

Tackle shopper expectations for fast, friction-free experiences across all channels

BACKGROUND

The retail business is changing fast. Changing customer behaviour, driven by an overabundance of new devices and technology, is transforming the way we shop into something almost unrecognizable from the traditional high street experience that many of us grew-up with.

Every retailer faces the challenge of serving a customer that's more informed, connected, and empowered than ever before. Now is the time to identify evolving customer trends and position your organisation for long term benefits. It's about delivering whatever, whenever, wherever the customer wants, while building-in the flexibility and the agility to be responsive to future changing customer expectations – and a lot of this comes down to data.

Data is transforming every industry, but it's having a huge impact on retail. Customer data and insights is a treasure trove of information that can be put to good use ensuring that optimum customer journeys are aligned to marketing campaigns, workflows and organisational structures.



INTRODUCTION

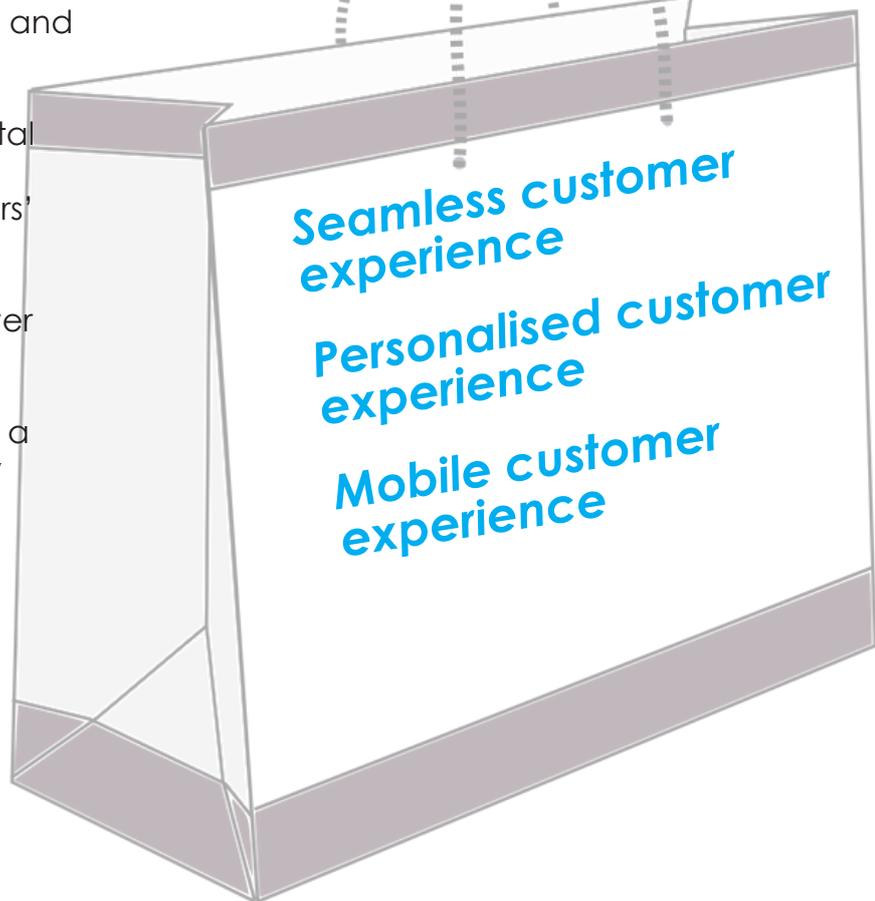
When it comes to retail in 2018, a positive shopping experience is fundamental to attracting new customers, and engaging and retaining your loyal ones. Those retailers who offer customers a way to positively engage with their brands will set the foundation for customer loyalty and unlock the benefits that follow.

Digital, and specifically smartphones, transform the customer journey. It is critical that retailers carefully consider how customer trends will impact their strategies, and seek new and innovative ways to earn shopping spend. It's no longer enough for retailers to simply offer services across multiple channels. What counts today is optimising across all channels for a relevant, seamless and consistent experience.

From a customer's perspective, digital provides new ways to connect with products and brands. From a retailers' perspective, new technologies and better data management means new ways to create value and deliver memorable customer experiences across all channels. While the term 'omnichannel' has been around for a while, beneath all the hype is a very serious proposition. In an age with

countless customer touchpoints, and where a customer journey will likely end on a different channel from where it begins, retailers must be able to stitch together all interactions to form one seamless customer experience.

But to achieve effortless customer engagement, across these touchpoints, retailers need vision, technology and investment. In other words, it's easier said than done. They will need to reshape their retail customer experience to overcome the challenge of digital transformation. Here we explore the key themes in a little more depth.



SEAMLESS CX

Modern customer experience is about the journey. Retailers must enhance the customer journey, or path to purchase, by empowering customers with useful, relevant content, and creating new opportunities to discover products and help them choose the best option (at every touchpoint). At the same time, retailers must eliminate obstacles and pain points, to avoid wasted time when a customer connects.

In this way, omnichannel is the idea that all the different channels offer the same customer experience, ensuring they can start a journey on mobile, reserve a product online, and purchase in-store – all with minimum effort.

It's important to remember that customers view services holistically and not through the lens of individual interactions or touchpoints. As Claire Gillingham, HR Director, Vodafone, tell us:

“We don't call it omnichannel anymore, we call it one channel, because that's the way customers see it.”

On this 'one channel,' a growing number of today's customers are happy to hop between digital and physical touchpoints. A typical shopping experience sees a customer research product reviews online, compare features with friends on social networks, and reserve the product through an App, before picking it up in the local store.

But this presents a problem to many retailers, who haven't necessarily been investing resources appropriately in the technology and processes to deliver seamlessly across touchpoints.

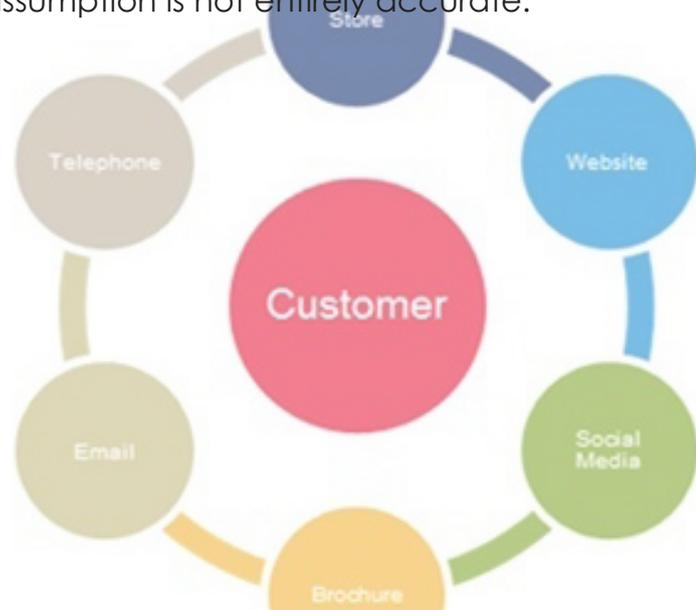
It's a headache, says Fabrice Khullar, Lead Product Owner, Sainsbury's.

“The customer is far more complex than we give them credit for sometimes. Knowing where to place internal teams and what technology to use, so we deliver a unified retail experience, is a real challenge.”

The starting point is getting on top of data and customer insights. Leveraging data, retailers then need to focus on delivering intelligent interactions across relevant channels, rather than simply pushing customers down inflexible sales funnels. As Mark Wright, Digital Managing Director, Jack Wills, says:

“You must focus on who your customers are and how best to communicate with them.”

All of this has a big impact on the bottom-line. Many retailers assume that their digital-savvy customers are the most profitable - due to a lower cost to serve and a greater opportunity to 'wow' them through personalised content. Such a belief has led some to over-invest in digital channels, so they can give customers (specifically millennials) the digital experiences that they 'crave'. But this assumption is not entirely accurate.



Customers who jump between touchpoints are in fact the most profitable. And these profitable customers don't want purely digital interactions; they want experiences that deliver the results they seek using unpredictable combinations of digital and traditional touchpoints.

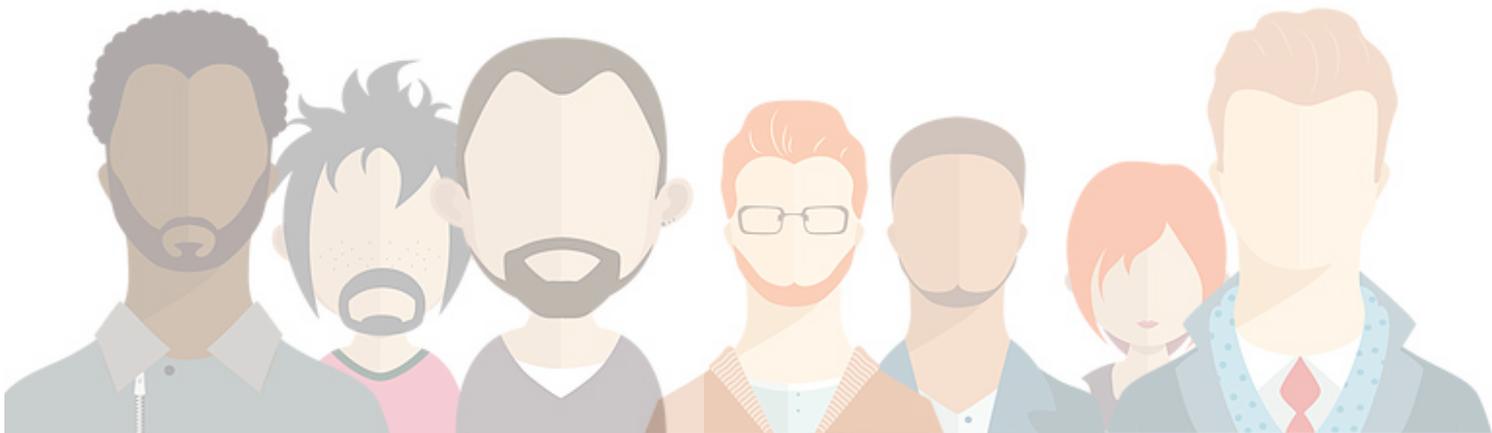
John Lewis recently reported that shoppers who take advantage of its full omnichannel offering spend on average

three times as much as people who are still using single channels for purchases - supposedly because the improved convenience encourages them to purchase more.

No doubt, shopping trips are varied. This means retailers need to create a truly omnichannel experience to allow customers to switch easily between mobile, website and the store.

“You must focus on who your customers are and how best to communicate with them”

Mark Wright, Digital Managing Director, Jack Wills



PERSONALISED CX

Shoppers want different things when they listen and when they speak to retailers, which presents a challenge – and an opportunity. But understanding how customers feel is a tricky beast. One size rarely fits all. Modern customers are fickle, and they have come to expect personalised service at every touchpoint.

So, in 2018, recognising, defining, analysing and utilising core customer profiles and preferences to promote personalised content, products and services is key to boosting the shopping experience – and the bottom-line.

Retailers must work hard to provide fresh and personalised content, offers, services and products that delight customers and reinforce relationship with them. It's all about understanding your customers' tastes and needs, and how these evolve over time. As shoppers become increasingly savvy, the need for intelligent systems and data management to help retailers understand and make the most of these trends has never been greater.

Without a doubt, to drive loyalty and revenues through personalisation, it's first important to get your systems and data in order. Then leverage insight that matters to take better decisions in a given situation, or on a given channel.

Ultimately, retailers need to examine how they can leverage data to ensure intelligence on customer preferences and interactions is accessible and actionable across their entire organisation. With a deeper understanding of their customers' profile, they will be better placed to deliver an end-to-end personalised shopping experience.

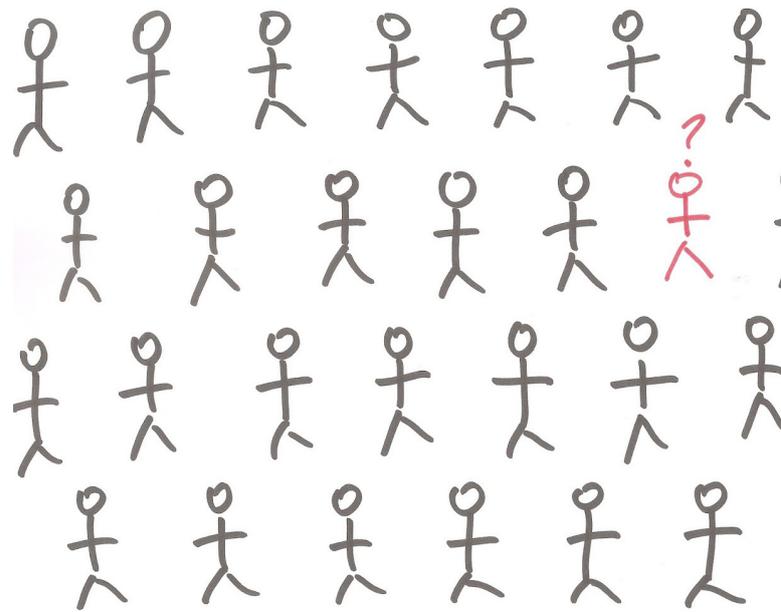
But to invest in the technology to support this it is both costly and timely, says Nigel Blunt, Head of Operations Development and Customer Experience, Argos.

"To invest in technology is expensive. We have to be clear where it fits into our customer journey. It's about making sure you invest in technology that actually enhances or simplifies a customer journey; and for a colleague, keeping it really simple and accessible. It's not just a technology play, but an overall journey and experience play."

David Botines, Senior Manager, Future Planning, Store Development, John Lewis agrees:

"We are trying to be strategic with technology, as we don't want to do digital for the sake of doing digital. But how we communicate with our customer is our biggest challenge."

Most retailers have embarked on some form of personalisation strategy. But as they seek to expand, they often run into structural obstacles that keep data and teams in silos. Getting past these barriers will allow for full personalisation of the customer experience.



Integration of data across devices, channels and functions is essential, but many retailers lack this capability. As Kris Marshall, Customer Insights Director, Gala Bingo, tells us:

“I’m responsible for our customers and for our data. So, it’s about how do I marry the two together. From the data side, it’s about how do I make processes easier for our marketing and data teams? And, at the same time, how to best manage the customer through quite a complex process?”

And remember, more data isn’t necessarily better; it’s the quality of data rather than the quantity that makes the difference.

Retailers need the ability to connect the dots. A single view of the customer is imperative to connect each aspect of customer behaviour and previous interactions with your brand to achieve a contextualised picture.

As customers switch from one device to another, ideally, the buying experience should be seamless. But if customer data is siloed in disparate legacy systems, retailers can end-up having unconnected conversations. What’s needed is to obtain a single view of the customer across all channels. With real-time visibility of purchase and search

data, retailers can contextualise the customer’s behaviour and respond with a relevant, personalised offering. And remember, personalisation is as much about the right moment as it’s about the right offer or information. As well as making communications relevant to the customer, retailers also need to make them appropriate to the device they are consumed on.

It’s all about developing a customer-centric focus across your entire organisation. Retailers need to instil a passion for outstanding customer experience across all teams and departments and connect with customers faultlessly and personally across the right channels for them.



MOBILE CX

The major shift in customer behaviour we have witnessed over the last ten years has largely been driven by the impact of the smartphone. There is no doubt that smartphones and mobile devices are transforming the shopping experience. Mobile connectivity is merging the physical and digital worlds, and (looking forward) paving the way for other technologies (such as beacons and Internet of Things).

As discussed, modern shoppers often go through a distinctive customer journey, oscillating quickly between touchpoints (i.e. mobile to store.) The modern shopper wants to browse products in store, check the features on mobile and finally pick it up at the store.

In this sense, mobile presents a challenge and opportunity for retailers. A challenge

in ensuring that the customer's ability to buy on mobile, as with any channel is flawless, and an opportunity to inspire and engage, enhancing the shopping experience and creating a more personal relationship with the customer by putting the brand in the palm of their hand.

The ability therefore to reach customers in the most critical moments is what will separate a run-of-the-mill retailer from a memorable one in 2018.

As Erdal Enver, Digital Marketing Manager, Intu, says:

"It's about showing the strength of better data management (across all channels) to build lasting customer relationships."

"It's about showing the strength of better data management"

Erdal Enver, Digital Marketing Manager, Intu

CONCLUSION

The retail landscape is evolving, whether you like it or not. The disruption caused by mobile devices is the catalyst for a seismic shift, and there is no sign of it slowing down.

Retailers are under pressure. Digitised customers have ever-higher expectations of service and the retail experience. Today optimising customer experience across all channels should be a priority that colours the entire brand. It's all about how to create an authentic experience for your key customers – looking at ways to create an experience customers aren't going to forget.

Indeed, the perceived quality of a retailer now depends on the ability to provide value, combining both useful and informative content with personalised experiences, anytime and at any touchpoint. This is the very essence of excellent customer experience in 2018 – one that engages and keeps customers coming back again and again.

This means, retailers need to adapt their strategies for the new customer, relying on better technology and data management as the key to generate engagement and loyalty.

Omnichannel opens a whole new level of doing business, by putting the customer and technology in the centre of their strategy, retailers can collect the data, learn to understand their customers better, deliver more relevant content and measure an increase in return on investment across all channels.

With the rising number of channels and touchpoints, it's difficult to keep up while avoiding the hype, but prudent retailers are focusing on striking a balance between innovation and proven ways of doing business.

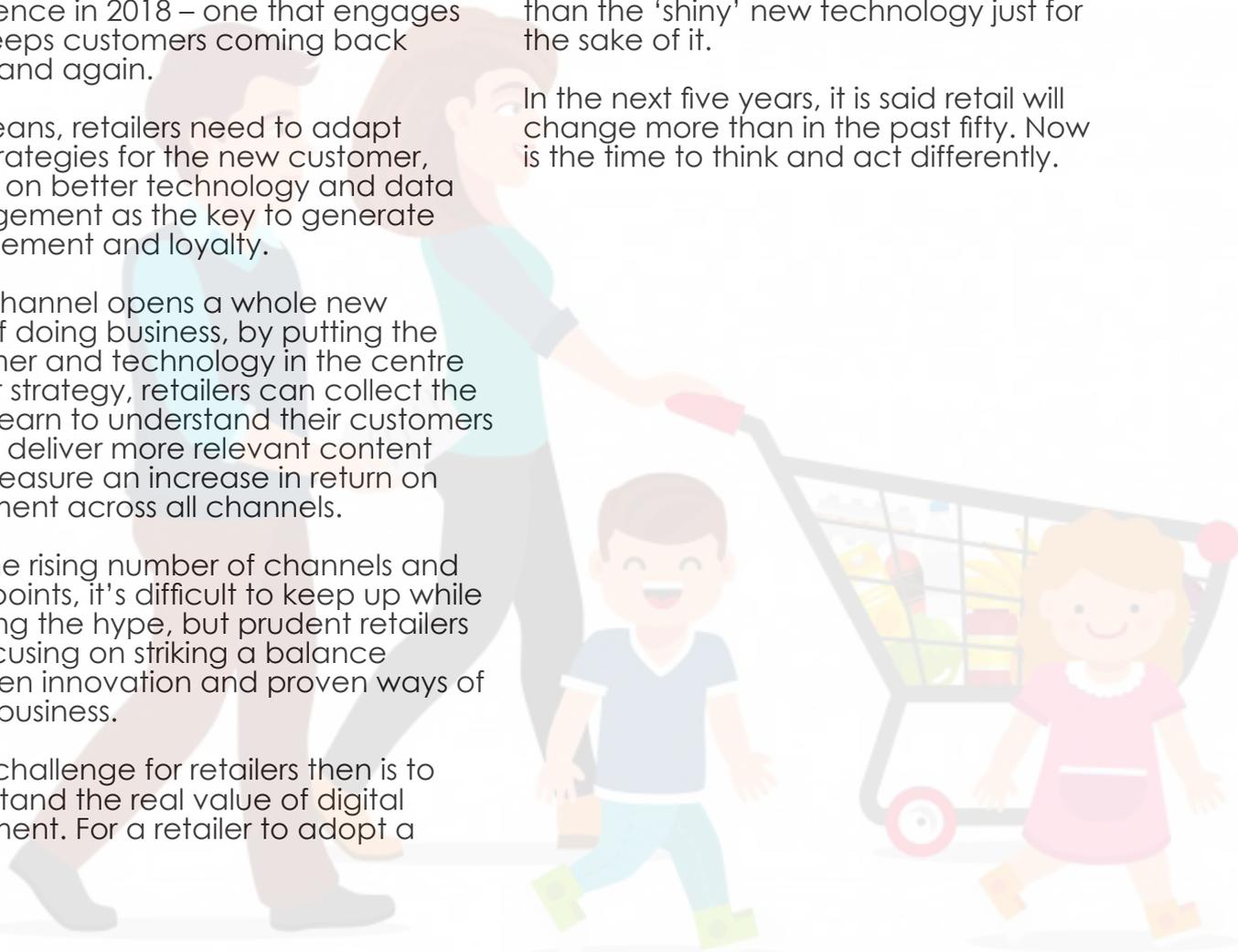
A key challenge for retailers then is to understand the real value of digital investment. For a retailer to adopt a

large-scale digital strategy, it needs to clearly understand how it will enable better connections with customers, leading to improved targeting and communications that deliver increased sales.

That said, the business case for omnichannel is becoming so strong that retailers the world over will increasingly explore how they can better serve omnichannel customers in the coming years. Early adopters are already seeing significant benefits – with their efforts delivering real commercial returns.

To remain competitive, retailers must better understand the customer and respond to their needs. If you are a retailer, technology is not your enemy. Technology gives you the invaluable opportunity to deliver powerful and meaningful customer experience. But remember to focus on the problem you want to solve for your customer, rather than the 'shiny' new technology just for the sake of it.

In the next five years, it is said retail will change more than in the past fifty. Now is the time to think and act differently.



FINAL THOUGHTS

Retailers recognise there has been a major power switch to the customer and the need to deliver exceptional customer experience at every touchpoint has become more important than ever.

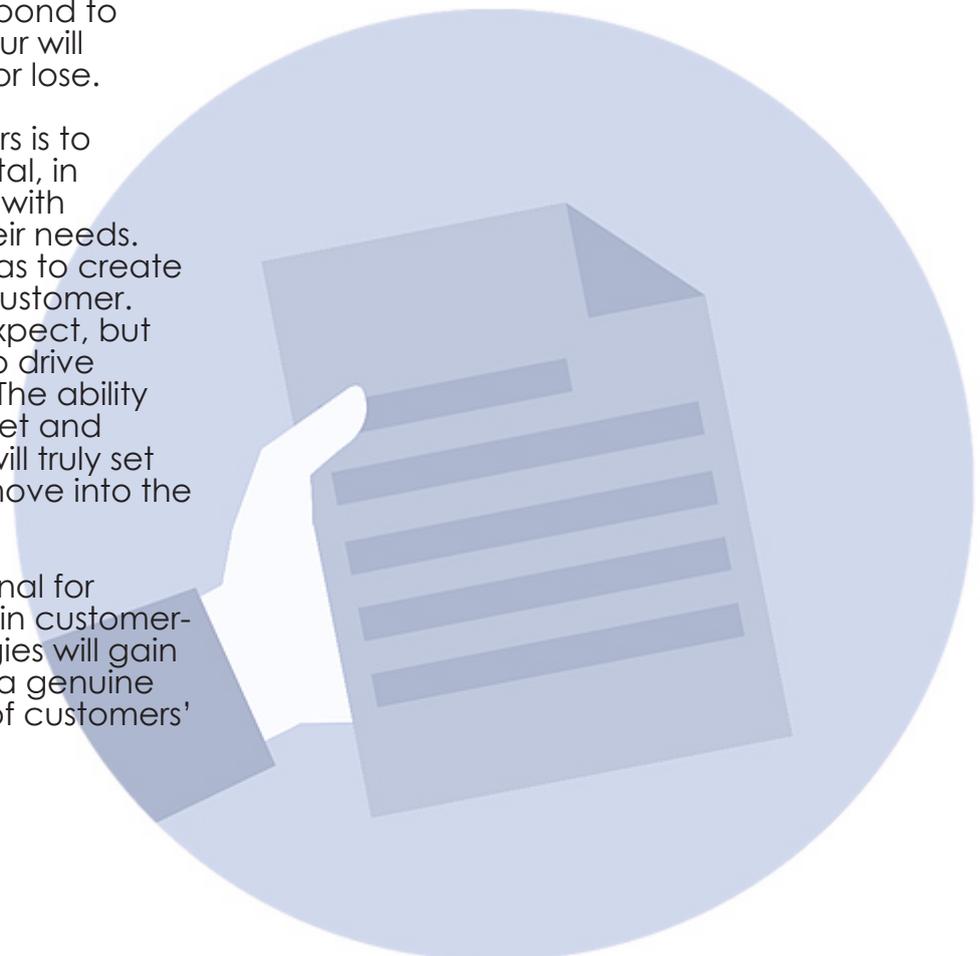
There are a million and one reasons for ensuring you provide customers with a positive experience. Not least of which is the impact that customer experience has on the bottom line. Creating a stellar customer experience isn't just about surviving – but thriving.

We are in the middle of the biggest, most profound transformation in the history of retail - the empowerment of the customer. In this age of the customer, the only sustainable, competitive advantage is knowledge of and engagement with customers. How you respond to changing customer behaviour will determine whether you win or lose.

The real challenge for retailers is to understand the value of digital, in forging deeper connections with customers to better serve their needs. Ultimately, the technology has to create a richer experience for the customer. Give customers what they expect, but introduce the unexpected to drive increased sales and loyalty. The ability to have an innovative mindset and harness digital technology, will truly set the successful apart as we move into the new era of retailing.

Innovation is no longer optional for retailers. Retailers that invest in customer-first strategies and technologies will gain the upper hand by showing a genuine understanding and interest of customers' needs, wants and desires.

Technology is an intrinsic part of most people's lives. They wake up with a device in their hand and life begins. Therefore, retail must reflect this. So where do you start? You start with the customer. Build from your customers' point of view. Listen to your customer, roll your sleeves up, and better understand how they want to shop. After all technology-empowered, digitally savvy customers are changing the world, the economy, and retail.



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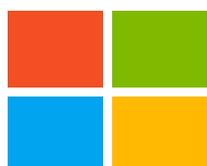


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