



Università
Ca' Foscari
Venezia

Master's Degree
in Management

Final Thesis

Phygital

Where and how we could intervene in the customer journey to
provide a better customer experience

Supervisor

Prof. Cristiano Nordio

Graduand

Lisa Dal Colle

Matriculation Number

866973

Academic Year

2021/ 2022

ACKNOWLEDGEMENTS

Just like the phygital stories presented below are tailored to the brand embracing them, so I have designed this thesis to symbolize my learning path throughout these two years.

I have sewn it on myself, experience after experience, observing with a curious gaze the realities I have known, visited and listened to in many different places over the last two years. Starting from my hometown Treviso, passing through Venice, Lyon where I did my Erasmus, the Double Degree in Antibes, the European Summer Academy in Berlin and Amsterdam, the city where I live now. All these places have not only narrated different perspectives that have enriched me but also introduced me to many people.

Thus, I would like to thank all the managers, founders, experts and other professionals in the field of phygital and customer experiences who dedicated their time to me and tickled my intellectual curiosity. Nicolò Andreula, Giorgio Grando, Nicolò Santin, David Guzzonato, Adriano La Vopa, Stefano Dassie e Cristina Mele.

A special mention goes to Cristiano Nordio, my thesis supervisor, for having believed in my capabilities to go out there and discover this field and for accompanying me through this journey.

I want also to thank my friends and family for supporting me from anywhere they were and anywhere I was. Besides, I am grateful to my boyfriend, Sergio, for having encouraged me every step of the way.

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Biography

Sitography

ABSTRACT

The idea behind the analysis is to understand the customer journey and identify the various touchpoints in which a company could intervene to provide a better customer experience. First of all, it is crucial for brands to have a clear idea of who they are addressing, what are the peculiarities of the target they have selected and draft a detailed brand persona. These elements help linking the brand with the audience segment and are the basis for creating a remarkable connection between them. Once this first step is completed, it is fundamental to understand the customer journey, the entire experience a customer has while communicating with a brand. It considers the complete interaction roadmap from brand awareness to purchasing and advocacy. The focus is not on transactions, but rather how the customer feels throughout all the journeys. Intervening along the roadmap has beneficial effects both on the clients who can enjoy an improved experience and for the company who can reinforce its competitive position by augmenting volume of sales and customer retention. In this thesis, the interventions analysed are phygital solutions, elements that balance the physical experience with the digital one for improving the experience in physical retails or showrooms. The paper, after a review of the literature on this topic, would explore the context and business environment surrounding the term phygital. Moreover, the analysis dives into different case studies, where phygital is implemented for variegated purposes across different industries and various company sizes. Besides, some gamification practices will enter the discourse as tools that enable a business to unleash ideas and identify phygital intervention points along its customer journeys.

INTRODUCTION

Nowadays, it is strongly believed that the advent of technology and e-commerce will lead consumers not only to change their shopping habits, but also to a complete abandonment of traditional shopping in physical stores. It is thought that this phenomenon, which was born and has developed as result of the spread of Internet, will tend to grow in the future and that the COVID-19 pandemic served as main driver for this transition. However, the reality is quite different, and many aspects need to be taken into consideration, not just by describing the phenomenon as a gradual move of the consumer away from the physical store and its total abandonment, but also considering the evolution of consumer behaviour with the consequent changes in their habits. Consumers, in fact, are still very attached to shopping in the physical store tending to shop through both traditional and digital channels. For certain types of products, for example, customers decide to look at the product first on the Internet - searching for some information or reviews from other consumers - and then go to the store to finalize the purchase, thus being able to touch the chosen product with their own hands. With the advent of Internet and especially of smartphones, this "preventive" research that used to be done comfortably at home before visiting the shop, now can even be done directly inside the store. The customer is prepared and knows already a lot of information before choosing to buy. Then, the most remarkable game changer is that today's consumer is always connected even when she or he is offline. This is a type of consumer who tries to combine online and offline, inhabiting two worlds simultaneously, indeed, trying to offer store customers an experience that is both physical and digital at the same time is the challenge for today's retailers. Another aspect

that needs to be taken into account is that even those retailers that were born online, first and foremost Amazon, have decided to expand into the physical world, demonstrating how the digital store is often not enough for the customers, as it cannot offer numerous advantages that, on the contrary, the point of sale brings to them. All this shows how the digitalization of the store is now a key step in the evolution and survival of the physical point of sale. In this increasingly hybrid context, it is therefore crucial for retailers to adapt to the needs of the consumers. One effective mean to achieve this is phygital, a strategy that seeks to combine the physical with the digital world and create for the consumer an onlife experience that is more unique, personalized and interactive. One way to create a phygital strategy is to use technologies along the customer journey in such a way as to allow the consumer to access a world online even within a physical context. Nowadays, we are witnessing a 360-degree digital change that is affecting many environments, including the shopping experience world. This revolution is altering consumer purchasing behaviour and this is leading companies to review their agenda and strategy. Understanding how the habits of today's consumers have evolved is therefore of paramount importance to remain competitive in the reference market. Hence, phygital - the fusion of the physical and digital - becomes the new frontier, positioning itself as one, if not the only, most important methodology for companies to continue to be relevant to consumers. While the retail space might be the very first place where to grasp this chance, we will dive into the re-thinking of all the customer journey of brands with the lens of phygital. Nevertheless, this is not a phenomenon born out of the blue. It is crucial to understand the path that has brought this strategy among companies' priorities first and to capture how is the business environment behaving around this topic.

1. Methodological approach

The investigation run through these pages will be qualitative research. In particular, the thesis will be guided by the exploratory research approach involving different tools among which observations, interviews, case studies and documents analysis. An ethnography approach, instead, with the use of gamification and serious playing tools, will be guiding the empirical study of section 5.7 which dives into the workshop: “Maximising Customer Engagement with a Phygital Customer experience. New Touch Points, Human Relation and data analysis to personalise your offer and build customer loyalty” organized to gather insights for the topic under consideration.

1.1 Qualitative research

Let us start by defining qualitative research and why it has been chosen as the most appropriate approach to this study. Qualitative research describes a scientific method that aims to collect and evaluate non-standard data. Qualitative data provides information that, instead of measuring a topic, describes it: e.g. all information relating to people's motivations and attitudes in the form of opinions and points of view. J. W. Creswell in his publication titled “Research design: Qualitative & quantitative approaches” describes qualitative research as the source of information that describes the context of a topic. It is, in fact, used to investigate opinions, attitudes, motivations, behaviour and/or expectations, collected by means of open-ended and non-predetermined questions.¹ Therefore, the data collected in a qualitative analysis cannot be measured directly but must be interpreted. As regards the field of application of

¹ Creswell, J. W. (1994). *Research design: Qualitative & quantitative approaches*. London: Sage Publications.

qualitative analysis, it is often used as a supplement to quantitative research to deepen its results, or it is carried out at the beginning of a project to formulate hypotheses, which are later verified by quantitative research. In one way or another, the two methods are complementary. In this case, we will start from data gathered by accredited companies such as McKinsey and Google, and from that we will analyse different case studies and first-hand observations to assess whether and how they mirror the trends identified. In general, qualitative analysis provides a complete and detailed description of hypotheses and is particularly useful in the exploration of new markets, and to answer specific questions, for instance, it can be used to understand customers' emotional attachment to the brand, investigate customer perceptions of products, test the level of navigability and usability of a website or even for selecting a specific target group. In this case, qualitative research will be devoted to assessing the potential or actual impact of phygital solutions implemented along the customer journeys. There are several methodologies that can be used, for instance, a qualitative survey is usually implemented to select a small, non-representative sample and subject it to interviews, group discussions or other methods of qualitative observation.² The results are interpreted in relation to the context, as this information is impossible to present quantitatively (Bryman, 1999).³ Indeed, qualitative research is less structured than quantitative research and this is the biggest difference between the two methods. Qualitative analysis makes it possible to identify a number of nuances of a certain

² Qualitative Research: Definition, Types, Methods and Examples. (2022). Retrieved 10 September 2022, from <https://www.questionpro.com/blog/qualitative-research-methods/>

³ Bryman, A., & Burgess, R. (1999). *Qualitative research*. London [etc.]: Sage Publications.

behaviour or event that could not be captured by a quantitative analysis. (Saldaña, 2011).⁴ Qualitative analysis aims to identify phenomena (known or unknown) in a sample of subjects. There are various methods for carrying out this qualitative investigation, and the choice between one or the other depends on the objective to be pursued. In this thesis, as briefly mentioned in the opening paragraph of this chapter we will make use of the exploratory research toolkit, plus, as for the last section of chapter 5 we will utilize the ethnographic research approach. Let us describe these two different approaches.

1.2 Exploratory research

Exploratory research is outlined as research used to review a question that is not clear. It is directed at understand the existent question better but will not determine definite results. For the aforementioned research style, a scientist starts accompanying a comprehensive plan and uses this research as a medium to label issues, that may be the focus of future research. An important feature of this kind of research is that the researcher must be willing to change his direction depending on the revelation of new information. Such research is usually chosen when the question is preliminary. It is frequently referred to as grounded theory approach or interpretive research given its scope to identify what, why and how.⁵

⁴ Saldaña, J. (2011). *Fundamentals of qualitative research*. New York: Oxford University Press.

⁵ Exploratory research: Definition, Types and Methodologies | QuestionPro. (2022). Retrieved 2 September 2022, from <https://www.questionpro.com/blog/exploratory-research/>

1.2.1 Types and methods of exploratory research

While it may sound complicated to research an entity that has very information or knowledge around it, there are various techniques that can help a scholar implementing a high-quality research design, data collection methods and choice of cases. Let us see the two ways to in which the research may be performed through primary and secondary methods.

Primary research methods

Primary research consists in assembling data and information forthrightly from the subject that may be through a group or an individual. Such research may be completed from the researcher himself or he can imply a mediator helping to conduct the analysis. To carry out primary research there are different methods that can be applied:

- Interviews: While you may catch plenty information from public surveys and polls, sometimes a face-to-face interview can provide consistent insights on the subject that would not be possible to gather from a public source. Such research is a qualitative research method. Interviews are completed in person or via electronic devices. Interviews can be structured⁶, meaning that questions are planned and created in advance with all the people involved being asked the same questions in the same order. This approach makes it easy to compare answers among the people interviewed but at the same time can be perceived as cold and impersonalized and not let the people express themselves.

⁶ George, T. (2022). Structured Interview | Definition, Guide & Examples. Retrieved 2 June 2022, from <https://www.scribbr.com/methodology/structured-interview/>

Unstructured interviews (George, 2022)⁷, on the other hand, are conversations in which the interviewer asks questions not prepared in advance. Hence, questions arise spontaneously in a free-flowing conversation, which means that different professionals are asked different questions. Unstructured interviews are surely more personalised, but this approach is more casual and does not necessarily provide you with the answers you are looking for. For this reason, the conversations part of this thesis will be semi-structured, in this type of interviews the interviewer asks only a few predetermined questions while the rest of the questions are not planned in advance. Since semi-structured interviews combine both structured and unstructured interview styles, they can offer the advantages of both. In addition, interviews can take place in person, by telephone, by videocall, by email or even by text messages through social media platforms such as LinkedIn. For this thesis, interviews will take place both in person and online through video calls, depending on the geographical proximity and time schedule availability of the people interviewed.

- **Observations:** Observation research may be used to gather qualitative and quantitative information. Such research is accomplished to analyse the behaviour of an individual in front of certain parameters, but without having any type of interaction with him/her/it.

⁷ George, T. (2022). Unstructured Interview | Definition, Guide & Examples. Retrieved 15 July 2022, from <https://www.scribbr.com/methodology/unstructured-interview/>

Secondary research methods

Secondary research entails the accumulation of facts from earlier primary research. In such research, you draw from data that have already been published such as case studies, newsletters, books, etc. In general, this type of research can be split into:

- **Online research:** In today's world, this the fastest method to draw news about any topic. A lot of dossiers are quickly available when connecting to the internet and the scholar can access it at any time he needs it. It is though important to be able to use website that are deemed authentic and reliable (Gray,2022).⁸
- **Literature research:** Literature research is a popular mean for finding a theory or hypothesis. There is a huge amount of data published in libraries, websites, and commercial databases. Online sources can contain different type of publications like newspapers, books, annual reports.
- **Case study research:** Case study research can help with finding more news by cautiously looking into existent cases that have been drafted to understand similar problems. Such studies are very central and critical, particularly in today's world. The scholar just needs to confirm that all the variables present in the prior case are the same of the current one.

⁸ Gray, D. (2022). Doing Qualitative Research in a Digital World. *Academy Of Management Learning & Education*, 21(2), 340-342. doi: 10.5465/amle.2021.0459

1.2.2 Advantages and Disadvantages of exploratory research

As a further element, we can assess the pros and cons of exploratory research. Among the advantages of exploratory research, we can mention that:

- The analyst has plenty of elasticity and can suit to changes as the research progresses.
- It is mostly cheap.
- It helps to lay the foundation of research, that can bring about further research.
- It allows the scholar to comprehend if the topic is worth for an investigation immediately in the early stages of the research.

On the other hand, among the disadvantages of exploratory research, we can mention that:

- It is exposed to ambiguity due to the qualitative data, which implies interpretations and biases.
- Often preliminary research includes small samples, therefore the results cannot be generalized.

1.3 Ethnographic research

Ethnographic research is qualitative research on a group of people and their behaviours and social interactions within their own, native environment.⁹ It involves studying people in context, mainly making observations rather than focusing on hard data and numbers. In the past, ethnography was essentially conceived as the study of the

⁹ Ethnographic Research | Research. (2022). Retrieved 14 August 2022, from <https://research.virginia.edu/irb-sbs/ethnographic-research>

practices and beliefs of non-Western human groups, and as an 'enumeration' of the various 'primitive' societies. Having dropped all essentialist definitions of concepts such as ethnicity, tribe, social or cultural group, ethnography can be understood as the anthropological study, carried out through the practice of field research and represented by means of precise writing methods, of the social and cultural behaviour of any human aggregate previously defined according to the interests of the observer.¹⁰ As a matter of fact, nowadays, this qualitative method for collecting data is often used in the social and behavioural sciences.¹¹ This approach envisions data to be collected through observations and interviews, which are then used to draw conclusions about how societies and individuals' function and think. A key element is that ethnographers observe life as it happens instead of trying to manipulate it in a lab. Ethnography by its very nature involves observation to be participative. As C. Geertz explains in this book "The Interpretation of Cultures" of 1973, ethnography wants the researcher to enter deeply into the context and the environment where the observed subject lives, with the awareness of the influence he or she can exert on the observed subject's behaviour.¹²

Geertz himself states that:

"Doing ethnography is establishing rapport, selecting informants, transcribing texts, taking genealogies, mapping fields, keeping a diary, and so on. But it is not these things, techniques and received procedures, that define the enterprise. What defines it is the kind

¹⁰ Etnografia: documenti, foto e citazioni nell'Enciclopedia Treccani. (2022). Retrieved 1 July 2022, from <https://www.treccani.it/enciclopedia/ricerca/etnografia/>

¹¹ <https://uxmag.com/articles/building-better-cx-through-ethnography>

¹² Geertz, C. (1973). The Interpretation of Cultures. USA: BasicBooks. Page 6

of intellectual effort it is: an elaborate venture into, to borrow a notion from Gilbert Ryle, "thick description".

Geertz distinguished between two types of ethnographic description, the "thin description", a mere description of a fact, and the "thick description", which represents the object of ethnography, a profound reflection and interpretation of a fact, its meaning and value. Within this thesis, ethnographic research has been implemented to study the behaviour and insights of thirty individuals with various job titles encompassing experts in sales, marketing, and innovation management. These individuals took part to a workshop where they have been observed while interacting with each other. During the study, as we will see in the last chapter, they have been asked to design a phygital customer journey starting from a case study and a list of potential touchpoints.

1.3.1 Advantages and disadvantage of ethnographic research

One of the main benefits associated with ethnographic investigation is that ethnography can assist in identifying and analysing unexpected issues (Schensul, LeCompte, Schensul, 1999).¹³ When performing other types of studies, which are not based on observation or interaction, you might leave out unexpected issues. This can occur either because questions are not asked, or respondents neglect to mention them. An ethnographic researcher's on-site presence prevents this risk because the problems will become promptly visible to the researcher. The other main advantage of ethnography is generally considered to be its ability to deliver a detailed and faithful representation of

¹³ Schensul, J., LeCompte, M., & Schensul, S. (1999). *The ethnographer's toolkit*. Walnut Creek: AltaMira.

participants' behaviours and attitudes. Thanks to its subjective nature, an ethnographic study can be very useful in uncovering and analysing relevant attitudes and emotions (Bevelacqua, 2018).¹⁴ On the other hand, one of the major criticisms directed at ethnographic studies is the amount of time they take to conduct. Since its output is richer, an ethnographic study will be likely to take longer to be realized and analysed than a standard survey. In addition, another concern usually addressed to ethnography is the possibility that subjects may not act naturally during a short study. We control for this by repeating the observations with multiple groups to try to eliminate as much bias as possible.¹⁵

1.4 Gamification and Serious Play

As mentioned above, this thesis will also draw out from the fields of gamification and serious gaming as powerful methodologies to gather information and insights on phygital. Let us then briefly highlight the potentiality behind these means. Primarily, Gamification is the application and use of ludic elements and mechanisms in non-ludic contexts (Deterding, Dixon, Khaled, Nacke 2011).¹⁶ In marketing, it refers to the creation of campaigns that deeply involve users in experiences that they would not normally approach with other communication tools and activities. Users, in fact, are incentivised

¹⁴ Bevelacqua, D. (2018). Ethnographic Research Helps You Understand Why Customers Do What They Do [Blog]. Retrieved from <https://www.linkedin.com/pulse/ethnographic-research-helps-you-understand-why-do-what-bevelacqua/>

¹⁵ Bronwyn, L. (2016). Building Better CX through Ethnography. *UX Magazine*. Retrieved from <https://uxmag.com/articles/building-better-cx-through-ethnography>

¹⁶ Deterding S., Dixon D., Khaled R., Nacke L. (2011), From Game Design Elements to Gamefulness: Defining "Gamification", MindTrek 2011

to perform actions related to play and competition and to confront challenges that in the meantime constantly sponsor the brand. The mechanism is based in particular on the system of rewards that can be of different types. The potential of the gamification system is often associated with brand loyalty programmes. Accumulating points is in fact the first step towards making the customer an active participant and creating interest. Moreover, by acquiring points, customers can differentiate their loyalty card by making it evolve through the very mechanism of the game and share this recognition with the community, growing in levels and then unlocking new points and new, increasingly challenging activities. The choice of gamification, however, requires the definition of a series of well-defined steps on the part of the company. First of all, it is necessary to define what actions consumers must perform, whether they must for example make a review, publish content, share a link, fill out a questionnaire, watch a video, purchase a product, and so on. A precise and simple mechanism must be defined for registering and identifying the levels and the subsequent steps. For example, many companies classify consumers according to the scores they have achieved into bronze, silver, and gold. Finally, then the rewards system must be determined. The gamification strategy must set in motion certain key elements and thus exploit various psychological mechanisms based, above all, on the type of rewards that the customers adhere to. If we want to briefly illustrate how this mechanism is activated, we can refer to four key aspects: first, it is necessary to define the goals, i.e. the clear signals of the achievement of the objective, which must be socially recognisable and thus also easily desirable and shareable. Goals also act as motivations to achieve a goal or a status and thus drive people to perform certain tasks or activities, as we have seen before, such as publishing content or sharing a link. These actions are then further encouraged and strengthened

through rewards or prizes that are granted to users for completing a task that can then be shared, which in turn allows them to reach new goals, thus triggering a virtuous circle reinforcing by itself. The game mechanisms can be diverse, and each is associated with specific psychological dynamics, for example, points are used to reward users on various dimensions and different categories of points can be used to drive different behaviours. Points can also be used to accumulate benefits, be they real or virtual. Then there are the various levels, which identify the position reached and thus recognise the merit achieved by users. Users can increase their level according to their participation in various activities. In addition, there are the challenges, which are challenges or missions that provide users with objectives and thus allow them to obtain various types of rewards, including intangible ones, very often, for example, trophies and badges can be shared and exhibited upon reaching goals. Virtual places, on the other hand, allow users' creativity and self-expression to be put to test, with the possibility of exploring places, earning virtual goods to exchange with others or spending in exchange for additional goods and services. Finally, we have gifting, which is an incredibly powerful mechanism of user acquisition, participation, and retention. Indeed, receiving a gift from someone prompts them to respond and participate, creating a recursive and virtuous mechanism. Gamification exploits techniques and tools of game design by bringing them into a non-game context, for example, the famous Lego Serious Play® methodology¹⁷, where for instance the tool of Lego® bricks is used within a context that is certainly not playful, which can be a company or a consulting firm or a community of professionals. Indeed,

¹⁷ [https://seriousplay.training/lego-serious-play/#:~:text=The%20LEGO%C2%AE%20SERIOUS%20PLAY%C2%AE%20method%20\(LSP\)%20is%20a,concept%20of%20E2%80%9Chand%20knowledge.%E2%80%9D](https://seriousplay.training/lego-serious-play/#:~:text=The%20LEGO%C2%AE%20SERIOUS%20PLAY%C2%AE%20method%20(LSP)%20is%20a,concept%20of%20E2%80%9Chand%20knowledge.%E2%80%9D)

as you might be thinking right now, “serious” and “play” might sound as two contradicting words, but they create a useful combination to engage customers in an entertaining learning process. When interviewed to obtain a clearer picture of the gamification landscape, Adriano La Vopa, an expert on serious play and gamification, described that:

“What sets serious games apart from entertainment games is their educational purpose. Serious game developers intend to teach their players something. For example, awareness of a certain issue, information, or an attitude change. The makers of serious games supply motivation principles from entertainment games and use these to teach their players something in an engaging way. The purpose of the game is thus different from pure entertainment games. Also, entertainment games might teach their players something, but their primary motive is to entertain.”¹⁸

Indeed, the potential applications and studies on gamification are several, nevertheless, for the sake of this research, I have focused on two specific applications of gamification to phygital. We will see how gamification is being used by Gamindo, a fast-growing videogames company that leverages interactive marketing and believes in the power of gaming to get consumers’ and employees’ attention and affection, plus, we will see serious gaming in action through a dedicated workshop realised by Ain’t a GAME*, a company that exploits the above mentioned concept to realize and moderate games for business, together with a number of partners that I will introduce you to later.

¹⁸ <https://www.coursera.org/learn/serious-gaming/lecture/Aa56e/defining-and-characterizing-serious-games>

2. A theoretical leap into customer management concepts

2.1 Customer experience

Experience shifts the focus from the product and/or service, i.e. the tool, to the interaction with the customer that occurs physically or digitally through the activation of different sensory modalities enabled by different contacts, platforms, tools and technological devices. The Customer experience (CX) is defined as the totality of the consumer's cognitive, affective, sensory and behavioural responses during all stages of the consumption process, including pre-purchase, consumption and post-purchase phases (Pine and Gilmore, 2011)¹⁹. Focusing on the experience means considering:

- 1) the role of emotions in behaviour;
- 2) the fact that consumers are also thinkers and doers;
- 3) the significance of symbolism in consumption;
- 4) the consumer's need for enjoyment and pleasure;
- 5) the consumer expectations, beyond the act of purchase, considering product use and brand attachment.

Indeed, according to Schmitt (1999)²⁰, companies must transform themselves into true “experience directors” by personalising their offers and developing a unique relationship with the customer by embracing all the aspects mentioned above in a

¹⁹ Pine, J., & Gilmore, J. (2011). *Experience Economy*. Harvard Business School Pr.

²⁰ Bernd Schmitt (1999) “Experiential Marketing: A New Framework for Design and Communications” DMI review 40th anniversary issue (vol.25 no.4)

holistic and comprehensive way. To this end, we need to define what designing a valuable customer experience means. Certainly, it involves:

- focusing, in the purchasing process, on the analysis and valorisation of all factors that influence consumer perception, meaning everything that goes beyond the functional/rational sphere;
- designing the experience in such a way as to involve the consumer by activating different planes of action: - sensorial, affective, cognitive, relational, pragmatic - so as to define and guide her/his action;
- to evoke experiences through all the physical and intangible elements that the company can design - from products to brand, from packaging to communication, from in-store interactions to sales relationships, events both online and offline - enriching them with emotional content and meaning, so that they become a source of experience.

A marketing approach that leverages on experience is called experiential marketing and does not only embrace all the dimensions of experience mentioned above but it has as its primary objective the identification of what kind of experience will best enhance the company's goods and services. To do so, we need to have a clear idea of whom we are addressing, the persona, which will be explained in the next paragraph.

2.2 *Persona*

This is a term used to identify a representation of the company's ideal customer. Talking to an indistinct consumer is no longer enough: to set up a successful customer experience (CX) strategy, it is important to identify the ideal target group and build

customised messages.²¹ Defining the Persona, therefore, means creating a true identikit of ideal customers, representing their needs, behaviours, interests, and aspirations (Nordio, Fiscato, 2017).²² Constructing a representation of the characterising traits of each customer and those that they have in common represents the first step toward Customer Journey Mapping. The evolution introduced by the Concept of Person consists in starting from market segmentation - i.e. the identification of groups of people with certain characteristics in common - to arrive at the individual, i.e. a subject identified on the basis of selected characteristics capable of describing him/her in his/her most personal connotations, in addition to socio-demographic and behavioural ones. The term Person is often associated with the terms Segment and Target. However, the three concepts convey three distinct contents (Revella, Kowalczyk, Kosuniak, Matuszewska-Jagiełło, 2021).²³ The segment is the result of market segmentation, i.e., the process of dividing the market into groups of consumers, identified based on one or more parameters. Segmentation can be done in different ways, depending on the business objectives. It involves dividing the market into many small groups of potential customers, who are similar to each other (in age, gender, behaviour, interests, etc.) so that one or more groups can be chosen as a base for a targeted marketing strategy. The target group, on the other hand, identifies the group of consumers and potential

²¹ What are Personas?. (2022). Retrieved 16 August 2022, from <https://www.interaction-design.org/literature/topics/personas>

²² Nordio N., Fiscato G. (2017), *People Branding. 10 leggi e 10 casi per imprese in via di innovazione*, Franco Angeli Edizioni

²³ Revella, A., Kowalczyk, M., Kosuniak, J., & Matuszewska-Jagiełło, K. (2021). *Buyer persona*. Warszawa: MT Biznes.

customers that the company intends to address. Thanks to segmentation, you will be able to identify the most appropriate group for your business and understand how you can meet the needs of your target audience. This process is fundamental before any marketing action is taken. Though, the Persona is, instead, a representation of the objectives, behaviours aspirations and attitudes, of a well identified set of customers who interact and relate with a brand (product or service) in a specific and singular way. Beyond the differences, Segmentation, Target and Persona represent three fundamental steps on which an effective CX strategy must be based. Here probably the question of why it is important to define it might arise. First and foremost, by defining the Persona in advance, a company can understand its target audience even better and create useful and interesting content. However, in order to define the Persona, it is necessary to build a map that encapsulates the essential elements underlying its description. The map must be based on research of real customer data and not on assumptions and must incorporate the critical points, objectives and behavioural patterns observed. Specifically, as learnt from HubSpot Academy²⁴, the learning path offered by this leading CRM platform that provides software and support to help businesses grow better, the analysis elements to be collected may concern the following aspects:

- socio-demographic data: they allow the person to be identified, giving them a face and an identity. This includes information such as age, gender, origin, level of education, occupation and income, as well as data on marital status, household, etc.

²⁴ <https://blog.hubspot.com/marketing/buyer-persona-research>

- psychographic data: they make it possible to identify certain personality traits, attitudes, ways of thinking and saying that are 'typical' of a given individual. For example, it would be useful to understand whether she is more or less extroverted, whether she is impulsive (which may condition the type of purchases and the impact of advertising), whether she is particularly emotional or more rational, whether she is more or less prone to savings, etc;
- motivations, priorities and needs: these represent the specific aspects that lead customers to seek a certain solution, solve a problem, find out about the different brands offering a certain service or buy a certain product. These elements become essential to identify the elements or characteristics to be emphasised in the communication of a product or brand;
- Limits, problems, and barriers to purchase: they prompt knowledge of the preconceptions, opinions and criticisms that consumers have about a given solution. In this way, brands can respond accordingly, proposing changes on the basis of the different problems identified;
- Decision criteria and influencing factors: these provide insight into what makes consumers choose one brand over another. They are of particular importance to companies, as they allow them to understand not only the advantages that make the product essential for a given target, but also the attributes and specifications of the offer that make the customer prefer the solution offered by a competitor.

2.3 Customer centricity

We have moved from the age of production to the age of distribution, to the age of information, and in recent years, the age of the consumer has increasingly emerged. The main difference between this era compared to previous ones is that the consumer is now not only the catalyst centre of business strategies but in many cases becomes the co-producer. Customer focus and experience become the centre (Parniangtong, 2018).²⁵ Today, customers have much more information, unlimited choices in front of them and much more decision-making power. More and more players are intervening with websites, digital media, technological interfaces, new forms of connection and customer relationships. The economy of interest, attraction and involvement. In any sector and activity, we witness a change of vision on the role of emotions, indeed, consumers are primarily sensitive beings who want to be actors in their choices. It became quintessential to stress not only the buying phase but all phases of the customer journey from before to after. Customer centric approach pushes companies to think about the fact that there are no customers, but there are people, each of whom expresses his own needs, his own very specific needs and is influenced by specific pluralities of factors and contexts. And based on these influences, they embark on a journey toward a completely personal purchase. Customer loyalty is highly dependent on the customer experience, which is why customer engagement strategies, i.e. the brand's ability to emotionally engage consumers, became critical.

²⁵ PARNIANGTONG, S. (2018). *Competitive advantage of customer centricity*, SPRINGER.

2.4 Customer engagement

Customer engagement refers to the behaviour that customers manifest towards a brand organisation or product and is marked by a cognitive emotional and social response. Engagement is first and foremost a motivational state that drives people to interact with a brand, it creates a special affiliation with the brand. It is no longer a passive subject but an active one that helps to create the value of the company. So, the question that arises is what is the value of customer engagement for companies and customers? By creating a special relationship between companies and customers, as far as the company is involved, we are able to analyse the behaviour and get to know the customer through information gathering, business intelligence, reputation analysis and complaints and customer referral behaviour. Customers can become strong brand advocates (e-marketer of the brand, advocacy, etc). On the consumer side, on the other hand, customer engagement improves the connection with the brand and the intent to use the brand, it increases the level of trust. In addition, it enriches and personalises customer experiences by activating the social dimension. It satisfies the need to feel part and actor not only in one's own choices but also in those of others. Engagement develops through a series of stages. The first is connection; it is important as a first step that customers and company connect. The company must study and understand through which channels and how to create this connection. Then there is the interaction stage in which companies must, above all, understand what the customer's needs are and how they change over time. If the previous phase is well managed, one moves on to the satisfaction phase. When the interaction leads the customer to develop positive attitudes and experiences that are not only remembered and memorised but also

shared. In the long run, satisfaction manifests itself in repurchase and customer loyalty, creating a long-term relationship between the company and the customer. The realisation of this harmony lies in the company's ability to keep up with the customer's expectations. Commitment and the customer's interest in maintaining the relationship, both cognitive and emotional, stem from trust and reciprocity. An even deeper level of this relationship is advocacy, that phase in which customers spontaneously begin to develop a word of mouth about the products and services the company offers. Engagement is the involvement of the customer that expands their role by including them fully in the creation and proposition process, making them co-producers of value. Engagement makes customers not only stay connected in the relationship and develop these relationships in a more and more usual and lasting way, but also become an active part of the market strategies by partly playing the marketing roles of the company (Bansal, 2016).²⁶

2.5 Touchpoints

Touchpoints are the 'places' where interaction occurs throughout the customer journey (Keller, Ott, 2018).²⁷ When a customer buys a product or service, the moment of the transaction is simply the tip of the iceberg in what is essentially a complex journey created by all the moments of encounter that precede and follow the purchase. A company may have great products, a beautiful website, fast delivery and a dedicated

²⁶ Bansal, Rohit. (2016). CUSTOMER ENGAGEMENT – A LITERATURE REVIEW. Global International Research Thoughts ISSN: 2347-8861. 2. 15-20.

²⁷ Keller, B., & Ott, C. (2018). *Touchpoint Management - inkl. Arbeitshilfen online*. Stuttgart: Haufe Lexware Verlag.

customer service team, but any weak link could send potential customers elsewhere. There are many different types of touchpoints and ways to classify them. For this paper we will rely on the classification proposed in the course “Phygital Customer Journey” offered by the University Federico II of Naples.²⁸ This classification groups touchpoints into 4 main types:

- Brand owned touchpoints: touchpoints owned by the company (web site, apps, chatbots, marketing tools, product, packaging, service, frontline, etc.);
- Partner owned touchpoints: touchpoints of partner companies (marketing agency, trade, etc.);
- Customer owned touchpoints: consumer touchpoints (social networks, communities, etc.);
- Social touchpoints: independent external touchpoints (media, social context, etc.).

Touchpoints can also be distinguished into:

- Static: traditional touchpoints that do not involve interaction or dialogue with customers, such as advertising in print, on television, shop windows, tickets, annual reports, etc;
- Interactive: evolutionary touchpoints that imply a direct and interactive relationship such as the web channel, mobile, VoIP systems, touchscreens, etc;
- Human: touchpoints characterised by human presence; they still retain a certain importance for the influence they can exert on consumer choices.

²⁸ Russo Spena, T. (2022). *Phygital Customer Journey*. Lecture, Federica Online Learning Platform. Retrieved from <https://lms.federica.eu/mod/lesson/view.php?id=12082&pageid=1040>

Another distinction classifies touchpoints into:

- Paid touchpoints: paid touchpoints, such as Ads campaigns, call centres, point of sale, advertising etc. in which brands invest economically;
- Earned touchpoints: touchpoints that the brand acquires as WOM without having full control over their content.

The variety of touchpoint typologies also recalls the condition whereby some touchpoints are considered more important than others, depending on the type of product/service, the stage the consumer goes through and the influence that can be exerted. ²⁹According to McKinsey research on the consumer's decision-making journey³⁰, personal or third-party touchpoints as opposed to company touchpoints are increasingly important as customers take control of the process and actively 'attract' information useful to them. The research found that two-thirds of contact points during the offer and product evaluation phase involve consumer-driven marketing activities, such as Internet reviews and word-of-mouth recommendations from friends and family, as well as in-store interactions and memories of past experiences. Only one third of the touch points involve company-driven marketing. Traditional marketing remains important, but the change in the way consumers make decisions implies some radical transformations in that discipline. Marketers must go beyond push communication and learn how to influence consumer-driven touchpoints, such as word-of-mouth and Internet news sites.

²⁹ Kelly-Barton, C. (2022). What are Touchpoints and Why Does Each One Count? | HostGator. Retrieved 2 September 2022, from <https://www.hostgator.com/blog/what-are-touchpoints/>

³⁰ <https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/the-consumer-decision-journey>

2.6 Customer Journey

Before jumping into the phygital world we need to draw the line of its context and how it inscribes itself into the customer journey discourse. First of all, let us define what the customer journey is. It is represented by all the interactions that the individual activates with the brand, product, or service during the entire purchasing journey. In marketing, this term refers to the path that each person, driven by a need, takes as he or she is making a purchasing decision. It is a complex but useful concept for understanding and analysing the consumer experience that goes far beyond the simple offer of a product/service and its purchase. This ideal journey is often visualised in key moments that affect specific contact/interaction contexts and are represented through a map namely the customer journey map.³¹ It is important to emphasise how the customer journey is functional to the design and management of the customer experience in contact with the company (Alcaide Casado, Díez, Almarza, 2019).³² The definition provided by leading customer journey theorists sums this up very well: "We conceptualise customer experience as a customer's 'journey' with a firm overtime during the purchase cycle across multiple touch points. We also conceptualise the total customer experience as a dynamic process. The customer experience process flows from pre-purchase (including search) to purchase to post-purchase; it is iterative and dynamic. This process incorporates past experiences (including previous purchases) as well as external factors. At each stage, customers experience touchpoints, only some of

³¹ Reaburn, C. (2022). Customer Journey Map: What Is It, Examples & Best Practices. Retrieved 9 May 2022, from <https://www.nextiva.com/blog/customer-journey-map.html>

³² Alcaide Casado, J., Carlos Díez, M., & Almarza, C. (2019). *Customer Experience*. Madrid: ESIC Editorial.

which are under the firm's control. This process may function as a guide to empirically examining customer experiences over time during the customer journey, as well as to empirically modelling the effects of different touch points on the customer's experience" (Lemon & Verhoef, 2016)³³. The Customer Journey is to be considered, therefore, as a 'systematic approach' whose ultimate aim is to support companies in understanding the choices and actions of their current and potential customers, the contact channels chosen by the latter, the way the product/service and/or brand is perceived in each individual contact. Indeed, it is a useful tool for companies to conceive, design and implement an experiential system or platform in line with the expectations and specific needs of their customers (Følstad and Kvale, 2018).³⁴ The customer journey focuses on the complete, end-to-end experience that consumers have with a company from their perspective. The customer journey encompasses a progression of touch points and has a clearly defined beginning and end, albeit one that is constantly being updated. Separating the customer experience in a context of interactions from the customer experience, in general, is pointless. The customer is one, regardless of the channels and devices they use to engage with the product/service or brand. While analysing a customer journey, companies focus on how consumers interact with multiple touchpoints, moving from offer consideration, research, purchase, post-purchase and consumption to future engagement and repurchase. The objective of such analysis is to describe this journey and understand the options and choices considered

³³ Lemon, K. N., & Verhoef, P. C. (2016). Understanding Customer Experience Throughout the Customer Journey. *Journal of Marketing*, 80(6), 69–96. <https://doi.org/10.1509/jm.15.0420>

³⁴ Asbjørn Følstad, Knut Kvale, (2018) "Customer journeys: a systematic literature review", *Journal of Service Theory and Practice*, <https://doi.org/10.1108/JSTP-11-2014-0261>

by consumers for each touchpoint at the multiple stages of the purchase. Customer Journey Analysis has its roots in both Service Management (Bitner, Ostrom, Morgan, 2008)³⁵ and Omnichannel Customer Experience (Bhalla, Ravi, 2014).³⁶ However, the focus of customer journey analysis is slightly different, as its objective is to map the myriad of possibilities and paths that customers can take to complete their purchases. Here below in figure 1, we can see a visual representation of a customer journey map. In this case, it divides the journey into five different phases, awareness, consideration, purchase, retention, and advocacy and per each phase, it highlights some of the touchpoints typical of that purchase journey moment. This is a general representation and, as we will stress later in this thesis, it differs every time we analyse a different product or service and can be represented in different shapes according to the mechanisms reinforcing the customer's path.



Figure 1: Visual representation of a customer journey map

³⁵ Bitner MJ, Ostrom AL, Morgan FN. (2008) Service Blueprinting: A Practical Technique for Service Innovation. *California Management Review*;50(3):66-94. doi:10.2307/41166446

³⁶ Bhalla, Ravi (2014). The omni-channel customer experience: Driving engagement through digitisation. In the *Journal of Digital & Social Media Marketing*, Volume 1, Issue 4.

2.7 Customer journey mapping

Customer Journey Mapping (CJM) ³⁷ is a strategic management tool for understanding and analysing consumers' interactions and touch points with the company. The CJM maps the sequence of events and all possible touchpoints that consumers may come across along the purchase process as they interact with a brand, a product and/or service. Mapping the customer's journey from the moment they first interface with a company over to purchase and retention enables the company to reduce friction, streamline the journey and ultimately improve the relationship itself with its customers. The Customer Journey Map is the schematisation of the customer journey, which allows the company to refine its marketing strategies, creating a path aimed at customer loyalty (Lemon, Verhoef, 2016)³⁸ According to the definition provided by Adam Richardson in the article “Using Customer Journey Maps to Improve Customer Experience” published by Harvard Business Review³⁹, the Customer Journey Map is a linear, time-based representation of the main phases that a customer goes through while interacting with a company or a service. These phases delineate the user experience, structuring it as a flow that follows the user's motivations, intentions, and goals and which are mapped by subdividing them according to certain key stages. There is no single method to develop a Customer Journey Map: it varies according to the objectives of a company. However, some essential steps can be identified, the first one is to identify a buyer persona, the

³⁷<https://www.salesforce.com/uk/blog/2016/03/customer-journey-mapping-explained.html>

³⁸ Lemon, Katherine N., and Peter C. Verhoef. (2016) “Understanding Customer Experience Throughout the Customer Journey.” *Journal of Marketing*, vol. 80, no. 6, pp. 69–96, doi:[10.1509/jm.15.0420](https://doi.org/10.1509/jm.15.0420).

³⁹ <https://hbr.org/2010/11/using-customer-journey-maps-to>

potential customers, or customer types. Indeed, at the centre of the CJM is the Person, with their actual experiences and not the experience the company thinks it offers. Other characteristics that all the customer journey maps have in common are the presence of a timeline to illustrate the interactions of customers with the company over a given period of time. Once the definition of the Persona is complete, the construction of the map continues with the representation of the main stages and activities that a customer goes through. It is necessary to view the journey always from the customer's perspective. Furthermore, another shared element is the contact points or touchpoints. The next step indeed is to create a detailed list of all contact points (online and offline) and channels that connect the company with the customer such as the website, social media, newsletter, mobile app, etc. The next crucial part is to define and analyse the experience, i.e. the emotional reactions of customers during the different interactions. This phase is particularly important as it is necessary to highlight the customer's attitudes and emotions at each stage (How does the customer feel? What does the customer really think?) and to identify the main obstacles the customer encounters at the various contact points (What challenges, discomforts do the customer encounter?) Lastly, business opportunities: from a clear understanding of customers, their activities, touchpoints and experiences, the company can work with cross-functional team members and employees to tactically improve the customer experience.

2.8 Customer journey management

Understanding the customer journey is a prerequisite for building an effective customer experience strategy. The company's ability to design and manage the customer journey is based on a strategy with clear objectives at each stage: what you want customers to do, feel and think at the moments that are important to them. In fact, consumers want interactions and solutions that are available in real-time, they do not want to wait long, and the company must provide for pushed and effective customisation because the customer wants to be recognised. Nonetheless, the solution proposed must be simple and engaging, the customer wants to have a positive and frictionless experience. These experiences need to work in synergy and to do so companies dedicate time to Customer Journey Management (CJM), which is the process of determining the information that customers need at each stage of their journey to induce them to continue their journey and beyond. It enables companies to design the best way of contacting customers and potential customers and to determine the technology and activities that will most engage customers at all touchpoints, plus, it helps ascertain likely areas for improvement.⁴⁰ The CJM is based on a few key assumptions, with the first one being to take the customer's point of view. At the centre of CJM is the Person, with their actual experiences and not the experience the company thinks it offers. The second building block is the focus on the whole process rather than on the single episode. The multiplicity and dispersion of touch points must not lose sight of the overall experience that the customer lives and perceives. Some interactions certainly have a more critical

⁴⁰ <https://business.adobe.com/blog/basics/customer-journey-management#g2>

impact than others and the customer journey map must be able to separate these moments from the others, as well as highlight the alternating moments of interest/decision that the customer goes through during his journey. Crucial is also to take a dynamic view of the customer journey, indeed, the construction of the map must be guided not by simplistic assumptions, but must be based on data and, in particular, on the identification of smart data that really allows for feedback on the assumptions of consumer behaviour and desires. It must always be kept in mind that the goals and the aims that people set for themselves are in constant flux and can change even during the process of contact with the company. The emotions that drive these changes qualify experiences and every moment of contact is a fundamental step in conveying content for the customer experience. These fundamental pillars on which customer journey management is built serve as a pre-requisite for a successful strategy. Nonetheless, businesses should rely also on four capabilities needed in order to develop an appropriate approach to CJM. David C. Edelman and Marc Singer in the Harvard Business Review blog post titled “Competing on Customer Journeys”⁴¹ have identified these key distinct, but interconnected elements:

- automation, which optimises the consumer journey by digitising and rationalising steps previously performed manually;
- proactive personalisation, which makes immediate use of consumer information to optimise the experience;

⁴¹ <https://hbr.org/2015/11/competing-on-customer-journeys>

- in-context interaction, which identifies where the consumer is in the journey and takes them to the next step, using available information about their physical or virtual location and creating interactions;
- innovation, which adds value to the customer journey through new services. This capability requires an analysis of the consumer's needs and requirements, to identify new sources of value and new opportunities, with the aim of continuously improving the customer relationship.

Companies that have been able to develop a management approach to the customer journey have realised that proactive behaviour is the key to guiding consumers on their journey, offering unique and unrepeatabe experiences. The company's proactive attitude is clear from the fact that consumers must be directly channelled into the loyalty loop. To develop such an action, companies need to connect the different areas of the organisation, usually by leveraging digitisation to connect back-office processes with front-office processes and using the right metrics to measure and monitor the results produced.

3. A panoramic overview on phygital

This third chapter will dive into the context of the phygital world with three view lenses: a historical picture, a market panoramic view, and a brief analysis of the threat of the retail apocalypse. The historical perspective will make us understand how phygital came about and what are its building blocks, highlighting the driving forces behind this novel approach. The panoramic overview, instead, will enable us to have a perception of how far companies have gone till now in this sphere and what type of solutions have already been implemented. Furthermore, we will give some attention to the concept of the retail apocalypse. These viewpoints will serve as the base to analyse the case studies presented in the next chapter.

3.1 From Multichannel to Phygital – historical perspective

While it is difficult to define precisely when phygital was born, we can reconstruct its history starting from the multichannel approach. Let us step back in time and take a look at the origin of this strategy. As Nicolò Andreula recalls in this book titled #Phygital ⁴², which has been a backbone for this thesis, during the roaring 90s, multichannel was the buzzword. He recalls how the industrial revolution, happening while Bill Gates was realising his dream of bringing a computer into every home in America and Europe and telephone company technicians were installing little boxes called modems to connect any Western citizen to the World Wide Web, served as a framework for the multichannel approach to emerge. Almost at the same time as the birth of Internet services, the possibility of advertising on the Web also began to spread on navigation banners, with

⁴² Andreula, N. (2020). #Phygital. Il nuovo marketing tra fisico e digitale. Hoepli.

dedicated sites, and via e-mail. Although it may seem obvious now, in the past, only a few pioneering companies had a real sales and marketing strategy that included offline and online channels, and therefore they preached multichanneling meaning developing communication and sales strategies through multiple channels. Various companies began to explore the internet world such as London Gatwick Airport which integrated a news service via Twitter available to travellers. Besides, as companies all over the world became aware of the opportunities that the internet offered, technologies were advancing faster and faster. The bandwidth expanded, computers became more powerful and mobile phones increasingly smart. Till we landed in today's era, when we are always connected, indeed, we can check the latest news anywhere or go shopping at any time of the day with a click. Online channels have multiplied, from simple social media through mobile to apps. What the author stresses is also how in such a diverse and complex world, multichannel marketing often ended up confusing consumers because there was no real coordination of marketing strategies across all available platforms. They were often managed by different departments of the same company that did not even talk to each other: each with its communication and sales strategy. It was in this situation that omnichannel began to take hold. This term indicates the need to create a single experience that leads consumers to perceive no difference between the available channels. The language and activities on each of them must be consistent so that consumers can choose to buy through a site, an app or in a shop while having the same experience. Omnichannel has become an essential element for any business.⁴³ Because if it is true that online shopping is growing more and more, it is also true that

⁴³ <https://www.indeed.com/career-advice/career-development/omnichannel>

with the pandemic we are experiencing, people are rediscovering the need to touch products, try them on and interact with physical people. The customer perhaps looks for the product online but then goes to try it in the shop, and then finalises the purchase again on the web. Something is changing, the physical and digital channels do not have to be in synchrony but no longer exist as separate entities. Multichannel and omnichannel seem to no longer be able to meet customers' expectations and tastes, we are moving towards the age of phygital or as others prefer to call it onlife (Kotler, Pozzoli, Stigliano, Floridi, 2021).⁴⁴ Taking a leap back in time we can see that the term phygital first appeared in 2010, by the marketing agency Momentum Worldwide, which described this new approach as a way of engaging consumers in two worlds: the physical and the digital. In the communication sphere, this strategy consists of optimising spending on communication campaigns through the creation of personalised emotional content capable of remaining vivid in the customer's mind; in the retail and customer journey sphere, our protagonist, on the other hand, allows for the creation of a 360-degree experience with a seamless transition between the two worlds. In a phygital world of cloud computing, the Internet of Things, smart walls and artificial intelligence, omnichannel sounds like a necessary but not sufficient condition for success. On the other hand, it runs the risk of being a limiting concept, because marketing must know how to merge sales and communication channels and not just make sure they are well coordinated with each other. The major takeaway is that if multichannel meant using

⁴⁴ Kotler, P., Pozzoli, R., Stigliano, G., & Floridi, L. (2021). *Onlife Fashion*. Milano: Hoepli.

digital and analogic channels and omnichannel was their coordinated use, phygital is their closer integration. Figure 2 below depicts this difference graphically.



Figure 2: Visualization and description of multichannel, omnichannel and phygital

3.2 Need to adapt to customers' shift in behaviour and needs

Phygital is the response to the need to adapt to customers' shift in behaviour and needs. In fact, a brand's customers will only continue to buy products if brands are able to surprise them and adapt to the way and world, they live in. That is why a website and a social strategy, although well-coordinated with flyers and billboards are no longer enough. You have to offer customers something continuously different, build a customer journey with clicks and bricks, sell experiences and emotions that you cannot find on Amazon. As Harshavardhan Chauhan describes in his article titled "The new retail journey: from omnichannel to phygital": "Consumers today are looking for a holistic and seamless experience that is curated specifically for them and not mass

produced. Hence, there is a need to build a 360-degree approach where the online medium plays an important role in initiating a captivating conversation that is further enhanced through differentiated and personalised offers and finally leads to a seamless offline experience. They expect a more immersive retail experience when they make the effort to commute to a store rather than just buying things through the push of a button. Hence, the more synergy between the two, the more efficient business and the better customer experience one gets. The new retail phygital journey presents a seamlessly connected physical & digital ecosystem. Being 'phygital' is the new way to discover experiences around you as you shop, dine, entertain and browse around."⁴⁵

Today, any consumer is looking for a customised, tailor-made experience that is not the same as what everyone else is experiencing. Companies, therefore, are striving so that, by interacting online, the customer can become interested in their products and start a dialogue with the brand, which must then be deepened and at the same time differentiated with the appropriate use of physical channels. This new attitude does not only affect the consumer goods market, but also traditionally less innovation-intensive sectors such as luxury. In this sector, Deloitte has, in fact, identified two extremely phygital trends. In the blog post "Modern Luxury. The major trends influencing the future of the luxury market" published in June 2022, they highlighted how on one hand, although product quality remains a top priority, the essence of luxury goods no longer resides in their mere possession but on the experience that the purchasing process gives. On the other side, although the demands of an ever-changing world led to a push

⁴⁵ <https://yourstory.com/smbstory/the-new-retail-journey-from-omnichannel-to-phygital/amp>

towards standardisation and economies of scale, there is an increased focus on personalisation and attention to the requirements of each individual customer.⁴⁶

3.3 Market panoramic world overview

Google's Omnichannel Customer Experience Review published a study in 2018 called "Creating seamless retail experiences"⁴⁷. To explore the topic, Google commissioned an in-depth review of the omnichannel customer experience offered by 145 retailers in seven European countries to help businesses understand the best examples of seamless experiences across channels. Then, they benchmarked and ranked the retailers. To generate an independent list of retailers to be reviewed, Google used Similar Web's publicly available data to identify the top retailers within the Shopping category in each country (UK, Germany, France, The Netherlands, Denmark, Norway and Sweden) based on website traffic volume. That list has then been filtered to only include retailers that have physical stores. Nonetheless, Google commissioned Practicology, recognised experts in omnichannel customer experience and omnichannel strategy, to independently review and benchmark retailers. As they recite in the paper, "Businesses that succeed in the future will be the ones that figure out how to meet consumer expectations for seamless omnichannel experiences." Why is that the case? As we can see from the graph below, what they discovered is that "82% of smartphone users consult their phone on purchases they are about to make in-store"⁴⁸, "6 in 10 internet

⁴⁶ <https://www2.deloitte.com/uk/en/blog/consumer-business/2022/modern-luxury.html>

⁴⁷ https://www.thinkwithgoogle.com/qs/documents/4991/180131_Google_Customer_Experience_UK.pdf

⁴⁸ <https://www.thinkwithgoogle.com/consumer-insights/consumer-trends/consumer-i-want-to-buy-micro-moments/>

users check whether a product is available in a local store before visiting a retail location”⁴⁹ and “72% of businesses name improving customer experience their top priority”⁵⁰. These data can be seen depicted in the graphs below in the top section.

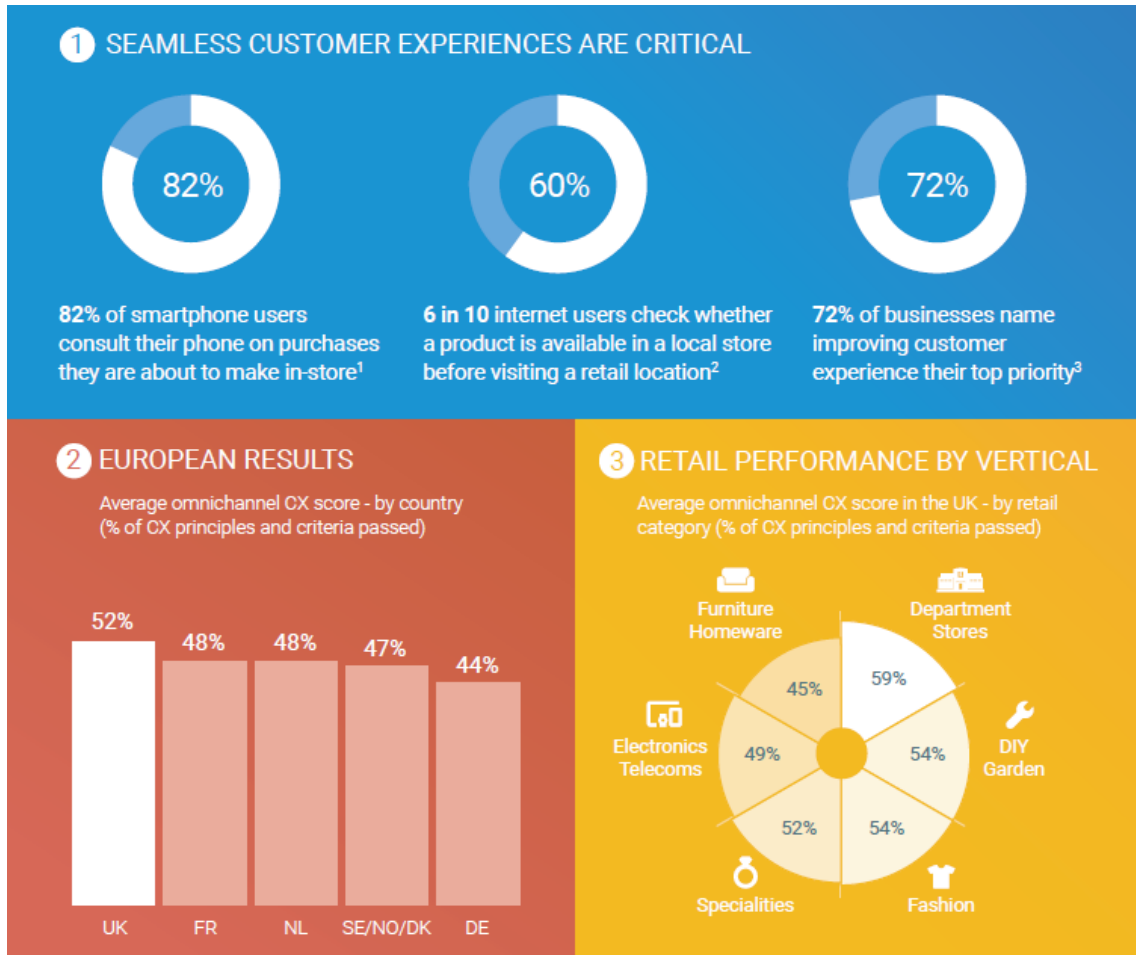


Figure 3: Graphical representations of omnichannel strategies in 2018 by Google
https://www.thinkwithgoogle.com/_gs/documents/4991/180131_Google_Customer_Experience_UK.pdf

⁴⁹ <https://www.thinkwithgoogle.com/data/comparison-shopping-on-mobile-which-ones-best-moments/>

⁵⁰ <https://www.forrester.com/72+Of+Businesses+Name+Improving+Customer+Experience+Their+Top+Priority/-/E-PRE9109>

The study further investigated how countries performed compared to one another and which sectors were leading in offering omnichannel experiences. Indeed, from the bottom left graph in the figure above we can see the European results in terms of average omnichannel CX score by country. The ranking, which takes into consideration the percentage of Customer experience principles and criteria passed, shows the UK at the top of the list, with the study describing the country to have retailers scoring particularly well in terms of offering flexible fulfilment options and providing relevant store details on their website. Lagging slightly behind the UK we find France and the Netherlands with an average omnichannel CX score of 48%. As we move our attention towards the bottom right side of the picture, we can focus on the UK retail environment performances divided by retail category. At a first glance, we can notice that UK department store retailers offer the best experiences. Moreover, the study suggests that department stores are particularly favoured by the usage of in-store technology, providing flexible fulfilment options, and running promotions across channels. Nonetheless, other categories worth to be mentioned are the DIY Garden, the fashion, and the Specialities' categories as they present an index value above 50%. If we move to figure number 4, we can see two graphs numbered four and five. Graph number four, further analyses performance by customer experience principles comparing the UK, the leader in omnichannel customer experience, with the other European Countries analysed. The interesting part here, other than each comparison is to see what retailers had achieved by 2018 and how much was still needed to be implemented to offer an omnichannel experience to clients. The first principle tells brands to provide product related information on their website so that it enables and encourages purchases in any channel. The second building block is to provide, on the brand's websites, store

information and store details that make it easy and interesting to find and visit a store nearby.

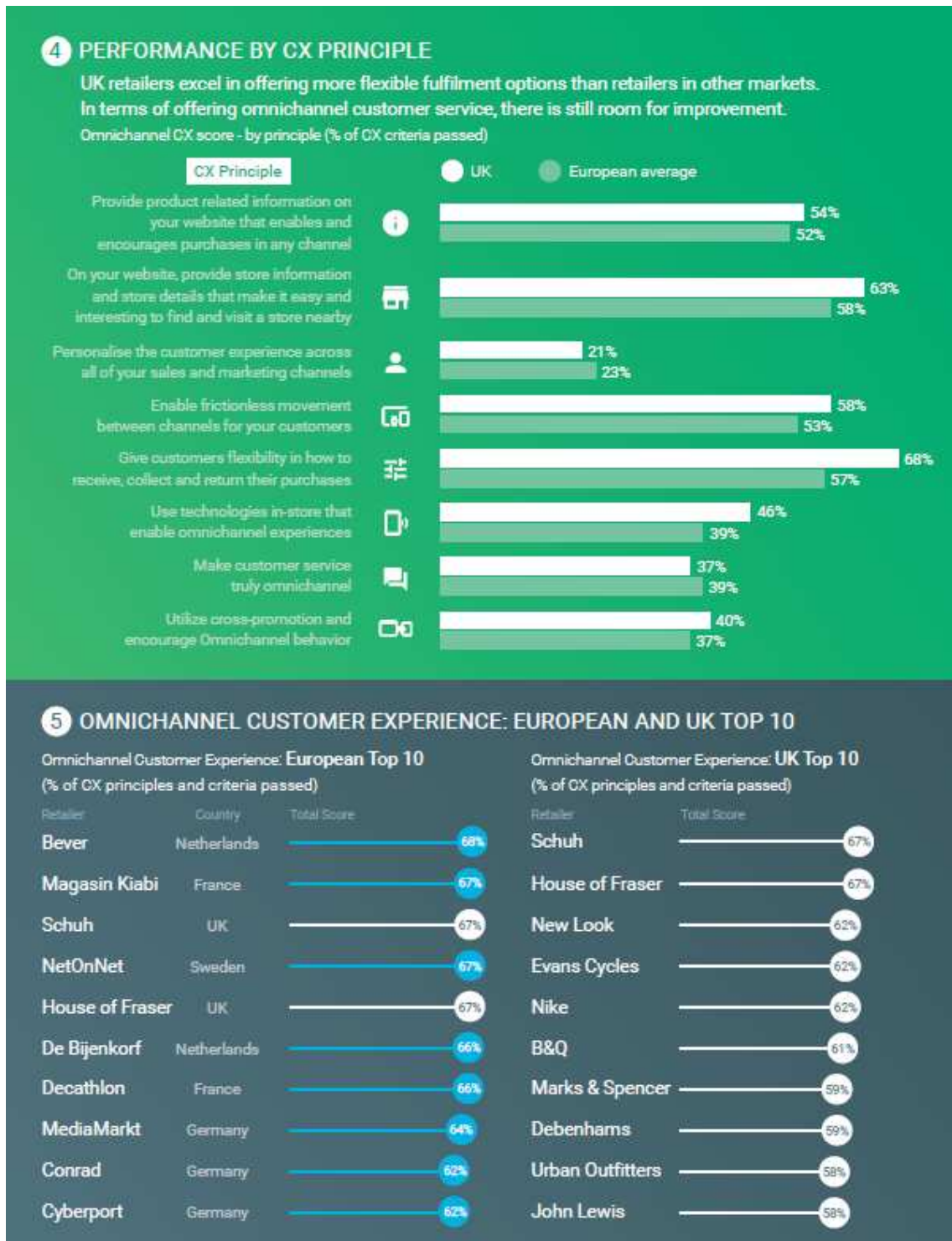


Figure 4: Graphical representations of omnichannel strategies in 2018 by Google https://www.thinkwithgoogle.com/_gs/documents/4991/180131_Google_Customer_Experience_UK.pdf

Third, personalise the customer experience across all of brand's sales and marketing channels. Fourth, enable frictionless movement between channels for customers. Fifth, give customers flexibility in how to receive, collect and return their purchases. Sixth, use technologies in-store that enable omnichannel experiences. Seventh, make customer service truly omnichannel and lastly, utilize cross-promotion and encourage Omnichannel behaviour. According to this study, the guiding principle that brands need to work mostly on is to personalise the customer experience across all of brand's sales and marketing channels, as it showed a percentage of only 23%. The two indexes that were best addressed by retailers are the display of store information and store details that make it easy and interesting to find and visit a store nearby, and the possibility for customers to flexibly choose how to receive, collect and return their purchases. After this general overview, it is interesting to uncover the names of the companies that offered the best omnichannel customer experience. The three companies that won a position on the podium are Bever, Magasin Kiabi and Schuh. Besides, the study also analysed companies by best practices in different key areas in omnichannel strategies. As regards product information, Leroy Merlin, the home improvement, and gardening retailer, stands out from the crowd as it provides customers with all the product related information they need. In particular, customers can access:

- Product availability online and in-store precisely indicated on product pages.
- Lists of products can be filtered based on availability in a specific store.
- All possible fulfilment options clearly listed on product pages.

Concerning the store details category, the company that performed best is Sephora, the French multinational retailer of personal care and beauty products. Indeed, data shows that Sephora makes finding store information quick and easy by:

- Mobile optimized store locator that utilizes a user's geo-location.
- Relevant information like opening hours and contact details openly listed.
- Allows users to filter results based on services offered in-store and book appointments.

The third area of research is personalisation, and the best performer is Adidas. The German multinational corporation that designs and manufactures shoes, clothing and accessories, is the leader in personalizing the customer experience across channels. How?

- Customers can set their personal style and sports preferences within their account and select their local store.
- Website content and product recommendations update based on browsing and on-site shopping behaviour.
- Adidas sends customers a 'happy birthday' email with a special and personal birthday offer.

The fourth topic under observation was the Frictionless movement between channels. NetOnNet, the retailer and supplier of consumer electronics based in Sweden, enables frictionless movement between channels, to do so it offers:

- Wish-lists and shopping baskets are synced to a customer's account and immediately available across devices.
- Gift cards can be bought and redeemed both online and offline and card balance can easily be checked and increased.
- NetOnNet's loyalty program allows members to claim offers in-store and online.

The fifth element of observation in the study has been flexible Fulfilment for which PC World (UK) received the highest score in Europe. PC World's, which merged with Currys in July 2019, sells home electronics and home appliances, and offers the following Flexible Fulfilment options:

- Customers can choose between click-and-collect and reserve-and-collect. Products bought online can also be returned in-store.
- Next day delivery is available for customers to choose from. Standard delivery is free for all orders.
- Staff can place orders online for customers for home delivery and check stock at other stores.

Moving to In-store Technologies we see Decathlon as the European market leader. The French sporting goods retailer makes use of in-store technologies to offer an omnichannel customer experience:

- NFC technology used at kiosks and fitting rooms: customers can view product details and reviews, variations, related products and order products online.

- Free wifi offered in-store and used to promote offers. The app can be used to discover additional product details (via NFC / Barcodes).
- Products ordered via click-and-collect can be collected quickly from click-and-collect lockers.

As for, Omnichannel Customer Service, Bever is the top-ranking retailer in the study among 145 retailers. The retail chain store of outdoor sports wears and accessories deserves this podium position because:

- It offers multiple ways to get in touch, catering to different customer preferences.
- Live chat is available on all pages of the mobile website to quickly answer customer questions.
- Bever provides quick and accurate answers to questions about their stores via email, live chat and phone.

The last characteristic for which companies have been compared is Cross-Promotion with Boulanger being the best in actively using cross-channel promotions. The French company that retails household and consumer electronic products, has a strategy that entails:

- Email newsletters containing store specific promotions, like new store openings, special opening hours, and in-store events.

- Store detail pages including news specific to each store and the possibility for customers to book a consultation meeting in-store.
- Online shop and store specific social media channels which are actively promoted in-store.

These case studies show some of the best practices back in 2018. While most of the recommendations taken from the study have been explored and implemented by many companies around the globe and might seem widespread by now, just four years ago, they were not. Surely, the COVID-19 pandemic we are still living through has exacerbated this need for a digital transition (Meagher, 2022)⁵¹, thus, to have a more panoramic overview of how the market presents itself right now we will dive into the research published in “Retail tech” a Statista dossier plus on the state of retail and e-commerce technology released in November 2021. This study presents some interesting insights on the digitalization phase we are experiencing also due to the ongoing pandemic, highlighting trends, tools, and data behind retail phygitalization. The report stresses how: “Digital transformation has long been on the agenda of retail executives, but the need to innovate and digitalize has become more pressing with the coronavirus (COVID-19) pandemic. With many physical retail locations shutting down as part of lockdown restrictions, e-commerce became the norm for shoppers. This sudden and massive shift towards online channels overstretched the capacities of many retailers, even those with existing e-commerce capabilities. Omnichannel re-emerged as the key

⁵¹ Meagher, S. (2022). How Will Retailers Thrive In A Post-Covid World?. Retrieved 2 September 2022, from <https://www.forbes.com/sites/syamameagher/2021/04/06/how-will-businesses-thrive-in-a-post-covid-world/>

strategy that would maximize the technological solutions available to retailers in their endeavour to provide a seamless shopping experience to customers. (...) In physical retail stores, after remaining closed or operating at restricted capacity for a prolonged time, using the power of AI driven technologies, brands and companies started on quests to integrate interactive features in store, offering the best of both worlds to their customers while transforming the shopping experience” (Coppola, Şabanoğlu, 2021).⁵²

With this viewpoint in mind, the question that arises next is which technologies can be implemented and how far has gone this industry so far. Surely, gone are the days of Web 1.0, the first version of the web, based on hyperlinks between different contents, when the web focused on the connection of information, marked by static websites and a reduced update frequency. We did leave behind also the time when Web 2.0 was the highest level of technological improvement. Indeed, Web 2.0 identified the evolution characterised by the active participation of users to generate, modify and share content, this phase focused on the connection between people and the expression that identifies this era were mainly the social web or social media which are now present on an everyday life basis. We also transited the Web 3.0 phase, which identifies the further development of the web with the introduction of meta data. The enhancements reached offered the possibility of using the Internet as a huge database to be used in various applications. One, therefore, speaks of Data Web associating it to the concept of Semantic Web, i.e. the introduction of contents related to certain keywords, which enable the search for more performing information. Nonetheless, the continuous

⁵² Coppola, D., & Şabanoğlu, T. (2021). *RETAIL TECH. A STATISTA dossierplus on the state of retail and e-commerce technology*. Retrieved from <https://www-statista-com.skema.idm.oclc.org/study/105768/retail-tech/>

improvement led us to land on Web 4.0 (Kotler, Stigliano, 2020).⁵³, a synthesis of the social web and semantic web, which thanks also to the increasingly fundamental role being played by augmented reality technologies, envisages the possibility of automatically connecting not only content but also people according to the activities they perform. All these evolutions undergone by the Web in the last decades of the last century influenced the retail space as we conceive it nowadays. The technological improvements of Web 4.0 have definitely proposed to the retail industry several tools that can be implemented for and within a shopping space.

Retail in Industry 4.0

Use cases of technologies implemented in retail

Internet of Things (IoT)	Artificial Intelligence (AI)	Retail analytics	Retail automation	Computer vision	AR/VR	Cloud
IoT in retail enables smart systems that can connect and communicate with each other and analyze patterns and behaviors of machines. Automatically replenishing shelves is a good example of IoT in retail.	AI in retail has an array of potential use cases. From warehouse automation to pricing personalization to visual and voice search, it helps retailers streamline their supply chain processes and improve the customer experience.	Collecting and analyzing product data throughout the whole retail supply chain, as well as consumer data – in anonymous or identifiable form.	Use of technologies to fully streamline demand planning, products supply, retail operations, and services to consumers. It encompasses warehouse automation, i.e. the use of mobile robots for inventory management and order fulfillment.	Computer vision is a branch of AI that processes images and visual data. In retail, computer vision's greatest potential is in self-checkout systems and customer tracking.	AR is used in partial or full overlay of virtual elements into a real-world environment, like digital fitting rooms and virtual product previewing. VR, on the other hand, consists of immersive 3D graphics in a computer-generated environment.	Cloud technology in retail is used in different business functions, allowing integrated CRM systems, real-time inventory management, and secure, mobile-based payment processing.

Table 1: Retail in Industry 4.0 Retrieved from <https://www-statista-com.skema.idm.oclc.org/study/105768/retail-tech/>

Table number 1 above, taken from the above-mentioned Statista report on retail tech illustrates the major solutions largely powered by data, artificial intelligence, augmented reality, and cloud technologies that, if not already in place, mark the areas of future

⁵³ Kotler, P., & Stigliano, G. (2020). *Retail 4.0*. Madrid: Lid Editorial Empresarial S.L.

investment plans in the use of digital. Among the technologies implemented, we find the Internet of Things (IoT) which enables smart systems that can connect and communicate with each other and analyse patterns and behaviours of machines. According to Investopedia, “IoT is a name for the aggregate collection of network-enabled devices, excluding traditional computers like laptops and servers. The types of network connections can include Wi-Fi connections, Bluetooth connections, and near-field communication (NFC).”⁵⁴ The Internet of Things is a game changer that is transforming a wide range of fields, among which consumer data collection and retail stores. Indeed, in the retail sector, a good example of IoT usage in the store is the automatically replenishing shelves, a computerised scheme that evaluates inventory amounts and lead times and re-orders stock to satisfy forecast sales needs. Another element characterizing this retail era is Artificial Intelligence (AI)⁵⁵, which implies the simulation of human intelligence in machines programmed to think and mimic humans and their actions. AI in retail has an array of potential use cases, from warehouse automation to pricing, personalization to visual and voice search. Nonetheless, it can help retailers to streamline their supply chain processes and improve the customer experience. The third element cited in the table is retail analytics. Data from both the buyer and seller sides are gathered and processed to improve, on one hand, the retail supply chain, and, on the other, the customer experience. Retail automation also plays a fundamental role in the future of retail, this broad concept entails the usage of

⁵⁴ <https://www.investopedia.com/terms/i/internet-things.asp>

⁵⁵ [https://www.investopedia.com/terms/a/artificial-intelligence-ai.asp#:~:text=Artificial%20intelligence%20\(AI\)%20refers%20to,as%20learning%20and%20problem%20solving.](https://www.investopedia.com/terms/a/artificial-intelligence-ai.asp#:~:text=Artificial%20intelligence%20(AI)%20refers%20to,as%20learning%20and%20problem%20solving.)

innovative tools and equipment to better processes and guarantee efficiency in operations. As also stressed by the article “Automation in retail: An executive overview for getting ready”⁵⁶ published by McKinsey in 2020 the winners in the retail sector will be those who understand the implications of retail automation and act quickly to respond to them. The fifth component shaping the industry is computer vision, the branch of AI capable of processing visual data and images. Within brick-and-mortar shops, this tool permits tracking customers and enables self-checkout systems. Augmented reality (AR) and Virtual reality (VR) are also becoming crucial elements to enrich the customer experience. These two terms identify two different services, on one hand we have Augmented reality which uses the existing real-world environment and places virtual information on top of it to improve the experience, on the other hand, we have virtual reality, which, instead, immerses users into an entirely different environment, typically a virtual one created and rendered by computers.⁵⁷ These technologies have several potential applications in a retail space, for instance, they can be used to create digital fitting rooms, to preview products or even generate an immersive multidimensional experience. Finally, Cloud is also vital, this technology enables to storage and process of data online so that it can be accessed and modified anytime from any location by anyone who is granted permission. In the retail industry, it can be used for different business functions such as mobile-based payment processing, integrated customer relation management (CRM) systems and real-time

⁵⁶<https://www.mckinsey.com/~media/mckinsey/industries/retail/our%20insights/automation%20in%20Retail%20an%20executive%20overview%20for%20getting%20ready/automation-in-retail-an-executive-overview-for-getting-ready-final.pdf?shouldIndex=false>

⁵⁷ <https://www.investopedia.com/terms/a/augmented-reality.asp#:~:text=In%20contrast%2C%20virtual%20reality%20immerses,scene%20or%20a%20digital%20environment.>

inventory management. Another interesting insight taken from the report depicts the retail store of the future. As we can see from figure 5 below, the study envisions the shopping area as a phygital space with mainly five tools utilized.



Figure 5: Retail store of the future Retrieved from <https://www-statista-com.skema.idm.oclc.org/study/105768/retail-tech/>

Starting from the left we can read that the virtual fitting rooms, which are already being implemented by major fashion brand chains, will find a spot in the future shopping experience. This tool is the digital version of an in-store dressing room, where customers can try on a product virtually to visualize how it may look on their bodies, and evaluate features such as colour, pattern, and style before purchasing. These tools rely on a combination of artificial intelligence, computer vision, and augmented reality. However, not all solutions produce the same results or have the same impact on the customer experience. The second tool is Interactive Kiosks, self-service solutions that provide audiences with engaging digital content and information through a user-friendly

interface. They enable customers to check product availability in stock, order them for home delivery or arrange the pick-up elsewhere. The third peculiarity of the store of the future is pickup towers, automated corners of the shop dedicated to collecting the items ordered online through the so-called BOPIS (buy online, pick up in-store) which is the business model that permits clients to shop and place orders online and then pick up their purchases in the brick-and-mortar shop. BOPIS, sometimes referred to as click-and-collect is a part of the larger multichannel shopping trend that has been emerging, which allows customers to merge online, in-store and mobile channels to make purchases. BOPIS is built on the concept that a customer can scroll through a company's website, see what is available at each store location in real time, place desired items in their shopping cart, complete the purchase online and then pick everything up in the physical store.⁵⁸ Computer vision will also be the main character, indeed, AI-related technology will track and process data such as customer interactions and affluence of clients. Lastly, as we can see from the bottom-right corner of the picture, quick response (QR) codes will still be relevant in retail in the future. These QR codes, which are a type of barcode that can be read easily by any digital device and which stores information as a series of pixels in a square-shaped grid, are already widespread but more functionalities will be added. In fact, they will be used to facilitate in-store bookings and provide product information and recommendations.

⁵⁸ <https://www.techtarget.com/searchcustomerexperience/definition/BOPUS-buy-online-pick-up-in-store>

3.4 Is retail apocalypse a threat?

The physical point of sale has always been a key touchpoint in the customer journey. The advantages linked to this channel are countless: first of all, when buying offline, the consumer can try and experience the product through the five senses. Indeed, sensory marketing is essential for those consumers who want to try and test or simply look at the product before buying it. Moreover, thanks to the presence of experienced sales staff, the customer can be guided to choose the product that best satisfies her/his needs and requirements, thus reducing the risk of picking an undesired product. The point of sale is also considered by the consumer to be almost a familiar environment in his or her shopping vision. Indeed, in the past, stores were the first and main physical channel available to come into contact with the brand. Today, however, thanks mainly to the emergence of the Internet, there is more and more talk of the omnichannel phenomenon described in the previous chapters. In particular, it has been stressed how the term omnichannel refers to the most modern configuration of retail where the various channels and touchpoints - both physical and digital - integrate synergistically and are used by the brand to provide the consumer with a better experience. However, the advent of the Internet and technology has changed the retail world, resulting in an increasingly expanding digitalization (Grewal, Noble, Roggeveen, Nordfalt, 2019).⁵⁹ With the emergence of online retail, the physical point of sale began to suffer losses. E-commerce, in fact, brings certain benefits that are important to the consumer. Customers often buy online because they find cheaper prices, thus improving value for

⁵⁹ Grewal D., Noble S.M., Roggeveen A.L., Nordfalt L., (2019). The future of in-store technology. *Journal of the Academy of Marketing Science* 48, 96-113

money compared to the physical shop. In addition, the digital shop is in some ways unlimited: whereas the point of sale is limited in terms of space and the products it can sell, the online shop allows the consumer to find a diverse range of products, e.g. different colour shades or different sizes. For this reason, many scholars, with the emergence of the Internet and the big e-commerce companies (e.g. Amazon), hypothesised the so-called “retail apocalypse” as described in the article titled “Navigating the ‘retail apocalypse’: A framework of consumer evaluations of the new retail landscape” published by the Journal of Retailing and Consumer Services in 2020 (Helm, Hyun Kim, Van Riper, 2020).⁶⁰ This term described the closure of a large number of physical shops in the United States, a phenomenon that has intensified since 2015. An analysis of the situation was realised by CNN Business that disclosed in 2017 how the trend was developing, especially in the U.S.A. in the insight: “Retail’s toughest year: a record of store closing”. For example, according to the paper, in 2017 physical shop closures more than tripled compared to 2016 (Isidore, 2017).⁶¹ However, other studies show that for every retailer that closes its physical store, two retailers decide to open one: again, in the United States in 2018 there was an increase of 2000 shops physical stores. Besides, according to a 2017 study by Deloitte, the growth of the retail industry is approximately 11.7% between 2017 and 2022 (Purcarea, 2018).⁶² These figures, hence, show how, despite the phenomenon of the retail apocalypse, consumers do not

⁶⁰ Helm S., Hyun Kim S., Van Riper S., (2020). Navigating the ‘retail apocalypse’: A framework of consumer evaluations of the new retail landscape. Journal of Retailing and Consumer Services 54, 1-9;

⁶¹ Isidore, C. (2017). Retail’s toughest year: a record of store closing. CNN Business <https://money.cnn.com/2017/12/26/news/companies/retail-toughest-year-store-closings/index.html>

⁶² Purcarea T., (2018). The Future of Retail impacted by the Smart Phygital Era https://www.researchgate.net/publication/328191527_The_Future_of_Retail_Impacted_by_the_Smart_Phygital_Era

want the physical store to disappear but to be transformed, as the point of sale should focus on the experience rather than the convenience typical of online channels (Martinez, Navio, Moya,2020).⁶³ This explains why, despite the great development of e-commerce, consumers remain very attached to shopping in stores. In fact, numerous studies have shown how most sales still take place at the physical point of sale: while we are becoming increasingly dependent on digital technology, we simultaneously desire physical experiences, which we can experience mainly through our five senses, that only the offline shop can offer us. A study by Euclid Analytics revealed, for example, that the majority of respondents purchase in shops because they like to see and touch products, this is because there are aspects of the physical environment that are not present in the digital world but have a fundamental impact in enhancing consumer experiences. All this demonstrates how e-commerce has not necessarily killed the retail world but only those shops that offered a poor consumer experience and a lack of omnichannel strategy: many physical shops are therefore forced to close as they have become obsolete and no longer in line with the digitalization of today's retail and consumer world (Bethan, Blazquez, 2020).⁶⁴ Therefore, it is important not only to create and deliver a remarkable consumer experience but also to organise sales channels synergistically in order to make the brand and the retailer ever-present in consumers' lives (O'Malley, 2022).⁶⁵ When it comes to retail channels, it is often thought that a

⁶³ Martinez J.L., Navio Marco J., Rodrigo Moya B.,(2020). Analysis of the Adoption of customer facing InStore technologies in retail SMEs, *Journal of Retailing and Consumers Services* 57, 1-9

⁶⁴ Bethan A., Blazquez Cano M., (2020). Store of the Future: Towards a (re)invention and (re)imagination of physical store space in an omnichannel context. *Journal of Retailing and Consumer Services*, 55;

⁶⁵ O'Malley, K. (2022). The Post-Pandemic Future of Retail | Lendio. Retrieved 2 September 2022, from <https://www.lendio.com/blog/post-pandemic-future-retail/>

retailer decides to open a physical store and only then decides to expand into the digital world. Nevertheless, reality shows that this is not always the case: there are also so-called “online digital first” retailers, because they were born online, that started to open their own physical shops and are investing in new technologies to offer consumers digital experiences also offline. This trend reversal, thus, shows how the physical point of sale is also of paramount importance for those companies that were born digitally. Two emblematic examples are Bonobos and Amazon. Bonobos is an American company that started its business online by selling men's office workwear, in particular jackets and trousers. After an initial moment of success, the company began to face the first problems, mainly related to the difficulty for customers to choose the best jacket: for many consumers, it was difficult to buy online due to fit issues and the evaluation of fabrics and colours in person. To this end, Bonobos decided, also thanks to Walmart's acquisition of the brand, to open the first physical points of sale to give consumers the opportunity to try on its products and to make the best decision by evaluating the various alternatives and asking the sales staff for advice. On the other hand, Amazon also started to open its physical outlets in America, emphasising the importance of offering consumers an increasingly personalised experience even in the offline world. The digitisation phenomenon has therefore resulted in a retail environment where the experience within the physical point of sale must be able to best combine the advantages of the digital dimension and the advantages of the more physical dimension (Riegger, Klein, Merfeld, Henkel, 2021).⁶⁶ The examples of Amazon and Bonobos thus demonstrate how the physical point of sale is still relevant for the consumer. Instead of

⁶⁶ Riegger A.S., Klein J.F., Merfeld K., Henkel S.,(2021). Technology-enabled personalization in retail stores: Understanding drivers and barriers. *Journal of Business Research* 123, 140-155

talking, therefore, about retail apocalypse, one should understand how to best combine the physical point of sale with the digital world, also and especially through technology. In a shop, the consumer can try on an item of clothing, while in the online shop the customer could use equivalent technologies - such as augmented or virtual reality – to try on products. However, these technologies may also allow one to cross the distinction between the physical and digital worlds. It is important to understand how nowadays the distinction between physical and digital no longer exists, everyday actions take place in an interconnected system, where the consumer lives and interacts in a physical space and at the same time remains always connected online. Today's consumer, in fact, is always present in the digital world even when she is in a physical environment: one of the reasons for this is above all, not only the spread of Internet, but also the increasingly widespread presence of smartphones in consumers' lives. To support this trend the Journal of Interactive Marketing published an article on “Consumer connectivity in a Complex, Technology-Enabled and Mobile-Oriented world with smart products” stressing how the mobile phone, in fact, plays an increasingly important role in omnichannel marketing and retail environments (Verhoef, Stephen, Kannan, Luo, Abhishek, Andrews, Bart, Datta, Fong, Hoffman, Hu, Novak, Rand, Zhang, 2016).⁶⁷ Furthermore, according to the Pew Research Center’s fact sheet on mobile, about 85% of Americans now own a smartphone.⁶⁸ Thanks to the mobile device, we can always be connected online even in a physical environment. In fact, the mobile phone represents

⁶⁷ Verhoef P.C., Stephen A.T., Kannan P.K., Luo X., Abhishek V., Andrews M., Bart Y., Datta H., Fong N., Hoffman D.L., Hu M.M., Novak T., Rand W., Zhang Y., (2016). Consumer connectivity in a Complex, Technology-Enabled and Mobile-Oriented world with smart products. Journal of Interactive Marketing 40, 1- 8;

⁶⁸ <https://www.pewresearch.org/internet/fact-sheet/mobile/>

a bridge between the offline world and the online world thanks, for example, to the presence of the Internet and social media: consumers can use their mobile phone to connect to the digital world anywhere in the physical world. Many studies have pointed out that we, consumers, often use our smartphones inside a shop essentially for three reasons: to compare prices, search for information and look for reviews of other consumers on the web (Google, Mobile in Store Research,...). The mobile phone thus allows us to get information and connect online even when we are offline. The particularity of this device is its intrinsic and ubiquitous nature that leads to the phenomenon of ATAWADAC - AnyTime, AnyWhere, Any Device, Any Content - which allows consumers to connect wherever and whenever they want as explained by Mick Levy in his article "ATAWADAC, the battle cry of Digital transformation!" (Levy, 2022) ⁶⁹. This phenomenon is therefore crucial for companies that, thanks to the smartphone, can integrate online and offline channels optimally. All this has contributed to the emergence of the new phygital frontier. Phygital marketing - the combination of the words physical and digital – which is worth stressing again, was born out of the consumer's need to be hyper-connected, to inhabit two worlds simultaneously, the physical and the digital. Phygital, then, takes a step further than what was previously referred to as omnichannel strategy, in which all channels are connected and integrated with each other. The integration of phygital within the omnichannel, in fact, allows not only to connect the channels offline and online but also to create a bridge between the two worlds, integrating them to spread brand and retail store identity and values.

⁶⁹ Levy, M. (2022). ATAWADAC, the battle cry of Digital transformation! [Blog]. Retrieved from <https://en.blog.businessdecision.com/atawadac-the-battle-cry-of-digital/>

Therefore, a phygital strategy, unlike an omnichannel one, enables the creation of an even more real and unique experience for the consumer. In fact, as presented above, today's consumers want physical points of sale and every retailer's channel in general to have a customer-centric vision: one of the paths that can be taken to remain relevant and competitive is therefore to improve the consumer's in-store experience as emphasized by the "Evolution of Retail Formats: Past, Present, and Future" insights published by the Journal of Retailing (Gauri, Jindal, Ratchford, Fox, Bhatnagar, Pandey, Navallo, Fogarty, Carr, Howertonh, 2021).⁷⁰ The phygital strategy then aims to create a hybrid form of shopping capable of giving added value to the consumer's experience within the physical store. The phygital, hence, creates a link between the offline and online worlds to create an 'onlife' experience (Floridi, 2014).⁷¹ For many authors, in fact, phygital is seen as the fusion of the digital and physical worlds that creates a highly personalised and engaging experience in the shop in order to generate lasting loyalty in the customer, as particularly accentuated by the scholars from Louvain School of Management in the paper "The role and opportunities of Phygital in the digital omnichannel strategy" (Van Tichelen, Briec, 2018).⁷²

⁷⁰ Gauri D.K., Jindal R.P, Ratchford B., Fox E., Bhatnagar A., Pandey A., Navallo J.R, Fogarty J, Carr S., Howertonh E., (2021). Evolution of Retail Formats: Past, Present, and Future. Journal of Retailing 97 (1), 1- 7

⁷¹ Floridi, L. (2014) *The Onlife Manifesto: Being human in a hyperconnected era*. Springer

⁷² Van Tichelen, Briec. (2018) The role and opportunities of Phygital in the digital omnichannel strategy. Louvain School of Management, Université catholique de Louvain

4. *Determining phygital's characteristics*

The phygital experience is of paramount importance for retailers as it draws from the best of both worlds, physical (ability to interact with the product and people) and digital (immediacy, immersion, and speed) to deliver unique, personalised experiences that leave a lasting impression in the consumer's mind. This evolution in the approach with potential clients reflects today's consumer mindsets, which compared to the past, exposes us to an audience that is more demanding, hyper-connected and able to move through different channels to satisfy their needs. The potential client is an increasingly digital consumer who, thanks to the use of the smartphone, is able to connect online even in traditionally offline environments. There are several ways, tools, and modalities to implement phygital solutions depending on the industry, purpose and amount invested. Nevertheless, we can highlight three distinctive characteristics of phygital as Nicolò Andreula, the author of “#phygital” highlights in this book, which are immersion, immediacy, and interactivity, also referred to as the 3 I's of phygital (Andreula, 2020).⁷³ As we have seen, the first two characteristics come from the digital world while interactivity is proper to the physical universe. Let us now dive into the meaning of each of these aspects:

- **Immersion:** the consumer does not live the experience passively but is an integral part of the experience they live. An experience can be more or less immersive, depending on several variables, for instance, given the type of technology used: what is not missing, however, is the active role of the consumer in which sensory stimulation helps to create and make the experience as real as possible. The

⁷³ Andreula, N. (2020). #Phygital. Il nuovo marketing tra fisico e digitale. Hoepli.

flagship Nike's store in New York, for example, tried to help the customer visualise himself in a sporty environment by wearing Nike branded clothes, for example, consumers can try on products while simulating a run in Central Park on a treadmill thanks to digital screens.

- **Immediacy:** the digital consumer has become accustomed to having everything at once. With a simple click, she buys any product that arrives conveniently at home, even within a brief time. In the offline world, the consumer experience through a digital strategy can be even more immediate by using technologies e.g. Digital Signage or interactive kiosks which allow information to be searched and evaluated quickly and in real time. In this way, the phygital experience allows for greater immediacy with instantaneous shopping gratification: there is no waiting time, and the consumer can have and consume the product at the precise moment of purchase. Let us think of the self-service kiosks we encounter while walking into a McDonald's. This self-service ordering modality, shown in image 1 below, allowed them to completely transform the customer experience and significantly decrease waiting times while, at the same time, increasing the number of orders their restaurants could process.



Image 1: Self-service Kiosks inside a McDonald's restaurant
<https://www.evoke-creative.com/project/mcdonalds/>

- Interactivity: this characteristic is peculiar to the physical world. Interaction can take place not only between customers and brands but also between customers and sales staff, between customers and other customers and above all, between customers and products. In fact, what online channels lack is precisely the possibility for the consumer to be able to try, touch, smell and experience the product. With the phygital strategy, interaction becomes even more engaging. An emblematic example is the use of interactive fitting rooms: consumers can, in addition to trying on the chosen products, dialogue with the touch mirror in the fitting room to ask the sales staff for a different colour or size of the garment they have tried, which together with the possibility of changing the environment inside the fitting room to recreate different occasions for using the garment mentioned above, enables interaction with the product at 360 degrees.

For a brand, implementing a phygital strategy is therefore fundamental as it is able to satisfy the customer needs even more comprehensively and it ensures the physical store viability in the long run. The main needs of today's consumer can be summarised in three types of needs, and phygital succeeds in responding very well to each of them:

- **Providing unique experiences:** as we have already seen, one of the reasons why the retail world manages to survive the spread of e-commerce is the importance that consumers attach to the in-store experience that only the physical shop can offer. However, with the advent of e-commerce, the shop must be able to create a “WOW effect” in the minds of customers. The phygital can create unique experiences for consumers by generating emotions that increase their connection and loyalty to the shop or brand. Furthermore, the phygital, depending on the type of technology or strategy that the physical shop decides to use, engages the consumer in a different and increasingly unique and personalised way, thanks to its engaging and immersive nature.
- **Personalisation:** personalisation is another important aspect to take into consideration as each consumer wants to feel unique to the brand compared to other customers. Integrating a phygital strategy within its physical shop helps the retailer and the company to offer the customer an even more personalised experience based on their relationship and history with the brand.
- **Brand "omnipresence":** today's consumers are used to using different touchpoints in their purchase path. In this sense, phygital, embedded in an

omnichannel strategy, allows the brand to be "omnipresent" in customer service, extending the number of touchpoints between the consumer and the brand/retailer and ensuring that the brand is always present whenever the customer needs it.

With the importance of phygital in the increasingly digitised retail world, physical outlets are therefore trying to create different experiences to satisfy all consumers. In this sense, in the article "The role and opportunities of Phygital in the digital omni-channel strategy" Van Tichelen stresses four types of experiences created by phygital within a physical shop can be distinguished: informative, transactional, entertaining and supportive.⁷⁴ The informative phygital serves the purpose, as the word itself implies, to inform customers and provide them with additional information that could enrich their experience and knowledge about the various products offered within the shop. Often, in fact, consumers look for information online before choosing a brand or a product to purchase: the retailer could then use this 'extra' information and integrate it appropriately within their physical point of sale to better guide customers (Verhoef, Stephen, Kannan, Luo, Abhishek, Andrews, Bart, Datta, Fong, Hoffman, Hu, Novak, Rand, Zhang, 2016).⁷⁵ One way to create an informative phygital experience is, for example, to exploit technological devices e.g. Digital Signage or Digital Displays - to give the consumer information that they usually search for online and that in these cases they

⁷⁴ Van Tichelen, Brieuc. (2018) The role and opportunities of Phygital in the digital omni-channel strategy. Louvain School of Management, Université catholique de Louvain

⁷⁵ Verhoef P.C., Stephen A.T., Kannan P.K., Luo X., Abhishek V., Andrews M., Bart Y., Datta H., Fong N., Hoffman D.L., Hu M.M., Novak T., Rand W., Zhang Y., (2016). Consumer connectivity in a Complex, Technology-Enabled and Mobile-Oriented world with smart products. *Journal of Interactive Marketing* 40, 1-8;

can also find in the shop thanks to these tools. Transactional experiences, on the other hand, aim to facilitate, stimulate and help the customer during the purchasing phase: in particular, they serve to make the moments that consumers experience in the physical store easier and more flexible. For example, self-service checkouts or the total absence of checkouts help the consumer save time in this usually tedious and time-consuming, nerve-wracking shopping phase. Another objective that can be achieved through a phygital experience is to entertain the customer and make their experience in the physical point of sale more interactive. A simple and effective way to create a fun phygital experience is for example to use interactive technological devices that engage the consumer in a playful way. Augmented reality is an effective way to entertain the consumer inside the shop: in a Sephora shop in Milan, for the Dior brand the company implemented a display capable of catapulting the customer into a fashion show full of paparazzi and with the possibility to take photos of themselves. Making the experience fun for the consumer is thus intended to lay the foundations for consumer loyalty to the brand and also to make the in-store experience more pleasant for customers. Finally, the last type of phygital experience is the support which aims to add value to the on-site experience by assisting the consumer in the various stages within the physical point of sale. An emblematic example is AR Wayfinding: this augmented reality system allows digital information to be superimposed in real time on the physical world to aid navigation within complex spaces such as universities, hospitals or theme parks.⁷⁶ A user can then enter an environment unfamiliar to him or her and, only through his or her mobile phone have an interactive tour and map of sorts to guide him through the

⁷⁶ <https://www.22miles.com/digital-signage-wayfinding/ar-wayfinding/>

environment. Often, when talking about phygital, it is believed that it is the consumers who benefit the most. In fact, phygital, as already analysed, enhances the customer's in-store experience, making them feel unique and different from others. In fact, the use of a phygital strategy brings benefits for retailers as well. First of all, the consumer, having a more unique experience, establishes a closer bond with the brand/retailer and is therefore more motivated to interact with the company again. The retailer then exploits this advantage by creating the basis for consumer loyalty to the store. Experience perceived as unique makes the consumer choose that physical point of sale over other similar stores more often. The physical shop over other similar and competing shops and that they are led to recommend it both online and offline - the so-called traditional or digital word of mouth - to their circle of acquaintances. Creating a phygital strategy is now of paramount importance for companies: a study by the IAB Spain carried out in 2020 states that online purchases are progressively increasing but 52% of respondents stated that they buy in both channels, online and in the physical point of sale, preferring the latter for a more immersive and connected experience (Acebes, 2020).⁷⁷ Furthermore, according to research conducted by Cite Research, only 23% of respondents believe they will shop exclusively online by 2030. For the largest majority of respondents, the shop is still a key shopping environment: in particular, 70% of consumers say they want a personalised in-store experience and some 81% emphasise the importance of the use of technology - thus implementing a phygital strategy- to achieve this goal.⁷⁸ These data demonstrate how phygital marketing is an important

⁷⁷ Acebes, B. (2020). *Estudio Anual eCommerce 2020*. IAB Spain. Retrieved from <https://iabspain.es/sin-acceso/?download-id=41528>

⁷⁸ DCM Magazine (2020). Il retail del prossimo futuro è phygital. Retrieved from <http://www.dmcmagazine.it/archives/7287>

strategy for physical outlets as, in addition to focusing on an omnichannel approach in which the consumer's purchasing process is fluidly familiar and hyper-connected, it provides a unique experience to the consumer, able to compete with e-commerce.

4.1 Defining phygital customer journeys

Given the theoretical concepts presented in the second chapter on customer experience and journey and the description of phygital indicated above, we can now dive into the meaning of the combination of these two terms. The phygital customer journey, which originates from a consumer's need for a good or service and develops in the journey leading to purchase and beyond. Before purchasing, the consumer takes a journey that leads them to interact with the business, both online and offline. This journey is full of touchpoints that can influence his decision-making process. The journey includes all moments of direct interaction between customer and company as well as indirect ones, such as third-party opinions on review websites, social networks and blogs. The focus is on the interaction between the company and the consumer, and it is in this perspective that the digital transformation allows the company to be ever closer and closer to the consumer, to involve him through the multiple contact points, online and offline (distribution and communication channels, etc.), which are enabled to perform different functions and convey multiple contents. Purchasing actions and stages have become fragmented into many places between online and offline: company outlets, intermediary outlets, search engines, social networks, smartphones, etc. are all different places where people spend their purchasing time. The proliferation of digital devices, platforms and experiences in recent years has made the customer experience increasingly interconnected. In such a context, the consumer on his journey to purchase

can jump from a smartphone to an iPad, then to the more comfortable old desktop and finish by enriching his journey with a visit to the point of sale, tracing a seamless path between offline and online experiences. The corporate website or more 'traditional' tools such as email no longer represent the core of communication: they remain important and fundamental touchpoints but are embedded within an ecosystem where the relationship between company and user becomes more fluid, pervasive and probably much more intimate. Users inform themselves through YouTube, exchange opinions on WhatsApp groups, read UGC (User Generated Content), seek out the approach via chat or through the messaging offered by the various social networks, participate in DEMOs, webinars and videocalls, download apps to navigate more easily. Voice search, done not only by talking to one's smartphone but also through assistants such as Alexa or Google Home, is, moreover, a further push towards the immediacy and spontaneity of the relationship. Therefore, at every stage of the customer journey and, above all, for each of the contact points sought, the company must not only ensure its presence, but above all, it must be helpful. Being helpful means being able to effectively interpret the intentions of its customers and offer targeted content, customised according to the type of channel they use (be it mobile applications, searches, social media), their location (today, talking about local search is fundamental) and the time in which they search for this information. Being useful, not by chance, means understanding the needs of each customer related to each phase in which the customer is and offering relevant information, insights, guidance, training... in short, providing

value.⁷⁹ According to McKinsey research⁸⁰, in the consumer's decision-making journey, personal or third-party touchpoints as opposed to company touchpoints are increasingly important as customers take control of the process and actively attract information useful to them. The research found that two-thirds of contact points during the offer and product evaluation phase involve consumer-driven marketing activities, such as Internet reviews and word-of-mouth recommendations from friends and family, as well as in-store interactions and memories of past experiences. Only one third of the touch points involve company-driven marketing. Traditional marketing remains important, but the change in the way consumers make decisions implies some radical transformations in that discipline. Marketers must go beyond push communication and learn how to influence consumer-driven touchpoints, such as word-of-mouth and Internet news sites. The radical changes of digitisation have profoundly altered the consumer's decision path. Therefore, it is particularly important to understand how the analysis models underlying consumer purchasing decisions are changing and how experiential contexts are evolving in an increasingly blurred combination of the physical and digital worlds. Hence, we have to take the consumer journey and clarify the concept of consumer decision-making and purchasing behaviour. In more traditional models, this process is described as a linear path divided into stages that reflect the cognitive and emotional drives that run through consumers and lead them to purchase. Scholars use the metaphor of the funnel to indicate the five stages from the widest end of the funnel, the awareness stage where there are many brands in the mind of the customer. Then

⁷⁹ <https://www.smartalks.it/blog/marketing/personalizzazione-e-customizzazione/>

⁸⁰ <https://www.mckinsey.com/business-functions/growth-marketing-and-sales/our-insights/the-consumer-decision-journey>

reducing more and more, the number of brands taken into account as information is acquired as we can see from image 2 here below.

The traditional funnel



Image 2: The traditional funnel customer journey <https://www.mckinsey.com/business-functions/growth-marketing-and-sales/our-insights/the-consumer-decision-journey>

The second phase of the funnel is familiarity, corresponding to the moment in which the consumer comes into contact with a good or service and recognises its main characteristics. In the consideration phase, corresponding to the third stage, the consumer evaluates the product with the possibility of making a comparison with other brands, the potential client moves next to the purchase phase which is the result of a more or less long reflection. The last phase is the loyalty phase which is built on the after-sales experience, ranging from the product experience to customer care. The idea of a funnel is still valid today to compare the strength of a brand, indeed, companies hope to be able to get the consumer to make it to the next purchase by comparing the greatest strength against its competitors. Nevertheless, this model relegates the consumer to an excessive passivity especially considering the way decisions are made by consumers with many tools available to relate to the market and make choices.

Indeed, such a simplified model can no longer capture all the various points of contact traversed by the consumer, together with the complexity and paths that trace her or him towards the end of the customer journey.

The consumer decision journey

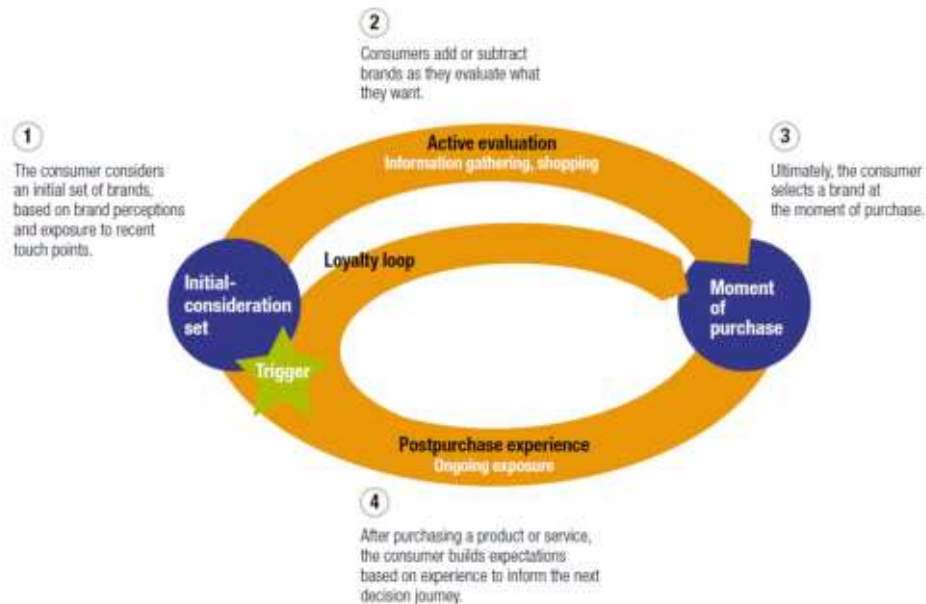


Image 3: The consumer decision journey visualized as a loop

<https://www.mckinsey.com/business-functions/growth-marketing-and-sales/our-insights/the-consumer-decision-journey>

To overcome this limitation, McKinsey has developed a model in which the entire consumer decision-making process is described as a circular model as we can see from image 3 above. In a such vision, the individuals are not systematically tightened to their first choices, indeed, consumers can add or subtract brands from the initial group of brands taken as a reference for evaluation in a subsequent stage. Another peculiarity is that the consumer can skip some of the phases if the ongoing exposure to the brand builds a loyalty loop. But let us analyse this model one step at the time. The phases that characterise this model are mainly four, with the first one being the initial consideration

set phase, which, unlike in the funnel model, entails far fewer brands screened by consumers based on brand perceptions and exposure to recent touch points. By limiting the initial number of brands taken into consideration and progressively identifying whether to reduce or increase the number of opportunities taken into account, the consumer engages with an active evaluation while moving from information gathering to shopping. McKinsey research highlights how in “In today’s decision journey, consumer-driven marketing is increasingly important as customers seize control of the process and actively pull information helpful to them. Our research found that two-thirds of the touch points during the active-evaluation phase involve consumer-driven marketing activities, such as Internet reviews and word-of-mouth recommendations from friends and family, as well as in-store interactions and recollections of past experiences. A third of the touch points involve company-driven marketing. Traditional marketing remains important, but the change in the way consumers make decisions means that marketers must move aggressively beyond purely push-style communication and learn to influence consumer-driven touch points, such as word-of-mouth and Internet information sites.”⁸¹ Clients are the ones pulling the strings, they can expand the brand evaluated or change the selection criteria by adding new brands or discarding others before reaching the moment of purchase. Once the purchase has been made, the consumers assess whether they are satisfied or not and will establish whether the experience will make them initiate a deeper connection with the brand by interacting with the other points of contact which would ideally make them enter the

⁸¹ <https://www.mckinsey.com/business-functions/growth-marketing-and-sales/our-insights/the-consumer-decision-journey>

new recognisable loop the so-called loyalty cycle. Through this loop, consumers skip certain stages when purchasing again from the same brand, therefore the stage of consideration and evaluation are left aside, and the client moves to the buy phase directly. The customer converts into an ambassador of the company and becomes its supporter beyond the proposed models that may vary over time. What needs to be underlined is precisely the change in the vision of the consumer's purchasing model, customers are constantly connected with different devices but also sometimes simultaneously through different digital channels and very often even beyond the control and knowledge of the producer or the retailer evaluating these series of variables. The potential clients often expand, as we have seen, the set of choices in the subsequent phases even if it might be the case that they have already reached the final phase of the purchase. Moreover, each time customers decide to buy a product or service from a brand, their purchasing journey may have started long before and continued even after the purchase. For example, customers may remain involved in a relationship that they perceived as very satisfying for them, or they may, for instance, take action to seek further information aimed at reassuring themselves about the purchase made or to know the best way to use the product. The best way to know the role of touchpoints at different moments of the customer journey is to think about how a customer who has never experienced a product/brand or service thinks. As an example, taking into account the different phases of the purchasing process, it is possible to detect the importance of different touchpoints for the company. In the pre-purchase phase, testimonials, word-of-mouth, community, marketing, and social media play an important role. During the purchase phase, on the other hand, promotions, the physical shop, the website, the product catalogue, and the assistants who will serve

possible customers in the shop are more relevant. In the post-purchase phase, instead, follow-up and online help centres, e-mails and messages for the purchase made are particularly relevant. Once identified the most pertinent ones, the company will need to determine how the key touchpoints can best be exploited. In each case, the importance and number of interactions activated by customers across the various touchpoints will vary depending on the consumer, the buying situation, the complexity, and the impact the purchase has on the available budget. This means, for example, that someone who wants to buy a car tends to relate to more touchpoints than someone who wants to buy a pair of shoes. Understanding the importance of touchpoints in contributing to purchase intentions and customer loyalty provides insights to improve the design of the customer journey and the touchpoints to be activated as well as their monitoring and improvement. Broadening the perspective of analysis to the new complexity in which purchasing decisions are shaped, other phenomena of particular interest emerge, including omnichannel and phygital strategy. Among the digital channels that have particularly introduced a change in human behaviour and, above all, have profoundly transformed purchasing practices and habits, special mention should be made once again to mobile devices. The spread and development of smartphones, in fact, compared to other mobile devices, has had the effect of reducing waiting times and the speed with which users can now obtain information and feedback of various kinds. Everything must be available in real time and at the very instant the need arises. In fact, the moment when people look for information online and for companies' products has become so important and influential that Google has decided to give it a specific name, calling it the Zero Moment of Truth (ZMOT), the moment when consumers access the

Internet to seek information and opinions on the product they are interested in.⁸² Other definitions have been introduced to describe new consumer purchasing behaviours based on the development of mobile and the hybridisation between channels to define purchasing behaviours that see the customer journey begin in one context and end in another. One of these definitions, introduced by Google, that deserves a mention is the so-called concept of Micro-Moments, which are important touch points within the consumer buying process and contribute globally to determining the outcome. They are precisely the spontaneous moments of device usage by consumers to search for a product, to get in touch with it, to delve into it, to buy, and companies must always be ready to satisfy these needs, regardless of when they occur.⁸³ We are therefore talking about the omnichannel experience, which identifies the company's ability to go beyond the vision of channels seen either as single points of contact on which to invest or as multiple touch points but managed completely independently of each other, often also intended for various sales, service and interaction activities, and to instead develop a coordinated approach in which the consumer always perceives the same value proposition. By doing so, companies are able to combine the advantages in all channels, both of the physical ones e.g. guaranteeing customers the possibility of face-to-face interaction and immediate gratification, and of the digital ones i.e. offering instead a wider selection of products or services and being able to compare reviews. The novelty, thus, lies in the way a company coordinates the objectives, design and distribution of its channels to create synergies for itself and to offer particular benefits to its consumers.

⁸² <https://www.thinkwithgoogle.com/marketing-strategies/micro-moments/zero-moment-truth/>

⁸³ <https://www.thinkwithgoogle.com/marketing-strategies/app-and-mobile/how-micromoments-are-changing-rules/>

The created level of coordination can of course vary until complete integration of channels is achieved, aiming towards what has been termed channel ecosystems where all channels are seamlessly integrated, and the consumer perceives his or her experience as unique regardless of the channel or channels he or she crosses. As the degree of interaction increases, a series of advantages but also a series of risks for both the brand and the consumer follow. The risks, however, include the fact that each touch point channel may lose its distinctive characteristics and may lead the company not to fully exploit its peculiarities, or friction and conflict mechanisms may arise. Let us think, for example, of the role of the sales staff, in the case of customer relations mediated by a digital device, what are we missing out on? We might gain in terms of immediacy with chatbot responses, but we leave aside empathy and warmth of hearing the expertise of shopping assistants. Given these premises, with the intent of combining the physical and digital experience we need to ensure we are drawing the best from both worlds from a strategic and holistic perspective, it is not simply a matter of opening a website or expanding online platforms to offer customers as many options as possible. Moreover, for some types of customers, think of millennials, the difference between physical and digital retail platforms is almost not even an option. For this audience, this difference does no longer exist. These remarks emphasize why companies nowadays need to define a phygital strategy, elaborating on the crossover between the physical and digital worlds, which goes beyond the omnichannel approach and completely connects and merges the online with the offline. Indeed, digital solutions become an integral part of the physical world and the actual space of the customer in-store experience. With this in mind, it is easy to understand how a true omnichannel strategy must fundamentally draw on the realisation of three main objectives to guarantee: immediacy, by

eliminating all frictions for the customer, offering personalisation, and generating a continuous connection regardless of the moment in which the customer is along its journey with the brand. There are several approaches to building and designing a phygital strategy, we will dive into some case studies in the next chapter, but as macro areas of intervention we can already mention that one is for example to provide access to information and knowledge about the brand, the product, or the service through digital device inside the physical store. Another widespread solution that has found its sweet spot in the heart of retail strategists, especially during the lockdown months of the COVID-19 pandemic, is to provide the experience of visiting the physical shop via the internet with clients comfortably sitting on their sofa who could virtually move inside the shopping area and click on products they were interested in. With people coming back to physical stores and re-inhabiting the retail space, we can see many other technologies that make the phygital integration possible and that do not require a great deal of investment, such as beacon sensor technologies, near field communication technologies or the so-called radio technologies (radio frequency identification), which make it easy to enable phygital interaction. For example, by placing beacons in strategic positions in the shop, equipped with Bluetooth technology, it is possible to create machine-to-machine connections which are particularly useful to involve customers' mobile devices in the store's physical experience, for instance, they can receive live notifications and updates on product/service availability on inventory stock or dive into the supply chain of objects under consideration. Besides, more sophisticated technologies, such as virtual reality and augmented reality make it possible to create a truly immersive experience where the boundary between real and virtual is completely erased. As a matter of fact, virtual reality allows a computer to create a three-

dimensional digital environment in which a person can perform a series of actions and interact directly with products and services. This tool enables the creation of a phygital experience with blurred boundaries on what is real and what it is not. In augmented reality, instead, it is possible to create an augmented vision thus creating through the computer simulation of objects, images, videos, and texts that are superimposed on what the user sees around him in real time clear. It thus enables the creation of a much more manipulative and much more immersive environment and thus unleashing new forms of experience.

5. Case studies and interviews insights

When I asked during an interview with Cristina Mele, professor of management at the university Federico II of Naples if she could give me some insights into writings on phygital, she told me:

“Good luck, it is a world that still needs to be explored!”

Nonetheless, she also highlighted that:

“It is obvious that your thesis is very experimental, so it depends basically on your ability with the little material that there is to draw a context around this emerging term that we still do not understand fully. It is true that we have been talking about smart solutions in physical areas for a few years now but there has not yet been this diffusion.”

Once acknowledged the current limitations both in terms of diffusion and implementation of phygital, I stepped out there in an attempt to draw a context around this term by exploring some of the best phygital practices, in particular, I uncovered solutions across Italy, France, the UK, and the Netherlands. To be more specific, the methodological approach behind the cases that will be proposed below encompass as primary methods interviews and observations. As secondary methods literature research, online research and case studies research. Furthermore, an ethnographic approach stood behind the workshop on phygital customer experiences, where I observed groups' dynamics while brainstorming and setting up a customer journey map in a gamified context. My starting inspirational point has been an interesting conversation with Nicolò Andreula, founder and managing director at Disal Consulting and scientific director of a Master's in Digital Entrepreneurship at H-farm. As mentioned

in the previous chapters, he is a forerunner when talking about phygital, a topic to which he devoted an entire book called, indeed, “#Phygital”. From the interview emerged how phygital is a pioneering concept and throughout the conversation he helped me framing what he considers phygital and what not by recalling the 3 i’s of phygital he elaborated in his writings:

“The experience to be phygital must be immersive, immediate and interactive”.

Besides, when asked about his best example of phygital he suggested to me what Contrex, Nestlé diuretic water, has done during an ambient marketing campaign to communicate the benefits of the product. The brand placed a series of exercise bikes on one of the main streets of Paris catching the attention of numerous people. After some pedalling given by curious passers-by, a stripper made of neon lights appears on the building in front of the exercise bikes and performs an unexpected striptease. This initiative snaped below in photos 1 and 2, created an immersive, interactive, and immediate experience by making the audience participate in the creation of the show, a wise and blended combination of digital and physical.⁸⁴



Photo 1: Contrex ambient marketing in Paris https://youtu.be/GimoLDYI_JE

⁸⁴ <https://www.ft.com/content/10fe18d4-f8c9-11e0-ad8f-00144feab49a>



Photo 2: Contrex ambient marketing in Paris https://youtu.be/GimoLDYI_JE

My work that you will read throughout this chapter is mainly an on-field investigation to uncover potentialities in this sector by looking at the best practices both implemented by large companies such as Ikea and smaller local realities such as Dassie ice cream shop.

5.1 DASSIE

Let us start with my interview with Stefano Dassie, an experienced ice-cream maker who owns a brand called after his family name with several ice-cream shops, two in the province of Treviso, Italy, two in Gran Canarias, Spain and a new opening planned in Milan. As for the methodological approach, for this case study, I have utilized an unstructured interview and on-field observations. I contacted him because while savouring one of his creations as a client, I noticed two phygital solutions that he has adopted to engage his customers and enhance their experience. The first one I will introduce you to is called Dassie Gelato Social which involves the customers in the process of product ideation. Indeed, clients can suggest the flavour that they would love to find when they visit the shop. The challenge takes place monthly and creates a competition among the community, who can be ice cream designers for one moment both online through the Instagram account of Dassie or can write it with pen and paper while visiting the store. Eventually, all the ideas are collected and shared on Instagram stories. The followers are asked to vote for the flavour that catches more their attention,

and the winning ice cream flavour will be produced and sold for one month. The person who suggested the winning idea receives a big bowl for free. Other than being a nice initiative and having the possibility to win free ice cream, it is an activity that engages the customers, enables them to unleash their creativity and keeps them active not only during the purchase and use of the product phases, but also in different moments. From our conversation emerged that clients are usually passive actors, they enter the shop, check, and select the flavours, pay, and walk away. His idea is to create a community part of the discourse, ice cream lovers who can share their ideas in a simple and playful way. Here below you can find image number 4 showing the initiative in one of their ice cream shops.



Image 4: Dassie Gelato Social

But this is not all, the second idea that caught my eye, is the multisensorial experience offered to clients. The idea is to combine sight, smell, and taste with listening to music. They envisioned savouring an ice cream with listening to a specific song. The client only

needs to order the ice cream, scan the QR code with their device, possibly wear headphones, and get immersed in this experience. What I really liked about this initiative is that it is very simple, it does not require a budget to implement it, but it is a nice plus to try. Nevertheless, clients are not so ready and willing to try, few people for now interact with the QR code panel. Stefano told me that as with any other novelty he has introduced over the years, it takes time for people to step out of the routine, at least as it concerns the shop located in a small city such as Treviso. He is curious to see how the audience will react to these ideas when the shop in Milan opens. Image 5 here below shows how Dassie promotes the initiative to its customers.



Image 5: Green Apple & Ginger combined with London Calling – The Clash

Retrieving what we have seen in the previous chapter, the first idea helps reinforcing the loyalty loop along the customer journey, by keeping active the customer in an ongoing conversation she might skip the awareness and consideration phases and

proceed with the purchase one directly. The second solution instead envisions enhancing the purchase experience phase in order to provide an overall enriched journey.

5.2 Gamindo

I interviewed Nicolò Santin, founder and CEO of Gamindo, a fast-growing videogames company that leverages interactive marketing and believes in the power of gaming to get consumers' and employees' attention and affection. As for the methodological approach, for this case study, I have utilized an unstructured interview and digital observations and trials of the products. To start, let us take a closer look at what Gamindo preaches:

“We are betting on video game as the new frontier of marketing”

Indeed, throughout their web-based video games, they allow enterprises to have a return in terms of engagement, lead generation, data collection & insight, education, drive-to-store and brand reputation. From our conversation it emerged that their goal is to make branded web video games in order to make effective, fun and impactful interactions between brands and consumers, other than between companies and their employees. Of course, there is not one recipe that works for every company, every project is tailored to the needs of that business at that precise moment. This enters our discourse as it merges the need to analyse both the customer experience and the customer journey to insert this kind of interactive solution in a way that satisfies the company's needs. Nicolò, in particular, disclosed three cases he has been working on. The first one is for Acqua di Parma, the Italian lifestyle and fashion company that produces fragrances, candles, bathrobes, and leather accessories. The game named FUN

C.L.U.B. is an explosion of colour and fun Italian style. Acqua di Parma in pixel art version has all the key elements that make the language and world of C.L.U.B Cologne, the fragrance subject of the project, unique. The video game has contemporary vintage aesthetics, it is an overwhelming challenge with immediate and intriguing dynamics inspired by the legendary games of the 80s and 90s. There are ten avatars to choose from compared to the protagonists of the Colonia club campaign and four levels of increasing difficulty to be overcome. The aim of the game is to conquer the C of Community, the L of Life, U of Unique and B of Bond that make up the letters of “club”, the new fragrance’s name. An obstacle course through the city streets bypassing trams taxis, bicycles and scooters as happens in everyday life. The yellow Acqua di Parma flacons are accumulated points along the way. For the winner, as a prize, a coupon to use on e-commerce, and in addition, the collected gems turn into an immediate charitable donation. This project, other than being a phygital element if considered in the broader perspective of the entire customer’s journey and her interaction with the fragrance, becomes even more interesting if we consider that they installed arcade game machines directly inside the store. The customer, therefore, could interact with the video game while visiting the physical shop. This solution is both interactive, since it sees the subject as an active participant who plays and enjoys the game, immersive since she is involved in a reality with paths, points and landscapes, and it is also immediate since, as we can see from the image below depicting the main screen, it only takes one click to take part to this form of entertainment, which is informative, fun and leads the customer to consult the website. Imagine 6 enables you to have a sneak peak at how the videogame looks like.



Image 6: Gamindo's game for Acqua di Parma <https://www.acquadiparma.com/it/it/game.html>

The second case study is the videogame idealized for Ringo; the Italian biscuits brand produced by Barilla G. e R. Fratelli S.p.A. The snack became famous in Italy for its slogans promoting interraciality and sports, symbolically represented by two children with different skin tones, high fiving each other, corresponding to the distinct colours of the two circular wafers, vanilla and cocoa, which create the biscuit. The videogame called "Ringo Play Room" connects with the clients at a different moment compared to the Acqua di Parma example cited above, indeed, the customers first needed to buy the product, whether online or offline, and then enter the corresponding code found in the package to make the game start. Thus, we enter into the post-purchase phase, where probably the retention phase is not prolonged, especially for those with a sweet tooth. Nevertheless, the advocacy phase is well addressed with this game, making the client play and sympathise with the brand beyond the purchase, with his active participation fostered by the possibility of winning prizes. Image 7 proposes you the opening page of this videogame.



Image 7: Gamindo's game for Ringo

<https://gamindo.com/videoqames/ringo/1/?https://gamindo.com/videoqames/ringo/>

The third example the Gamindo's founder showed me is the videogame they realized for Gruppo VEGÉ, the Italian multi-brand retail cooperative. The challenge consisted of gathering points while playing to collect codes, which subsequently turn into a prize for a chosen school of the territory. The videogame is part of a project called "Noi amiamo la scuola" which means we love school. The idea behind for Gruppo VEGÉ is to support the Italian schools. For a precise period of time, from March to May 2022, the clients who shop in one of the company's stores received a QR code for every 15 euros spent and some additional ones if they bought products produced by companies sponsoring the initiative, with these codes they could play and collect points and donate them to a school of their preference. When the school receives a sufficient number of points, it will receive free materials and teaching tools. This is a fun activity for kids or whoever desires to play, simultaneously, it is an interesting tool to keep the client interacting with the brand after the purchase while contributing to a social cause. This is phygital, it starts physically while purchasing in the store and it continues online with the game and decision to which school to donate. This solution generates an additional touchpoint for the retail cooperative, an

opportunity to present itself and interact with customers. Image 8 here below shows you what the customer sees when starting to play this videogame.



Image 8: Gamindo's game for Gruppo VEGÉ

<https://gamindo.com/games/supervegerun/16/?https://gamindo.com/games/supervegerun/>

5.3 ABS GROUP

An interesting case study is ABS GROUP, a B2B Italian company based in Vittorio Veneto, Italy. As for the methodological approach, for this case study, I have utilized a semi-structured interview and on-field observations. Using a novel combination of aluminium and fabric structures, domotics, sensor technology and multimedia devices, ABS Group creates immersive, experiential displays in which customers and visitors are active protagonists within the spaces. “Phygital” displays represent the perfect fusion of physical media and digital technologies, being ideal for increasing audience engagement in many areas, for retail, exhibitions, showrooms, or events. They preserve the flexibility and aesthetics of the aluminium and fabric elements – being environmentally-friendly, backlit, and soundproof – by enhancing their value through interactive technologies and multi-sensory immersive pathways. To do so, they analyse the customer experience

journey, seeking to identify all touch points with the client, to understand how the experience within the physical location (shop, outlet, showroom, etc.) can be improved and digitised. Nonetheless, they identify touch points that can be turned into a “Phygital” experience. They propose new creative ideas on how to transform the identified touch points into an inclusive, immersive and hybrid experience with physical and digital elements. I interviewed Giorgio Grando, Director of Development at ABS Group Srl to grasp what phygital means within their company, he said:

“The fundamental factor is that the retail experience is no longer just physical but digital and web experiences come into play, in fact, faster connections, programming, technology enhancement have made the digital experience richer and richer. What I think should not be pursued is the thought that it exists a war between physical and digital in retail. These two realms have to co-exist, exchange, bring the pros of one into the other, merge to increase the points of contact with brands. Going into a shop and just seeing a pile of product is very sterile as an experience, we need images, ambassadors, an engaging experience. Technology shall not be considered as passive but active, because we are so addicted to screens that we do not pay attention to them anymore. They are useful means, but they need to be calibrated and tailored to the needs of the situation. The bricks and mortar stores are not dead and on the contrary, there is more and more demand and I see it every day at my workplace. There has to be this phygital mix in order to have a higher level-noteworthy experience.”

What are then the tools the company suggests to their clients and how are they phygital? To answer this question, there are here below all the major solutions proposed by ABS Group Srl⁸⁵.

- Pop-up stores

These new store types are interactive, flexible and functional. Realised without the need for masonry work, they combine aluminium structures, fabric coverings, accessories and technologies, able to support different configurations depending on the available space and intended use. The integration of multimedia supports, such as the interactive mirror and showcase, the slider and touchscreens, all result in engaging and attractive environments in which customers can experience the brand, product or service directly. We can appreciate a visualization of this tool in figure 5 presented here below.

⁸⁵ <https://www.absgroupsrl.com/>



Figure 5: Pop-up store by ABS Group

- Interactive shopfront

Consisting of an interactive transparent screen integrated into an aluminium and fabric structure, users can see a real product and simultaneously touch the screen to interact with the digital content shown. This innovative proposal actively involves the customer, whose attention is captured by the product on display and is then maintained during the exploration of interactive content, videos and images. It is thus possible to delve deeper into the product's characteristics, view the colour range, see any complementary products and even complete the purchase. For instance, they utilized this product to promote and discover a bag, the client could interact with the details and discover the supply chain behind its production. We can understand visually how this tool presents itself in figure 6 here below.



Figure 6: Interactive shopfront by ABS Group

- Artwall

This composition consists of different-sized monitors secured to an aluminium and fabric backlit wall. Versatile in the retail world and perfect for creating an initial contact during the customer journey, the Artwall conveys a message and immediately captures the customer's attention. The interplay of deconstructed and moving images is not only impressive but also enhances brand and product communication. Artwalls, Giorgio says are highly requested nowadays and are especially used to explain in detail the features of products. We can appreciate a visualization of this tool in figure 7 presented here below.



Figure 7: Art Wall by ABS Group

- Sliding interactive wall

Available in different sizes, this aluminium and fabric wall features a sliding element containing a monitor and can even be transparent and touch. The added value consists of the direct involvement of users who physically interact with the installation component. In dialogue with the graphics printed on the backdrop, customers and visitors can absorb the information on the monitor and discover new content by moving the sliding module. This versatile and functional wall enhances communication in commercial, corporate and exhibition environments. This solution is used to explain very large objects in a very compact manner, with the product showcased and printed in several stages. Besides, when a company wants to present many topics in a condensed

space this tool turns out to be useful. The peculiarities that make it interesting as the presence of the physical printed image with the digital monitor together with the active participation of the observer who needs to physically move the monitor. This solution has been implemented by ABS Group Srl for various museum experiences such as for the Aquarium of Genoa. We can understand visually how this tool presents itself in figure 8 here below.



Figure 8: Sliding Interactive Wall by ABS Group

- Interactive table

For a brand and a company, an interactive table is a useful sales support, providing interactive content, enhancing product promotion and being able to gather data from users. Through simple and intuitive finger movements, customers can obtain more information about products, browse through catalogues, consult interactive maps and be entertained with games and quizzes. The multitouch surface is supported by an aluminium and fabric structure, backlit and customisable, which aesthetically enhances

the interactive table for integration into the setting or environment in which it is placed. An example of this tool placed in a retail space is the project ABS GROUP made for an Australian shoe company. The interactive table has been positioned into the retail store to provide an explanation of the brand, to discover the brand identity and where the shoes came from. An NFC being placed on the shoe would activate the interaction when the product is positioned on the table. The clients could use the shoe as a cursor and interact with the graphics appearing on the screen. We can appreciate a visualization of this tool in figure 9 presented here below.



Figure 9: Interactive table by ABS Group

- Interactive totem

Available in various sizes, this is an ideal tool for the retail world, simplifying store management processes and rendering the customer experience intuitive. There are various levels of user involvement, with the experience being total and immersive. The customer can look at themselves in the mirror, taking in a range of information at the same time, interact with content such as videos and images and even choose and purchase products. The mirror element is integrated into an aluminium and fabric wall, which can be backlit and fitted out so as to display various objects. The upholstery fabric is printed as requested and can be substituted in a few simple steps. This tool is very widespread and used across all industries nowadays, from automatic checkouts to information totems, it is easy to be used and according to Giorgio's words, it is also the solution easier to be understood by the client. We can appreciate a visualization of this tool in figure 10 presented here below.



Figure 10: Interactive Totem by ABS Group

Different tools serve different purposes along the customer journeys of ABS Group clients, the interactive table for instance plays an interesting role in the consideration phase, with customers being able to explore the characteristics of the product. Interactive totems, on the other side, help, in the purchase phase by accelerating the paying process and reducing the pain point of waiting in line. Besides, each industry and each company could consider these solutions as potential boosters for their phygital experience trying to allocate them where better fits the purpose.

5.4 Art exhibitions

Showrooms and exhibition spaces also, just like retail areas, need to adapt and evolve according to customers' expectations and needs. What I have done through these paragraphs related to art and exhibitions is to identify and analyse phygital solutions adopted across three different countries, namely Italy, the UK and France. Other than the geographical difference, these exposition spaces differ also on the size of the exhibition area and the affluence of visitors. The methodological approach implied for this section involves a semi-structured interview, on-field observations and documents review and analysis, in particular, articles.

5.4.1 The Unfiltered History Tour

Let us start from The Unfiltered History Tour that can be experienced at the British Museum in London. I first came across with this phygital solution through Artribune, the largest and most widespread cultural editorial office and the most popular information, updating and in-depth analysis tool in Italy on art, culture and everything that revolves around it. They wrote a very interesting article on a phygital solution involving one of the largest museums in the world, which is known for its countless artefacts, many of which are disputed by their countries of origin. We are talking about the British Museum, a huge museum, rich in history and stories to be told, often hidden by conventional visitors' circuits. The unfiltered history tour with Instagram reveals the facts that brought the Rosetta Stone, the Parthenon marbles, or the Benin bronzes to the halls of the famous London Museum. This project, realised by Dentsu Webchutney and Vice World News thanks to Instagram, is a free virtual tour in augmented reality that is activated by scanning one of the museum's exhibits with Instagram. This allows the

relevant filter to be activated via geolocation. This sets off on a journey through time that rewrites history as we have studied it until now: thanks to the voices of native experts and visual representations of events in augmented reality, the visitor will finally have access to the narrative of how ten important artefacts ended up in the British Museum. This content of The Unfiltered History Tour can also be accessed through the dedicated website and podcasts on Spotify. This phygital project enters our phygital discourse as another reason behind the decision to utilize a phygital solution, in this particular case, to tell the other side of the story. Indeed, while the museum's institutional narrative portrays the colonies as defenceless in the face of British aggression and the seizure of their artefacts and works, augmented reality in smartphones is used to tell the story from the point of view of the colonies, who instead fought strenuously to save their cultural treasures. Whether or not the presence of artefacts and works is legitimate in the museums of countries that unjustly took them from their homelands is still an open and debated question, but a truthful narration of the facts is a must for the sake of intellectual honesty towards visitors and those who suffered the loss of priceless treasures.⁸⁶ This tool even won the 2022 Cannes Lions Brand Experience and Activation Grand Prix, as we can see from the picture below the podcast has already been downloaded 35,300 times and more than 100 000 unfiltered tours have taken place. Image 9 here below showcases the impact of this phygital tool.

⁸⁶ <https://www.tribune.com/television/2022/07/video-the-unfiltered-history-tour-la-visita-guidata-alternativa-al-british-museum/#>



Image 9: The unfiltered history tour <https://activationideas.com/blog/the-unfiltered-history-tour>

5.4.2 International Perfume Museum

Another interesting help brought about by phygital is the possibility to close the gap between fun and learning in a museum space when it comes to kids. To support this idea, I explored through the methodology of on-field observation the Musée International de la Parfumerie located in Grasse, in the south of France. After having walked through the first few exposition rooms, one can already tell that this museum is « kid-friendly » with fun and educational facilities to educate children about the world of perfumery. Indeed, the city of Grasse is known for its long-established perfume industry and the museum presents all the history behind this tradition, from the cultivation of perfume plants to marketing techniques. Customers can discover how perfumes are made, the history of Grasse and Grasse's flowers. The visit continues with

media areas (videos, exhibitions), which leads to the greenhouse, a beautiful olfactory garden where visitors can discover some of the raw materials most frequently used in perfumery. To deliver an active and remarkable experience for children as well, they created areas where kids are able to smell the essences thanks to the olfactory devices or use the digital terminals to do the quizzes about what they have seen throughout the expositions. This phygital idea catches the attention of the little ones, it adds value to their experience and makes it noteworthy.

5.4.3 Piadina experience

Flying back to Italy with our imagination we can land in the city of Riccione where Piadina, the thin Italian flatbread, typically prepared in this region called Romagna, is the main character of a sensorial experience.



Image 10: Piadina experience <https://piadinaexperience.com/gallery/>

As for the methodological approach implied for this section, I have utilized an on-field observation and a semi-structured interview with David Guzzonato, Sales and Project Manager at XPOSE Forpress Srl, an Italian company working on designing and creating graphic designs, digital printing and event set-up. He introduced me to the immersive experience created around this Italian product rich in history and know-how tradition. The exposition is an immersive video mapping, tactile and sensory experience that guides the audience through the ingredients and production process of Piadina. It displays the stages of production: from the dough, to resting, cooking at different temperatures, discovering also the secrets of technology at the service of tradition and quality. Within this showcase, there is a particular phygital solution worth to be mentioned. As you can see from image number 10 above, this room presents a basket in the centre full of wheat flour. When the visitor grabs some flour with her hands, some projectors located in the area start to show the history behind this product as we can see from picture 11.



Image 11: Piadina experience, phygital solution in action <https://piadinaexperience.com/gallery/>

This tool creates an immersive experience where the customer has to physically touch the main ingredient of Piadina, feel the consistency, to make the full experience appear on the screens. This solution makes the visitor part of the exhibition in an interactive and playful way.

5.5 IKEA

Another interesting case study is IKEA, the Swedish company that designs and sells ready-to-assemble furniture, kitchen appliances and home accessories, among other goods and home services. The curiosity behind understanding how they see and implement phygital arose with the speech held by Francesca De Biase, Country Customer Manager IKEA Italia, during the executive summit of Forum Retail 2022 which took place in Milan the 7th of June 2022. The methodologies applied for this section have been two semi-structured interviews and on-field observations. After the speech I took the chance of asking her a few questions regarding how phygital enters the discourse of IKEA's strategy. She stressed how the IKEA's store is innovating itself to keep pace with the new needs of clients. Moreover, she emphasized that

"IKEA was traditionally born offline, but it has moved also online in 2012. During the past two years, we have seen an increase in online sales due to the pandemic, indeed, the IKEA.it website was visited by over 246 million people, more than 50% more than the

previous year, and recorded total sales of €321 million, over 60% more than the previous year and 130% more than in 2019.”

Nevertheless, she pointed out that:

“The physical store is inspirational, it is an experience of walking around, wondering and letting the showroom inspire the customer.”

What emerged from her words is that the key to success is the combination of these two realms, so let us see which phygital tools IKEA has designed to offer an improved experience to its audience. First of all, the company offers now an increasingly easy and intuitive shopping experience with the Shop&Go feature in the App which saves their customers time at the checkout. What customers can do is simply to scan their purchases directly with their smartphones to create their shopping cart and pay at the dedicated in-store checkouts. About the Shop&Go feature, Francesca De Biase said:

“This function has been implemented in all stores. It is now undeniable that the world is changing very fast, and the needs and behaviour of their customers are doing the same. Urbanisation, technology and digitalisation, as well as, growing awareness of climate change, are changing customers' needs and expectations of IKEA as a retailer and as a brand”

Therefore, what IKEA is required to do is to shift from a multichannel to an omnichannel approach and even more start to envision a phygital strategy. Why? To better connect their meeting points and business operations to fully meet their customers' needs, creating a seamless, consistent and personalised shopping experience, when and how customers want to meet the brand. For them omnichannel, at the moment, means

connecting channels for the customer, more to the point, this implies having a synergy among the app, the physical, digital and phone. Francesca De Biase also stressed:

“We believe in the coexistence of online and offline. Our omnichannel structure is very simple. We start of course with knowing the customers, who they are, how they interact with us, what their preferences are. All this in real time, through the use of data, which are obviously fundamental tools, and we have started to work with sophisticated tools. At the same time, however, we are aware that customers also need a physical, human experience. Our channels, physical and online, must therefore be related. It is with this in mind that we have developed new services to meet customers' expectations and needs. One example is our 'Click and collect/Click&Drive' service, which allows you to buy online and pick up the items in an IKEA shop the day after the purchase date or within 7 days afterwards.”

Other than Shop&Go and Click and collect/Click&Drive, another interesting phygital tool developed by IKEA is IKEA place. No matter whether it is a sofa, an armchair or a coffee table, IKEA Place, reproduces IKEA products three-dimensionally and with exact proportions. Thanks to the app, the furniture is positioned virtually and automatically within your home, in the right size and realistic appearance. In this way, it is not only easier for customers to make a purchase decision, but also to furnish the flat. The app makes it possible to try and combine many different coloured and styled products together in a real environment, acting not only as a source of inspiration, but also pure fun. IKEA Place is based on Apple's new ARKit technology and it is a milestone in IKEA's digital transformation process. IKEA is one of the world's first leading furniture brands to make this technology available. The app changes the way we will buy furniture in the

future; it automatically reproduces the products with the exact scale and is so accurate that the texture of the materials and even light and shadow reflections of the furniture are clearly visible. Furthermore, it is possible to take photos or videos of the virtual furniture and share them with friends. Finally, the products can be obtained directly on the local IKEA website.⁸⁷ The list of interesting phygital solutions does not end here, there are two other interesting digital elements that I spotted while walking around the IKEA located in Haarlem, the Netherlands. The first one, as shown by image number 12, it is a digital tool to try to design your bedroom with different possible modalities. You can select the dimension of the space you want to furnish and try to position the different products you would like to buy. It is a nice way to visualize the elements together and see whether they fit the area you want to cover. The other modality, for this IKEA section is the possibility to arrange your own wardrobe, you can choose colours, materials, number of doors, shelves, if you want to add a mirror and so many other peculiarities to tailor the wardrobe to your needs and desires. To do so, there are several stations with computers where the clients can sit and try. Nonetheless, they can also ask to the personnel there, who is ready to assist them and respond to their questions. Many IKEA stores offer a consultant service if you wish to furnish an entire room or home and assistance also when it comes to kitchen and office. Moreover, the second tool is an interactive screen where people can search for the product they are looking for and obtain the information about where the product is located within the store, a great tool for those who feel lost in the IKEA showroom. In addition, the clients

⁸⁷ <https://it.media.ikea.ch/pressrelease/arredamento-smart-con-la-realta-aumentata/2862/>

can add all the products searched to their wish lists. Once they have finished, they can send the wish list to their mobile phone directly from the screen to have the list right in their hands when they walk into the self-serve warehouse area. This tool is shown in image number 13.



Image 13: Digital devices used in an IKEA store, Haarlem, the Netherlands



Image 12: Digital devices used in an IKEA store, Haarlem, the Netherlands

While visiting the store, I took the chance to interview, Petra, the sales lady in charge of the bedroom planning area, who explained to me how:

“These tools enhance the customer’s experience without subtracting any human trait from it. In fact, the digital tools customers have at their disposal are useful to enable them

to see the different pieces of equipment they had in mind coming together into a virtual space, but customers then ask for our help, opinion, and advice, trusting our expertise.”

The second tool, in particular, according to her, saves time for meaningful interactions and leaves to devices the more technical aspect of delocalizing the products. Petra also highlighted:

“The physical store gives an extra, even when people then decide to purchase online. On a daily basis I see how people like to open the doors of the furniture, touch the materials, and try to sit on the mattresses before selecting the preferred one.”

5.6 Ravensburger

Before starting, it worth mentioning that the methodology utilized through this section is direct observation of people playing with the game box commercialized by the German company Ravensburger. They are specialized in toy and board games and known as Europe's leading puzzle manufacturer. The company has recently realised a new version of Scotland Yard called Scotland Yard digital. The famous board game classic, voted game of the year in 1983, has stepped toward phygital in the recent years. The famous board game in which the intuitive and tactical skills of one player (Mister-X) are pitted against the strategic and coordination skills of the opposing team (the special agents). Mister-X moves stealthily, trying to escape the agents' grip and finish his run through the streets of London without being caught. The objective of the special agents is the opposite: to follow the trail of Mister-X and try, together, to arrest him. With the release of the new version, the hunt takes place using state-of-the-art technology. The

free app transforms the detectives' smartphone or tablet into an authentic digital control centre: sophisticated investigation methods, such as path analysis, localisation, witness questioning, help the detectives track down the elusive Mister X. But the fugitive, however, is not to be outdone either: thanks to a new means of transport, a virtual helicopter controlled by the app, he can escape even faster. This innovative combination of a board game and a sophisticated digital app guarantees exciting games every time, boosting the player experience through an interactive, immersive, and immediate phygital experience.⁸⁸ Image 14 here below showcase this revolutionary board game.

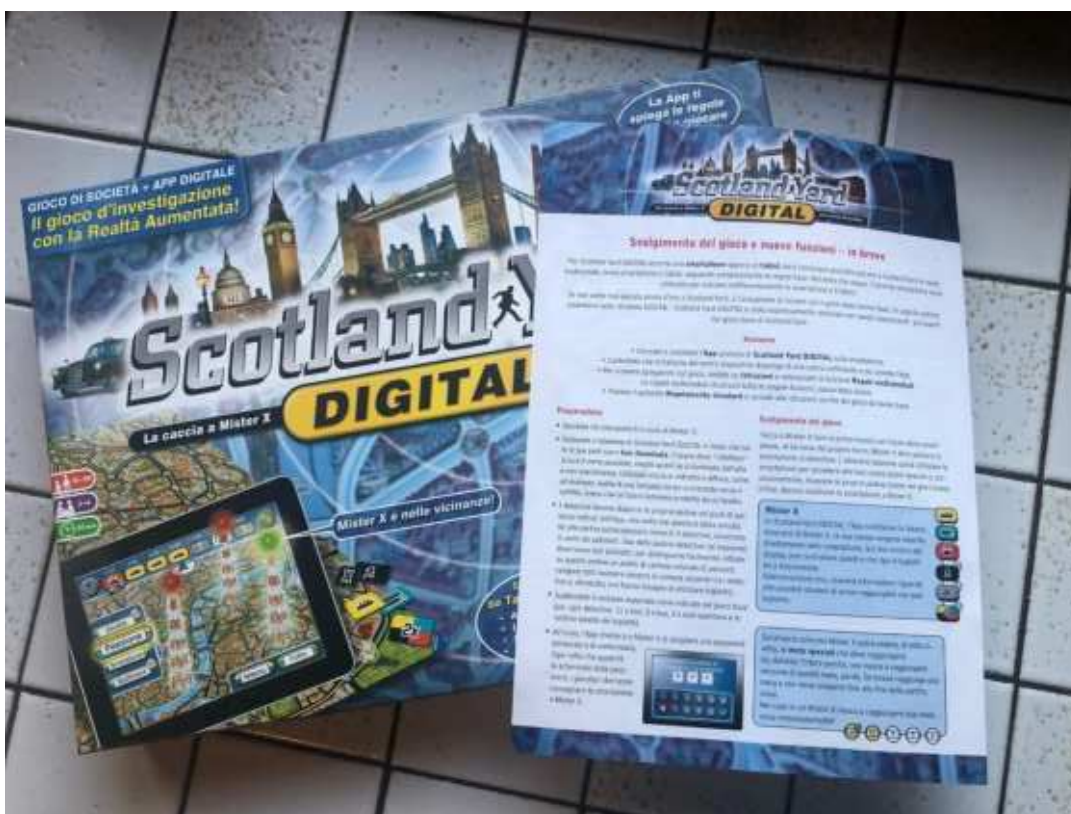


Image 14: Scotland Yard Digital, a phygital board game

⁸⁸ <https://www.ravensburger.org/it/scopri-il-nostro-mondo/i-nostri-marchi/scotland-yard/index.html>

5.7 Workshop: “Maximising Customer Engagement with a Phygital Customer experience. New Touch Points, Human Relation and data analysis to personalise your offer and build customer loyalty”

In this paragraph, the theoretical concepts of gamification and serious playing explained in the methodological chapter come into play with an ethnographic study on how people envision and elaborate customer journeys. Recalling the methodological concepts, we saw that the potential applications and studies on gamification are several, nevertheless, for the sake of this research, the focus is on a specific application of gamification to phygital. This relates to the possibility to utilize gamification as a way to frame and design the customer journey of potential customers and assess where and how we could insert phygital solutions to boost customer experiences. With this objective in mind, I collaborated to the realization of an event called “Maximising Customer Engagement with a Phygital Customer experience. New Touch Points, Human Relation and data analysis to personalise your offer and build customer loyalty” which took place at the Job Campus building in Padua (Italy) on the 21st of July 2022. Figure 13 here below shows the flyer of this interesting and interactive workshop.



Figure 11: Flyer of the workshop “Maximising Customer Engagement with a Phygital Customer experience. New Touch Points, Human Relation and data analysis to personalise your offer and build customer loyalty”

For the audience, the goal of the workshop was to learn how to use tools and technologies to manage in an integrated way and "map" new touch points with the customer that require a more "human" relationship in the purchasing process. This has been an opportunity to learn how to implement new touch points (such as whatsapp and live chat) to contact or manage the customer and optimise the use of technologies (including: IoT, proximity, wi-fi, NCF...) to facilitate the relationship in real time, communicate uniquely across digital and physical channels to ensure an optimal shopping experience throughout the customer journey, integrate phygital into customer service, an indispensable tool for loyalty for both B2B and B2C companies. The modality through which the workshop has been held was through gamification. The programme included adopting serious playing tools to learn a practical and reusable method, applying gamification in practice to uncover every single touchpoint of the Customer Experience Journey, making the customer interact more with the brand, products and services, seeing examples of the use of gamification for improving the customer relationship and increasing engagement. The target audience of the events,

corresponding to the people I had the opportunity to see in action, were businesspeople involved in Marketing, CRM, Customer service, Innovation & Digital Management, Entrepreneurship and Sales. In detail, the event saw the participation of 30 people with widespread job roles across the above-mentioned job titles and operating in various industry sectors in the north of Italy, mostly focused on Veneto and Lombardy regions. One of the corner stones of the workshop has been the acknowledgement that the development of the digital world has changed the mechanisms, places and speed of interaction between customers and companies. In this scenario, successful companies are those that are able to give the consumer an overall experience that is superior to expectations and competitors by taking into account phygital touchpoints. It is not simply about the quality of products and services, but about the customer experience, i.e. how the customer perceives the company at every touchpoint: physical or virtual space, website, social media, call centre operator, front office worker, information brochures and so on. Customers evaluate each interaction positively or negatively and, based on how well it helped them achieve their goals or how well it met their needs, they create, reinforce or change their personal perception of the company or brand. And they decide accordingly. Investing in the customer experience, thus, requires a new approach and the adoption of new management methods. It means bringing 'their' point of view into the business ecosystem, throughout the purchasing journey. Starting from a good analysis of the customer experience, we can understand how to anticipate the customer's needs and suffering, how to create memorable products, services and above all experiences that are different from those of the competition. The event saw the collaboration among different stakeholders:

- Ain't a GAME*⁸⁹, a company that designs, creates, and sell games for business and expertise to boost innovation and rethinking business strategies.
- Job Campus, a space for co-living and educational contamination between university students, companies, and the world of innovation, located in Padua, where the event took place.⁹⁰
- Sac Serigrafia, a company specialized in printing and screen-printing services.⁹¹
- ABS group, already introduced in the section above, that designs and sells fabric solutions in the field of fitting-out installations.
- Madam Agency, a marketing automation agency specialized in data-driven marketing campaigns, CRM, and sales.⁹²

All the participants have been given a brief presentation of the main partners who collaborated for the event and a panoramic overview of what is phygital. A few participants are familiar with the term and are already trying to assess their businesses with the phygital view lens, nevertheless, the largest majority of the audience was not familiar with this concept. After this contextual introduction, all participants have been divided into three subgroups, two groups of people working in B2B companies and one group of people working in B2C companies. Each group was composed of 10 people and in case more than one participant was from the same firm, the colleagues have been separated in different groups to favour exchanges of different ideas and perspectives.

⁸⁹ <https://www.aintagame.co.uk/>

⁹⁰ <https://www.jobcampus.it/>

⁹¹ <https://www.sac-serigrafia.it/>

⁹² <https://www.madamagency.it/>

Every group have been invited to sit around the same table to facilitate face-to-face dialogues and the game box has been positioned at the centre so that everyone had access to it. Once positioned, both B2B and B2C business branches have been given a short business case on the company they would have needed to work on throughout the workshop. For the B2C, the case study involved Matchless, a company producing high quality leather jackets, the audience had to engage with a timeless product competing in the clothes and accessory industry. The product is sold in multibrand stores, flagship stores and e-commerce. It is a lifestyle brand, the buyer persona loves its style, durability and wants to feel like the movie actors she/he sees wearing the same jackets in movies. On the other hand, the groups dealing with the B2B case had to map the touchpoints for Delcon, a company operating in the health sector. The main character of the case was a medical device for blood treatment to be sold to blood centres and clinics. In this situation, our buyer is a healthcare expert, whether an experienced doctor or a hospital director, she/he wants a very safe, sophisticated, and easy to use product, with a good assistance in the case. For the sake of the workshop, the customer journey, which we have seen in the previews chapters to be categorized in more or less phases depending on the reference framework, has been distributed along three stages. Each group of ten individuals has, in fact, been subdivided into three subgroups to encourage a focused discussion on one of the phases of the customer journey. One subgroup investigated the pre-purchase phase, another the purchase timeframe and the last one the post-purchase phase. Figure 12 here below shows our participants engaging during this initial part of the workshop.



Figure 12: Participants interacting with the serious playing tools

At this point, every subgroup had all the information necessary to begin playing. They started the game with a thick deck of cards each one with a potential touchpoint printed on it, the goal was to select the relevant touchpoints that pertained to that specific moment of the customer journey and subsequently vote upon them to identify the most crucial ones. Let us recall briefly that the touchpoints are the point of contacts of a brand with its customers, thus the cards suggested, for instance, a newsletter, a blog, a trade fair, a website, an in-store visit, or a whitepaper. Moreover, participants were not only required to select the most relevant ones but for each of the three moments of the journey it was necessary to envision a timeline order in which these touchpoints would have taken place. At this point, before jumping to the outcome of the workshop it is interesting to assess how the individuals behaved while playing, what problems they

encountered and how they solved them. A first major difference was seen among experienced and unexperienced players. People who had already come across gamified or design thinking tools took less time to frame the challenge and had a smoother start of the cards' selection process. On the other hand, the business specialists unfamiliar with these tools were elaborating ideas based on personal experience and first-hand preferences and needed more time to actually step into the shoes of the potential customer and reason accordingly. Another major friction moment has been the allocation of relevant touchpoints to the most suitable phase of the customer journey. While some participants suggested e-books and case studies as relevant on the very first moment of the pre-purchase journey for B2B health devices clients, others stressed how on an awareness initial stage the persona is not willing to invest so much time and might feel overwhelmed by so much information at such early stage. Additionally, another element that might desist her/him is that this type of content is usually gated, meaning that the customer needs to disclose some personal information such as their email addresses to access the piece of content. Besides, it is worth mentioning that the two business branches groups also had a different approach on how to integrate phygital on the discourse. The B2B groups first elaborated on the relevant touchpoints and then envisioned how they could be transformed into phygital solutions. The B2C group instead brainstormed from the very beginning on how the touchpoints they wanted to select could have been phygital. In addition, another difference assessed comes from the job role of the player. Indeed, salespeople were more focused on the purchase phase, auspicing for trade fairs and point of sales phygital initiatives. Marketers instead had their magnifying glass pointed at pre-purchase phases preaching online ads, digital marketing, and content creation. Finally, managers opted for a broader

perspective and ensured post-purchase was also gaining enough attention in the strategy to ensure customer happiness and retention for the future. This stakeholder's difference of opinion already let emerges the richness of involving different business units in the customer journey mapping process. Let us now take a closer look to what the thirty participants have come up with. In the photo below, figure 13, can be seen the Matchless case, related to the leather jackets. The selected touchpoints are the external ones in the yellow sticky notes. Worth mentioning is that there were no constraints in the number of touchpoints that could be selected, nevertheless, ideally, we should have at least a couple of them for each of the three phases. Let us see what the players identified. First, as regards the moment before the purchase the most relevant touchpoints according to the participants have been:

- See product/service in use
- PR, press releases and publicity
- Online advertisement or online ads

This is because, according to the participants, the persona wants to see other people wearing the product, she/he wants to see it on television, on social media, in a commercial ad or even in real life. Seeing the jacket is what first captures her/his attention, but not only seeing it hanging in a store window, they crave the visual connected with someone wearing it, possibly famous. In this part of the journey, the respondents stepping into the shoes of the persona, envisioned phygital entering the discourse especially in the first moment, when the potential client sees the product or service in use. Interactive totems, immersive and technological fitting room, plus the possibility of visualizing the production process thanks to augmented reality are among

the main solutions they perceive to fit best the potential client's needs while considering the product. Indeed, phygital would be helpful in creating a multisensorial experience and a useful information provider. Moving towards the purchase phase, the participants selected as crucial touchpoints:

- In place visit
- Phygital interaction
- Purchase experience (from checkout to unpacking)

In this moment phygital is part of the client support and personalization experience. Given the high quality and exclusivity of the jackets under observation, the participants envisioned the product and packaging to be customized through a digital device. Technology would play a fundamental role also in providing an online personal shopper and a chatbot for clients' support. Lastly, in the post-purchase phase, the most relevant touchpoints identified are:

- First impression
- Consumer survey or Feedback
- Customer relationship

Physical and digital merge in this final moment to evaluate the experience of the client, collect feedbacks and keep in touch with her/him in the future, building a timeless connection with the brand, ever-lasting, just like the jackets. As final remarks to highlight on how this group worked, if we look at the playground sheet, we can immediately see that all the phases have been dedicated a general overview, symbolized by the external yellow sticky notes, nevertheless, only to the pre-purchase and the purchase phases have been dedicated enough time to dive deeper and structure a proper strategy. The

participants desired to share and stress that this was due to time constraints and not to a lack of interest toward the post-purchase phase. Lastly, we can observe the light pink sticky notes at the very centre of the sheet, representing the two main themes supporting the customer journey strategy envisioned, namely referential information for the pre-purchase phase and customization for the purchase moment.



Figure 13: Ain't a game Proposition journey- B2C case study Matchless

Let us now see what happened in one of the B2B group focused on the medical device. This group has been selected for a further description compared to the other B2B group because it better framed the challenge, and it achieved a richer set of information with more thoughtful insights. At first glance, what immediately stands out is that in this case the number of touchpoints selected are slightly more than the previous example, in fact,

in the picture presented below, figure 14, we can see eleven yellow sticky notes. Indeed, usually, B2B journeys are more complex, and the client takes longer to complete the journey also due to the number of stakeholders involved in the purchase decision. In this case, the proposition journey started with four contact points in the pre-purchase phase, namely:

- Peer advice
- Website
- Digital marketing content
- Product/Service in Use

Keep in mind that here the persona is an expert in the medical field, she/he knows a lot about blood treatment and the decision-making process will be very technical. The first touchpoint selected, peer advice, entails the suggestions by other experts in the field or colleagues. The respondents highlighted the need for testimonials and videos both on the website and social media to see the product in action and hear the feedbacks for other users. Possibly, having videos reassuring the potential client with content related to certifications and approvals granted to the machine. A crucial discussion point in this phase has been to identify who is the initiator of the journey within a medical infrastructure, who is the influencer, the buyer and lastly the user of the machine. As more stakeholders take part in the decision-making process, the participants agreed to envision more pieces of content addressed to each of these stakeholders. Moreover, during the purchase phase other touchpoint lead the way:

- Company events
- Resellers

- Product information

What emerged is the need to see the device in real life whether inside a pop-up clinic installation or an ambulance or a trade fair. Phygital enters the discourse with the possibility of proposing virtual reality demos for clients to live an immersive experience of the machine placed in a real clinic or hospital. Besides, product information also plays a crucial role and, for this scope, our participants imagined the usage of an interactive table or an interactive shopfront to enable the customer to explore all the details of the product. Moving towards the post-purchase phase the respondents identified four touchpoints:

- Product/Service in use
- Customer support channels
- Customer service
- Compliments & Complains

Here we find again product/service in use, which reinforces the idea that they want to see it operating on patients. Nonetheless, the crucial part is the customer service and support. Our persona requires to know that if anything happens, the company will be there ready to answer and help. Our participants elaborated on the type of service to be provided and highlighted the need for fast replies with a 24-hour assistance service, a virtual assistant, and a dashboard always accessible with all the performance statistics to analyse how the machine is operating and its usage stage. The goal is to spot in time when it needs any reparation. This group identified as central themes for its strategy, corresponding to the pink sticky notes at the heart of the sheet, three main ideas.



Figure 14: Ain't a game Proposition journey- B2B case study Delcon

For the pre-purchase phase the essential appears to be reliability and certifications of the machine and they envisioned all the solutions of this stage to have this concept as corner stone. During the purchase phase, the topic to be stressed in all solutions is lifetime warranty, lastly at the post-purchase stage fast and ever-present customer service. To conclude, this group was able to build constructive dialogues and all the suggestions from the different members have been taken into account, this can be seen in the richness of the final output. The game did not finish there though. Last but not least, all the participants have been asked to build with Lego® bricks the touchpoint that according to them had the most impact on the journey. Building it from scratch and having to use their creativity enabled the players to fix in their mind the activity just finished and have also a bit of fun as you can see from photo 3 below.



Photo 3: Lego® bricks creation by a participant to the workshop representing post purchase events

To wrap up what has been learnt throughout this workshop, we can point out that what we obtained are two completely different proposition journeys which demonstrate the various possible combinations of touchpoints given different products, personas, and industry sectors. However, what has clearly emerged as common red thread is the need for coordination and integration of different channels at any stage of the journey, considering the experience the potential clients want and align the strategy to it. The participants when asked for feedback, other than pointing how much they enjoyed creating with the plastic bricks, reinforced how digital and physical played both a crucial role for the realization of their customer journey map and how most of the time the distinction between the two world was blurred. In-store and trade fair touchpoints, in particular, presented several phygital solutions to inform and immerse the potential clients into the story, the details, and the usage of the products. Phygital emerges then as key to ensure a smooth and synchronized transition from physical to digital and viceversa at any point in the journey. As one of the participants suggested phygital helps ensuring we do not leave any potential customer behind by eradicating the friction of moving across the two worlds.

Conclusion

Starting from a literature review encompassing the fundamental premises for opening the gate of the phygital discourse, we focused on customer experience as key to build meaningful interactions with customers. Nevertheless, we stressed how these connections are not meant to be extended to any sort of audience but need to be tailored to the brand persona. Once identified who we are addressing, what are their needs, pains and gains, we need to build a customer centric strategy to interact and engage at the best with them. This is done by identifying the various touchpoints, points of contacts, that the brand has with its potential clients. All these interactions are mapped out in a customer journey, a visual representation of the tools and moments that build the relationship. What we identified through these pages is how these strategies are and need to become more and more phygital, meaning experiences that blend physical and digital interactions, exploiting the best of the two worlds. We covered how phygital arose as the evolution of multichannel, the rudimental approach of the 90's, when companies were creating marketing campaigns and selling their products or services in more than one channel without any sort of coordination among them. We passed by the omnichannel phase in which the various channels used were starting to be part of a comprehensive and coherent strategy, to land lastly to the current phase: phygital, where not only the digital and physical are coordinated but the line between the two different typologies of channels does not exist anymore. The urgency for this leap forward arose as customers, at the centre of nowadays business strategies, now inhabit the digital and physical spheres at the same time. This assumption has been reinforced by the Think with Google report analysed above, which highlights how

nowadays 82% of smartphone users consult their phone on purchases they are about to make in-store, 6 in 10 internet users check whether a product is available in a local store before visiting a retail location and 72% of businesses name improving customer experience their top priority.⁹³ Indeed, today's customers are always connected but at the same time, the studies mentioned throughout this thesis proved how clients do not want to give up the brick-and-mortar experience, they desire to touch and feel the products and services, especially after the last two years hit by the COVID-19 pandemic. This proves how the retail apocalypse imaged by several authors in the past years, does not pose a threat to the physical spaces. This is further reinforced by the so-called "online digital first" retailers, because they were born online, that started to open their own physical shops and are investing in new technologies to offer consumers digital experiences also offline. This trend reversal, thus, shows how the physical point of sale is still of paramount importance also for those companies that were born digitally. Among others, two emblematic examples are Bonobos and Amazon. Nonetheless, customers desire to live an "onlife" experience, implying a seamless transition between the two worlds and the physical spaces need to adapt to these needs and be experience prone. During my interview with Giorgio Grando, he particularly stressed how:

"These two realms have to co-exist, exchange, bring the pros of one into the other, merge to increase the points of contact with brands. Going into a shop and just seeing a pile of product is very sterile as an experience, we need images, ambassadors, an engaging experience. Technology shall not be considered as passive but active, because we are so addicted to screens that we do not pay attention to them anymore. They are useful means,

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https://www.thinkwithgoogle.com/qs/documents/4991/180131_Google_Customer_Experience_UK.pdf

but they need to be calibrated and tailored to the needs of the situation. The bricks and mortar stores are not dead and on the contrary, there is more and more demand and I see it every day at my workplace.”

It does not matter then whether customers decide to start the journey online, whether they enter the consideration phase by visiting a website, interacting via social media, or in store by having a conversation with a shopping assistant. Anyhow, in their path they will jump from one sphere to the other and they desire this experience to be frictionless. Indeed, as described by the Retail Tech Statista report⁹⁴ explored in the third chapter, the store of the future will present several phygital tools, from virtual fitting rooms, the digital version of an in-store dressing room, where customers can try on a product virtually, to interactive kiosks, self-service solutions that provide audiences with engaging digital content and information through a user-friendly interface. This latter tool has been explored in the ABS Group case section where we dived into the interactive tables and totems they realize for their customers. ABS Group stressed how these tools are particularly adaptable to different phases of the customer journeys, for instance, they play an interesting role in the consideration phase, with customers being able to explore and read the characteristics of the product through these devices. In addition, they help in the purchase phase by accelerating the paying process and reducing the pain point of waiting in line. Moreover, as we have witnessed pickup towers, automated corners of the shop dedicated to collecting the items ordered online

⁹⁴ Coppola, D., & Şabanoğlu, T. (2021). *RETAIL TECH. A STATISTA dossierplus on the state of retail and e-commerce technology*. Retrieved from <https://www-statista-com.skema.idm.oclc.org/study/105768/retail-tech/>

will also appear in the store of the future according to Statista. As seen throughout the interview with Francesca De Biase, this phygital solution has already been implemented by IKEA, which offers to its customers the possibility of ordering their products online and pick them up in store. Besides, also computer vision will be a game changer and quick response (QR) codes will still be relevant in the retail of the future. As we have seen with Dassie's case, QR codes are a cheap solution to implement that can boost the customer's experience by having the possibility to access various contents such as the supply chain of the product or like, in this particular case, a song to be listened while savouring your ice cream. What has been surely learnt through these pages is that there is not a manual on how to apply phygital, nor you can apply what has been done by other companies in a particular industry to another peculiar brand. Through the workshop "Maximising Customer Engagement with a Phygital Customer experience. New Touch Points, Human Relation and data analysis to personalise your offer and build customer loyalty" we have seen first-hand the strategy creation process behind a phygital customer journey. We saw how the strategy needs to be tailored and specific at each step while at the same time remaining faithful to the holistic and comprehensive view of a frictionless journey. We noticed how the touchpoints selected by the thirty participants intertwined physical with digital, making it impossible, especially when it came to trade fairs and in-store to define when one world would finish and the other one would commence. We also learnt how different stakeholders within a company, whether salespeople or marketers, will push for focusing on a specific phase of the journey, teaching us an important lesson: to build up a phygital customer journey map we need the insights from different business units within a company, in order to ensure all standpoints are taken into account. All these online and literature research together

with case studies and combined with observations and interviews lead to the answering positively to our research subject. The main question that gave birth to this study was to uncover phygital and determine whether, this new seamless interaction and synergy between digital and phygital is an emerging trend and if deserves enough attention. As Nicolò Andreula stressed in his book and during our interview:

“If multichannel meant the use of digital and analogic channels and omnichannel was their coordinated use, phygital is their closer integration.”

Phygital therefore creates a link between the offline and online worlds to create an 'onlife' experience. The difference between physical and digital retail platforms no longer exists, which is why a phygital strategy needs to be defined, i.e. one that derives precisely from the crossover between the physical and digital worlds, which also goes beyond the omnichannel approach and completely connects and merges the online with the offline. In fact, digital applications become an integral part of the physical world and the real space of the customer journey. The benefits of embracing a phygital approach are countless, among others, we stressed how it is useful to respond to the needs and desires of today's customers offering immediate, immersive, and interactive experiences. This thesis has been an attempt to find a red thread connecting actions and solutions adopted by the variegated observations presented. While it is not a recipe on how to become phygital, it is indeed a tool to navigate the best practises and the business environment that surround this term. A particular attention has been deserved to retail spaces in the broad term taking into considerations also showrooms and expositions. Among the major take aways we can list also that not only large and structured companies such as IKEA can implement phygital solutions but also smaller

realities such the one realized at the exposition area of Piadina experience in Riccione. However, worth noting, is that phygital is a world in-becoming and further research is encouraged. Indeed, as Professor Cristina Mele emphasized:

“It is obvious that your thesis is very experimental, so it depends basically on your ability with the little material that there is to draw a context around this emerging term that we still do not understand fully. It is true that we have been talking about smart solutions in physical areas for a few years now but there has not yet been this diffusion.”

This has been, indeed, one of the limitations of this thesis, the availability of material and researches on phygital. This topic is very fresh, and my qualitative writings served the scope of identifying and contextually framing the subject, both from a theoretical viewpoint and by looking at how and if there are forerunners companies implementing phygital strategies, which as we have seen, it is the case. Nonetheless, with this analysis as starting point further research is required to investigate quantitatively the impact and spread of phygital solutions on customers experiences through, for instance, surveys and polls. By looking at the future landscape of phygital it will be interesting to assess the influence of metaverse on phygital, trying to evaluate how companies will apply it to their businesses and whether it will be a term entering the phygital discourse or stay more on the digital side. As this thesis journey comes to an end, my career path is starting and what I could already perceive in these first months as marketing strategy consultant is the impact of properly built customer journeys and how they encompass digital, physical and phygital touchpoints. Indeed, by working on a daily basis with Koen Rakers, EMEA Director Brand and Sport marketing at Salesforce, I explored first-hand another major impact of phygital strategies: having the possibility to gather data that

can be used in loop to offer improved customer experiences. From digital signages, to gamification, pop-ups, experimentation with AR-VR, and cashier-less checkouts, all these options we explored throughout this thesis offer the possibility to collect insights of various natures. Thus, a last remark, a future-oriented curiosity of mine, will be to uncover how to leverage at the fullest phygital tools also from a data analysis view lens.

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