



Lighting the way to smarter retail

In-depth with... Parik Chopra



Parik Chopra, Business Segment Leader in Retail and Hospitality at Philips Lighting, discusses the company's plans to become the nerve centre of retail.

Lighting has always been at the heart of successful retail. But it's come so far in the past decade, that the concept of what it brings to stores and shoppers alike has completely altered. Connected LED lighting was the game changer, not just bringing energy efficiencies and cost savings, but also the ability to connect to the Internet of Things, unlocking almost unlimited potential for smart retail.

Global consultancy McKinsey gives us a glimpse of how vast the opportunities will be, predicting that 5bn smart users will be connected to approximately 50bn devices in stores, offices and public spaces. For savvy retailers, this could create significant value – provided systems are integrated and digital apps and tools are used in the right way.

To help with this Philips Lighting has consolidated its portfolio and innovation activities into three key areas: the digital store, experiential store and sustainable store.

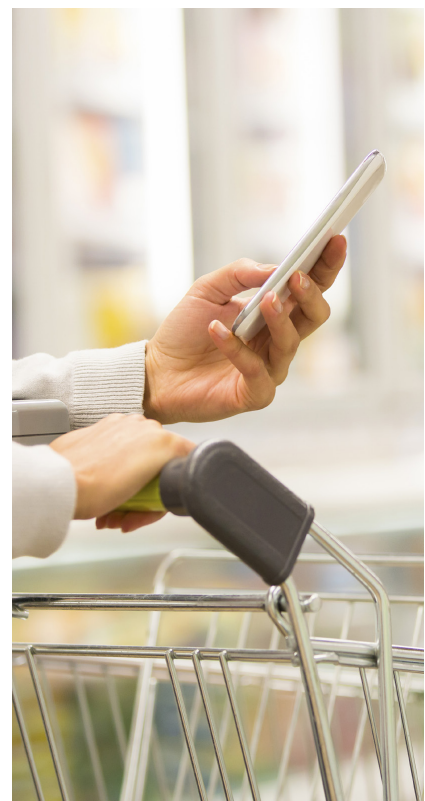
The digital store

The digital store is a hot theme, especially with the recent acquisition of Whole Foods by Amazon.

It highlights the fact that, as well as focusing their energy on online sales and media, there is still a need for retailers to reimagine the physical store. This is particularly important because 90% of sales transactions still occur in the physical space, even though in some countries, such as the UK more than 50% of sales are digitally influenced.

Beautiful lighting plays a huge part in creating the right ambience in a physical store, but now it can achieve so much more. The introduction of smart LEDs brings countless opportunities. One of the key ones being Indoor Positioning, which enables a retailer to digitally map their store and transmit data through the lighting network. Shoppers then use apps to locate items with pinpoint accuracy, and items can notify retailers when they need restocking and where they are located.

This improves fulfilment rates, staff productivity and most importantly, shopper satisfaction.



“...5bn smart users will be connected to approximately 50bn devices in stores, offices and public spaces...”

Source: McKinsey, global consultancy

The experiential store

The experiential store is my personal favourite. Human decisions are largely driven by emotions. Not surprisingly, the colour and quality of light can play a huge role in how we perceive or feel about goods – strongly influencing buying behaviour. With 60% of purchasing decisions taking place in the fitting room, this is an important area of improvement.

For example, fashion retailer Liverra saw a 15% increase in sales after they installed new scene-setting fitting room lighting.

“...60% of purchasing decisions take place in the fitting room...”

Parik Chopra,

Business Segment Leader,
Retail & Hospitality, Philips Lighting

The sustainable store

The sustainable store is at the heart of our retail lighting portfolio. Often overlooked, this is an important focus for lean retail operators who can often halve their power bill just by switching to energy efficient LED technology. As a sustainability leader Philips Lighting extracts every extra bit of lumen we can from every watt consumed. Using our controls, sensors and simple software applications, retailers are able to deploy energy saving strategies.

These schedule lighting to coincide with opening hours, daylight harvesting to reduce usage and occupancy sensing to fully light areas – or change lighting – when people are present, reverting to a powersaving setting when they are not. In future we also want to go beyond just saving energy to using reusable materials to close the loop with circular lighting.

Partnering for the future

Philips Lighting is also partnering with retailers from the ‘farm to fork’ industry with sustainability always in mind. This has led to some interesting initiatives with retailers already. For example, we are currently testing the use of horticultural lighting to keep basil plants alive longer in the store.



Our shared vision is to have shelves or storage rooms that grow leafy plants at the point of purchase, extending the life of plants, and bringing back the charm of buying a plant and not a packet.

Looking ahead in the broader sense, to fuel our three areas of innovation, we are committed to transforming ourselves

to provide the expertise for our visionary customers and partners.

I am always intrigued by the quote of Mahatma Gandhi, “be the change you wish to see”. That’s our mission.

[Click here to watch the video >](#)



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