a virtual environment in which customers can move around and interact with products as if they were physically present. Users wear VR headsets to fully immerse their senses in this simulated environment.

2. Virtual Stores in AR

Augmented reality virtual shops superimpose virtual elements on the real world, usually using mobile devices such as smartphones or tablets. Customers can see the virtual products in their real environment and manipulate them in real time using AR technology.

3. Virtual Stores in AR and VR

Some virtual shops combine both virtual reality and augmented reality. These shops offer a hybrid experience where customers can explore a virtual environment while overlaying virtual products in their real environment. This creates an experience that blends virtual and real elements, offering a more realistic and interactive feel.



It is important to note that VR and AR technologies continue to develop and evolve, which may lead to new types of virtual shops and improvements to immersive shopping experiences.

B/ THE BENEFITS OF VIRTUAL STORES

1/ Introduction

Virtual stores highlight the brand's values, either by magnifying the product in a custom-made virtual world, or by using the visual merchandising codes that are used in the brand's points of sale or flagships.

By placing the product in a context in which it can be used, or by using visual merchandising codes, the retailer will generate impulse purchases.

So it's not just the price that triggers additional sales, but the desire to understand the product, to handle it, to make it your own.



Crédit : Printemps

Note that the media traditionally used on e-commerce sites (photo, video, sound) are of course available in a virtual store.

2/ Benefits for consumers

- **Accessibility:** virtual stores are available 24/7 and from any location. There's no need to travel or connect via a virtual reality headset. All you need is a phone, tablet or computer. All users have to do is click on the buy button to put the products they want in the shopping basket.
- **A wide range of choices:** virtual stores, like e-commerce sites, offer a wide range of products. They can be accessed via product cards or carousels. Virtual stores offer an infinite range of products, which is not the case in physical shops. This makes it easier for customers to compare prices and products from a wider range.
- **Personalisation:** customers can filter their preferences on products, such as colour, shape, size, etc. They can therefore personalise their customer experience.
- **Reviews & communities:** virtual stores allow customers to communicate with virtual vendors and leave reviews of the products they have ordered. These comments can therefore be useful for other customers who may wish to check out. It can also be beneficial for the company, because these comments can tell it what needs to be improved on the products

B/ THE BENEFITS OF VIRTUAL STORES



3/ Benefits for brand and companies

- **Customer experience:** virtual stores enhance the customer experience. These immersive experiences are enhanced by a number of factors, including merchandising, the choice of music or colours, the positioning of products, product displays, etc.
- **Varied choice:** virtual stores, like e-commerce sites, offer a very varied choice of products. They can be accessed via product cards or carousels. Virtual stores offer an infinite range of products, which is not the case in physical shops. This makes it easier for customers to compare prices and products from a wider range.
- **Data collection:** sales staff can collect data on customers' preferences and buying habits and offer them personalised recommendations.
- **Cost savings:** prices on virtual stores are often more competitive because of their low operating costs. Companies don't have to pay rent for a shop or hire staff. These savings can therefore be an advantage for customers, who benefit from lower prices than in physical shops.
- **International:** virtual stores enable businesses to reach a global audience, which can help to increase sales

B/ THE BENEFITS OF VIRTUAL STORES

4/ Examples of brands and companies that have used VS

Ralph Lauren has launched its virtual store developed by Obsess.

The Ralph Lauren virtual store is an immersive online shopping experience that allows customers to discover the brand and its finest boutiques around the world in an interactive way.

The virtual store allows customers to view product information sheets and collections in a photorealistic way.



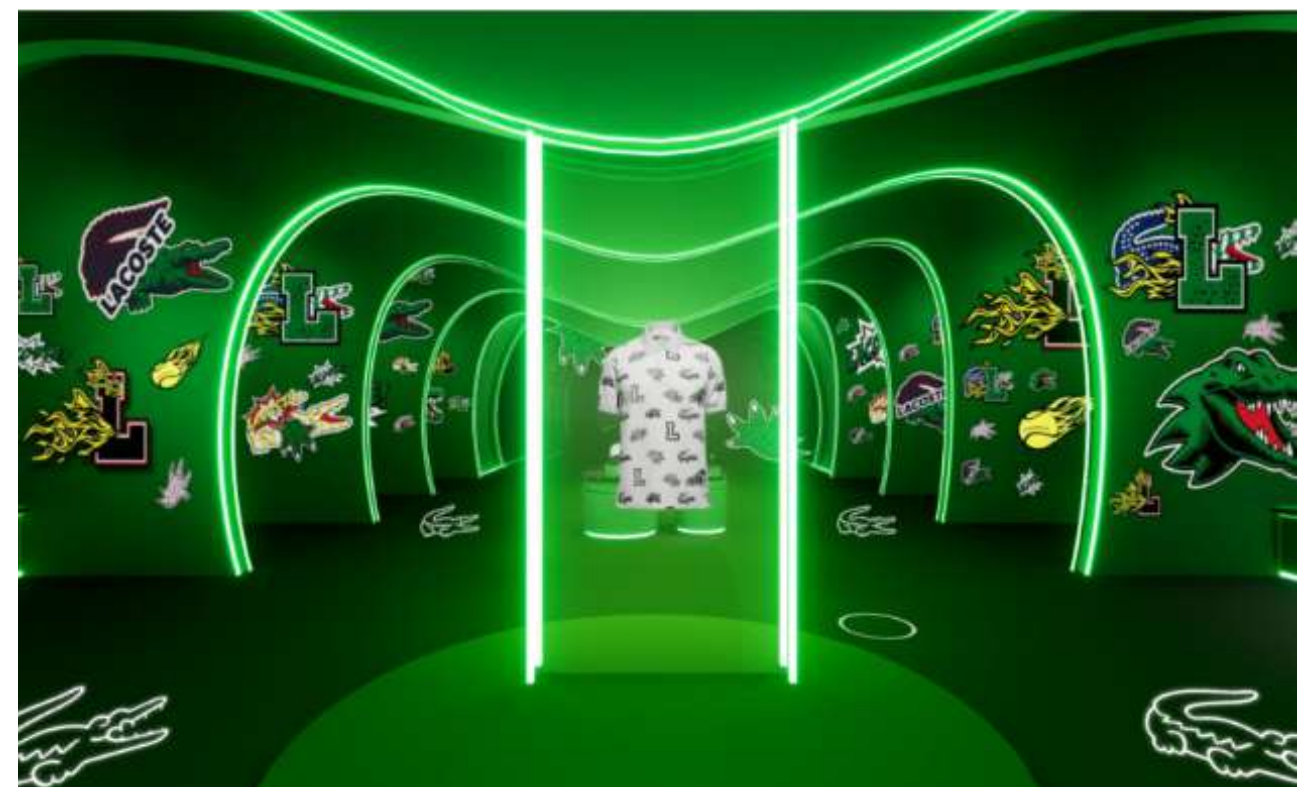
Crédit : Ralph Lauren

This immersive virtual tour allows customers to immerse themselves in the world of the brand and to have the opportunity to physically visit the points of sale in question.

Lacoste launched its very first virtual shop, developed by Emperia.

Unlike Ralph Lauren, the Lacoste virtual store is a VR virtual store offering a unique, immersive experience.

It reflects the brand's characteristic elegance, sportiness and refinement. Customers can view products in 3D and access product information sheets.



Crédit : Lacoste



Crédit : Lacoste

More recently, the crocodile brand launched a new virtual boutique offering an immersive shopping experience. Here, customers can discover the latest summer collection.

Visitors can also take part in a crocodile hunt throughout the experience.

It takes participants to a space exclusively for Club Lacoste and UNDW3 members, unlocked by a Lacoste login or NFT.

B/ THE BENEFITS OF VIRTUAL STORES

La Nouvelle Cave was founded in 2019 and is based in Paris. It belongs to the Casino group. The Casino Group has sales of €30.5 billion in 2022.

The company offers innovative digital advice! As well as expert wine merchants, there is also a digital sommelier developed with Matcha, a start-up specialising in wine. It uses a system of light to guide customers to the right bottle.



Crédit : Groupe Casino

La Nouvelle Cave has developed a virtual shop with our teams. The aim is to appeal to Generation Z in an immersive, interactive and content-rich way. Just like an in-store experience, customers can chat to the cellarman, move around the shelves, interact with the 3D-modelled products and add them to the shopping basket.

It's worth noting that all the content in this shop is automatically updated thanks to the interface (API) with the Shopify CMS. So customers don't have to exit the application to make a purchase.

Another special feature of this virtual store is that it is optimised for mobile devices, to facilitate m-commerce. Let's not forget that generation Z was born with a mobile in hand.

La Nouvelle Cave reports a 15% increase in traffic in the 3 months following the launch of the solution. The virtual shop also generated 6% more sales and a 36% increase in the average basket. In addition, the launch of the virtual store generated a great deal of publicity.

B/ THE BENEFITS OF VIRTUAL STORES

What's more, La Nouvelle Cave was shortlisted for the Innovation prize at the Favori e-commerce grand prix and took second place with the development of its virtual store using the Retail VR platform!



Boutique virtuelle réalisée par Retail VR

We are very proud to have been able to contribute to this medal.



Crédit : Eon Media

The sports brand is offering an online virtual store that allows customers to browse and buy RTFKT products in a virtual store on Roblox.

Customers can explore the different collections of virtual footwear, clothing and sports accessories and buy directly online. The experience is immersive thanks to features such as 360-degree views, zoom and video presentations.

C/ CHALLENGES OF VIRTUAL STORES

1/ Technological challenges

Virtual Stores, while offering exciting possibilities for the future of online commerce, face a number of technological challenges that must be overcome to ensure their success and widespread adoption. Here are the main challenges facing Virtual Stores:



Crédit : Nespresso

- **Technology integration:**

Virtual Stores exploit a complex set of technologies such as virtual reality (VR), augmented reality (AR) and artificial intelligence (AI). One of the main challenges is to seamlessly integrate these different technologies to create a fluid and immersive user experience. Precise synchronisation between these technologies is crucial to delivering a smooth and realistic virtual shopping experience.

- **User experience (UX):**

User experience is at the heart of the success of Virtual Stores. However, delivering a compelling and intuitive experience can be a challenge. Virtual Stores need to be designed so that users can navigate easily through virtual spaces, interact with products in a natural and realistic way, and make purchases seamlessly. Any problems with ergonomics or usability can lead to lower consumer engagement and a reduced conversion rate.

- **Security and confidentiality:**

Data security and confidentiality are major concerns in online commerce, and they are even more critical for Virtual Stores. Consumers need to feel confident when they make virtual purchases and share their personal information. Guaranteeing the security of virtual reality transactions and protecting user data are major challenges for companies setting up Virtual Stores.

- **Enterprise adoption:**

Although Virtual Stores offer undeniable benefits, their adoption by businesses can be a challenge in itself. The high upfront costs associated with implementing these technologies can deter some businesses from investing in Virtual Stores. In addition, resistance to change in traditional business practices can hinder their widespread adoption.

C/ CHALLENGES OF VIRTUAL STORES

Virtual stores offer undeniable advantages, in particular a 35% increase in the average basket and a 30% increase in the time spent within the experience, far greater than the time spent on a traditional ecommerce site. However, their adoption by businesses can be a challenge in itself. Initial costs remain high in absolute terms. But compare this with the cost of maintaining a network of physical shops or setting up an ecommerce site. In both cases, the investment involved in a virtual store is lower.



Crédit : WD-40

- **Accessibility and compatibility:**

Ensuring that Virtual Stores are accessible to a wide range of devices and platforms is essential to reaching a wider audience. Virtual Stores need to be compatible with different devices such as desktops, smartphones and virtual or augmented reality headsets. Ensuring a consistent and satisfying experience across these different platforms is a complex technical challenge.

In summary, although Virtual Stores are opening up new prospects for the future of online retailing, they face a number of technological challenges if they are to achieve their full potential. Seamless integration of technologies, a fluid and secure user experience, and widespread adoption by businesses are crucial to the long-term success of Virtual Stores. By overcoming these challenges, businesses can revolutionise the online shopping experience and offer exciting opportunities to consumers around the world.

C/ CHALLENGES OF VIRTUAL STORES

2/ User data management

As we began to see in the previous section, data security and confidentiality are major concerns in online commerce. So they will be for Virtual Stores.

The Commission Nationale de l'Informatique et des Libertés (CNIL) defines personal data as any information relating to an identified or identifiable individual. There are two types of identification

- direct identification (surname, first name, etc.)
- indirect identification (identifier, number, etc.)

The protection of personal data has been strengthened under the General Data Protection Regulation (GDPR), which came into force on 25 May 2018.

From now on, the collection and processing of personal data by companies are subject to obligations designed to protect the privacy and individual freedoms of the people whose data is collected.

Pour mettre en place un virtual store, il faudra respecter les 4 piliers du RGPD :

- **Consent:** Give Internet users the option of browsing with or without cookies. The request must be made explicitly by a visible means (dialogue box, banner or pop-up window). Internet users must be able to refuse, accept or select the site's cookies.
- **Transparency:** Provide succinct information about data processing in a clear and accessible manner, for example on a page dedicated to "privacy". This information can be included alongside a data collection form or within contractual documents.
- **Responsibility:** Make employees aware of the issues surrounding data processing, and keep a record of all the procedures and processing carried out on their databases. It is also essential to keep the data collected up to date and secure. In the event of a security breach, companies are obliged to inform their customers.
- **Individual rights:** Implement security measures such as creating back-up copies, installing antivirus software and regularly changing passwords.

CONCLUSION

SWOT analysis

STRENGTHS

- **Immersive experience:** Virtual shops offer an interactive and immersive shopping experience, allowing customers to experience what it's like to shop in a physical shop.
- **Global accessibility:** Virtual stores enable businesses to reach a global audience without geographical constraints, expanding their growth and sales potential.
- **Reduced costs:** Virtual shops can reduce the costs associated with renting premises, fitting out and maintenance, which can be advantageous for businesses with limited resources.
- **Accurate data collection:** Virtual stores can collect accurate data on customer behaviour, which can help businesses personalise offers and improve their marketing strategy.

WEAKNESSES

- **Technological dependency:** Virtual shops require a solid technological infrastructure, including a reliable internet connection, suitable hardware and software. This can be a challenge for businesses without the necessary resources.
- **Limited shopping experience:** Although virtual shops can offer an immersive experience, some customers may prefer the tactile aspect and the sensation of seeing and touching products before purchasing them.
- **Adoption barriers:** Some consumers may be reluctant to adopt virtual shops due to familiarity with traditional retail models and distrust of online shopping.

OPPORTUNITIES

- **Growth in online shopping:** The increasing popularity of online shopping presents huge opportunities for virtual shops, as more and more consumers seek convenient and personalised shopping experiences.
- **Evolving technology:** Evolving technologies, such as virtual and augmented reality, are opening up new possibilities for virtual shops, enabling more realistic and interactive experiences.
- **International expansion:** Virtual shops enable easy expansion into international markets without the geographical and logistical constraints of traditional retailing.

CONCLUSION

MENACES

- **Online competition:** Online competition is intense, with many established players and new start-ups looking to capture market share in online retailing, which can make it difficult to differentiate and capture customers.
- **Security issues:** Virtual shops can be vulnerable to cyber attacks and data security issues, which can affect customer confidence in using these platforms.
- **Evolving regulations:** E-commerce and consumer protection regulations are constantly evolving, which can impose additional requirements and constraints on virtual shop operations.

In summary, virtual stores offer benefits such as an immersive experience, global accessibility, reduced costs and accurate data collection.

However, they face challenges such as technology dependency and a limited shopping experience. Opportunities lie in the growth of online commerce, technological evolution and international expansion. Threats include online competition, security issues and ever-changing regulations.

Companies need to capitalise on their strengths, mitigate their weaknesses, seize opportunities and manage threats to succeed in virtual stores.



Crédit : COACH

CONCLUSION

Virtual stores are undoubtedly the future of online shopping, marking a major shift in the way consumers interact with products and brands. Using innovative technologies such as virtual reality, augmented reality and artificial intelligence, these virtual shops have the power to radically transform the online shopping experience.

The very essence of Virtual Stores lies in their ability to offer immersive and personalised shopping experiences. Consumers can now virtually explore products, visualise how they fit into their daily lives and make informed decisions, while feeling closer to the brands they love. This realistic immersion in the virtual environment transcends the traditional barriers of online commerce, creating a deeper and more engaging relationship between customers and businesses.



Crédit : MidJourney

The essence of Virtual Stores lies in their ability to deliver immersive and personalized shopping experiences. Consumers can now virtually explore products, visualize how they fit into their daily lives and make informed decisions, all while feeling closer to the brands they love. This realistic immersion in the virtual environment transcends traditional barriers of online commerce, creating a deeper and engaging relationship between customers and businesses.

However, the ultimate success of Virtual Stores relies on solving complex technological challenges. The seamless integration of different virtual technologies, improving the user experience, ensuring data security and confidentiality, as well as widespread adoption by businesses are all obstacles to overcome.

ABOUT RETAIL VR

Retail VR offers a 3D experience platform to accelerate sales and retail processes.

Limitation of travel, high operational costs of showrooms, reduction of carbon footprints, in this context it is difficult to propose new concepts, to succeed in a product launch or a promotional campaign.

Thanks to our 2D/3D converter, we create environments and 3D content very quickly.



Crédit : Jamini

Our solutions help brand owners and retailers simulate their points of sale, to validate product launches or to work on consumer studies. We also help them digitize their showrooms and offer immersive and brand-enhancing purchasing experiences, thereby saving time and money.

CONTACT



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