

Phygital is the New Normal

Dr. Ranjit Singh, FIETE

Department of Electronics Communication Engineering, Ajay Kumar Garg Engineering College,
27 Kmstone, Delhi-Meerut Expressway, Ghaziabad 201009 UP India
editor_journal@akgec.ac.in

Abstract –Today, customers operate in a world where instant gratification and immediate service are minimum standards. Phygital is about bridging the relationship between a user (human) and activity (enterprise) and making that experience so effortless that customers don't even notice that their life has become easier. From 'grand' concepts to smaller steps, any business can take advantage of phygital tactics to better connect with their customers and provide an enhanced experience, making it a win-win situation for all stakeholders.

Keywords: Digital payments, Digital education, Seamless immersive experience

I. INTRODUCTION

PHYGITAL combines the words physical and digital to create a new word: phygital. It emerged at the height of COVID-19 pandemic. Organizations quickly adjusted their strategies to digitally accomplish tasks that had previously been accomplished in-person. First of all, this included things like grocery shopping. Fulfilling the education gap -- both schools and colleges found it convenient, wherein teachers evolved innovative ways to engage with students. Prolonged lockdowns forced adoption of mobile apps to accomplish various tasks like looking at a restaurant's menu, paying for fuel without having to touch a payment terminal, or using a connected device to monitor health. In the financial domain, people embraced net banking, substituting their visits to bank branches. Youngsters, used their spare times to invest in stocks and mutual funds, propping up domestic markets when foreign funds were withdrawing. Clearly, this blending of physical and digital established strong roots in our lives and is here to stay. Via Smartphones, we expect and experience a personalized,

digital dimension that complements our physical day-to-day lives, for example via Google Maps. The main need that phygital meets is our craving of 'right-here-right-now'. We expect that the brand that we interact with empathizes with us -- be it a bank or an insurer. Not only phygital enhances the consumer experience, but it's also a way for brands to seamlessly integrate their physical and digital marketing efforts and get more opportunities to sell their services and products. Retail businesses embraced the phygital bandwagon to help them regain footing against eCommerce giants such as Amazon. No doubt, to entice visit to a physical store, phygital must offer an extraordinary experience.

Quite interestingly, Republic of China made early strides in this field. Phygital has been prevalent and citizens bounce back and forth between digital and physical worlds with relative ease and flexibility. Malls and Retail stores use a combination of facial recognition and AI to give shoppers personalized offers who pay without wallets, removing a certain inconvenience.

Likewise, in USA, Amazon introduced a number of 'Amazon Go' stores. Armed with an app, customers buy what they need without having to check out. With a virtual cart connected to the customer's Amazon account, customers and products are automatically identified and charged to the account when they leave.

It's convenient and time-saving to do online shopping. Nevertheless, shopping in a Mall, or a physical store has its own charms. That's why via eCommerce has not necessarily killed brick-and-mortar retail industry.



Figure 1. AI-powered phygital technology at Amazon Go stores.



Figure 2. Leveraging latest advances in digital era.

Phygital in a nutshell, allows brands the tool to laser-focus on what information customers need and when. For instance, better information about customer leads to better suggestions for related products. Realistically, exploring different ways and locations for better connecting with customers increases opportunities for brands to guide customers towards actual purchase.

II. EXAMPLES OF PHYGITAL EXPERIENCES

QR Codes: At a medical store, or while retail shopping, scanning a QR code to make payments is quite prevalent. At a restaurant, for example, using smart phone, one can scan a QR code on the table and view the menu or drinks on tap without having to touch a physical, printed menu.

Kiosks: A common example of phygital is a kiosk. Whether at a restaurant, or airport, a bank, it makes it possible to perform routine tasks quickly using digital technology. Since almost everyone has used such a kiosk, and these have become so commonplace and acceptable that we don't even think about this as a digital experience.

Certainly, ways exist to enable kiosks impart a better phygital experience. For example, consider visiting a quick service restaurant and reaching a kiosk which already knows you're there due to geo-fencing. The kiosk greets you, indicates items you purchased earlier, and matches the information you possess in your mobile app, such as dietary restrictions and payment information. Such an engagement enhances the kiosk-interaction, making it so customer-specific thereby boosting customer loyalty.

BOPIS: Buy online pick up in store (BOPIS), and mobile apps are being embraced more and more everyday. Companies have spent time thinking about how to offer the safest, most convenient experiences during visits to restaurants, banks, retail stores and convenience stores.

Insurance: Insurance companies often rely heavily on the relationships that their agents have with customers. Most companies have redesigned their websites to make it easy for customers to navigate and become empowered to do self-service. They are also training agents to guide customers in this regard.

Healthcare and Telemedicine: Healthcare portals are optimizing websites for mobile apps to impart better customer-experience. For patients that don't need to be seen in person, website portals offer a phygital way for them to converse with their doctor while also leveraging technology to better fit their lifestyle.

Voice: It's well known that enterprises are creating IVRs, to aid consumers with everyday tasks. Amazon's Alexa is a cloud--based service based on voice acting as a virtual assistant based on Ivona, a Polish speech synthesizer. As a user-friendly application, one may ask Alexa to keep track of medical statistics reported on wearable devices each day. Such data is accessible at any time, even while entering a telemedicine appointment and have conversation with doctor about how such data can be used to improve overall health.

Winning over loyal and engaged customers is the desire of any enterprise, regardless of size or sector. A good start to achieving this goal is to think about everything that can go wrong in the customer experience and implement solutions that avoid recurring problems.

One must have experienced walking through a large hardware store and unable to locate the desired product out of multiple shelves. Retail service robots, called *bots* are being introduced at some places to solve this issue. These bots greet customers and help them find products. This phygital strategy prevents frustrated customers from walking away without making a purchase if they can't find a product. Employees no longer need to conduct inventory as the bots to do this.

The bank, 'Capital One' in USA transformed many of its branches into coffee shops with co-working spaces, workshops, and educational/coaching centers. The bank saw demand for human interaction and used it to create a valuable community space.



Figure 3. Guests at a recent Leadership Conference each received a wearable device that allowed them to seamlessly exchange contact information. The device also used gamification to encourage engagement: Attendees earned points for every interaction that they could trade in for merchandize at the event shop.

III. HOW PHYGITAL ADDS VALUE: MORE EXAMPLES

Phygital in the automotive industry:

Car dealers start with optimising their website for unique interactions. This is also the key to lead-generation for online car sales. Buyers want a tangible experience when shopping for a car. The closest one can get to this, without the customer actually being in the store, is with video. One brings phygital via live one-to-one video calls.

The buyer can:

- Talk face-to-face with a car expert, which builds trust
- View the car in real-time to remove any qualms about appearance
- Ask questions to get prompt answers
- All of this the buyer can do in the comfort of own home, thanks to phygital components.

Phygital in the real-estate industry:

According to a study, 51% of home buyers first found their home on the internet. It's crucial to make the first website interaction count.

It involves putting properties-data on company's website or on different housing portals. Way to go phygital is to offer a one-to-one video call option to website visitors who are showing high interest in a property. Having the right target on a video call, one builds trust and gives more details about the property unit they're interested in.

Phygital in the retail industry:

Live video shopping brings the heart of shopping in-store straight to one's desk or couch. In most cases, one interacts with a live host and ask questions. One gets to see specific products in action, and feel the buzz of shopping digitally. In this case, the complete physical experience is digitally transmitted. Consumers seem to be loving this type of phygital experience.

IV. STRATEGY FOR SMALL ENTITIES

It is a mistake to think that for a successful phygital strategy, one must invest a great deal of capital or have inaccessible technologies. With small details, it is possible to provide a better consumer experience, such as adapting website for use on mobile phones.

Phygital is governed by the three "I's": Immediacy, Immersion, and Interaction. The first two "I's", immediacy and immersion, come from the digital realm, while the final "I," interaction, comes from the physical realm. A successful Phygital strategy must combine all three of these elements. On a micro-scale, there are lots of ways to make use of phygital tactics.

Social Media: Instagram, Facebook, and such other social media platforms made it easy for small vendors to add a digital platform to their brick-and-mortar business. Both Facebook as well as Instagram have e-Commerce features where stores could sell their wares. Social media today allows stores to run ad campaigns; promote special deals, or even create customer-loyalty programs. Rewarding customers who engage with a brand on social media is one convenient way of digitally connecting. Social media can also promote opt-in offers where by one could comment on a post offering a specific deal and later pick up in-store, which is also a way of blending digital and physical marketing.

Google My Business: Business listings on Google Maps is a tried-and-tested tool to add a digital storefront to a small vendor, offering many ways to engage with customers and promote the enterprise. One can upload store images, promote special deals, and even advertise. Customers can connect by calling, messaging, or leaving reviews. Through business listing, one can access important data on how people interact with the listings – information that could help improve both physical store and listings. Even small-scale steps to get more phygital are a marketing investment.

Pop-Up Stores: Creating a pop-up store is just another way of adding your physical experience to the product on offer. One encounters online-vendors having stands at local markets—that is nothing but entry-level phygital marketing. Using such customer data from online business, this knowledge would help identify loyal customers' location to set up a pop-up shop nearby. To take such phygital tactics to the higher level, one can find ways to bring such technology to the pop-up

store and let customers engage with the physical product and online inventory at the same time. That's a basic omni-channel experience!

V. CONCLUSION

Phygital could describe anything that attempts to bridge the divide between physical and digital worlds. We are interacting with products more and more, and phygital can be the reason why these interactions are successful. For phygital projects, AI-powered technologies are used to create a better user experience.

With the growing use of wireless devices, social media, and eCommerce, companies are experiencing the benefits of integrating digital and physical experiences.

The result of implementing Phygital retail is an improved Customer Experience leading to increased sales and Return-on-investment. To achieve this, interdisciplinary teams address the needs of traditional brick-and-mortar stores and those of online shopping. One of the key elements of any Phygital marketing project is the mobile app it uses. A mobile app is the perfect way to close the gap between the physical and digital world.

There are unique advantages of digital and brick-and-mortar commerce. Although brick-and-mortar shopping is declining, there are still psychological aspects that consumers continue to desire. Consumers certainly enjoy the interactivity of being able to see and touch products in a physical store and talk with sales people.

Studies reveal that consumers often combine brick-and-mortar shopping with digital shopping in two ways: reading product reviews online, then making well-informed purchases in a store, or touching and seeing products in a store first then ordering online.



Dr Ranjit Singh, FIETE (b. 17 Aug 1948) obtained B.Tech, M.Tech. and Ph.D degrees from Indian Institute of Technology, Kanpur in 1969, 1971 and 1975 respectively specializing in the area of Electronic circuits and devices. Has abiding passion for research and innovative approach to teaching. Guided BTech, MTech and PhD scholars. He is founding Editor-in-Chief of the '*AKGEC International Journal of Technology*', which is running in thirteenth volume.

Earlier served IETE as Editor during 1975-1987; Technical Editor at *Telematics India* during 1987-2001 and Editor of *Industrial Purchase* journal during 2002-2008.

From September 2008 to February 2015, he taught at Ajay Kumar Garg Engineering College where, he was a Professor in the EC department. Thereafter served as Head of the ECE and EI departments, IEC Engineering College, Greater Noida from April 2015 – May 2016, where he supervised setting up of e-Yantra lab.

Delivered Keynote address in the Seminar on 'Mobile Computing' in 2014 and Guest Lectures on:

- Security Issues in Wireless Communications (Nov 2016)
- Big Data: Challenges and opportunities (Feb 2017)
- Smart Cities (April 2017)
- Lure of ISM Band (July 2017)
- Lithium Ion Batteries: Answer to Communications Energy Crunch (May 2018).

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