

THE RETAIL HIVE LIVE:

Engaging the Connected Customer

Your 5 minute Debrief



CONNECT
WITH YOUR
COMMUNITY

Despite the 'Beast from the East' raging outside, over 100 Retail Hive members came together to discuss ways in which we can engage more deeply with today's connected customer. In summary, four key issues dominated the day's discussions:

- 1. Mindset**: this has to change just as much as the logistics of engagement. Until company cultures change to embrace and prioritise engagement, it can't be truly successful.
- 2. Personalisation**: retargeting and data profiles give retailers a responsibility towards their customers as well as an opportunity. Brands need to consider the balance between making personalisation 'useful' and 'unnerving'.
- 3. Seamless customer journeys**: customers are looking to brands for a simple solution. How can we create a single customer view that presents our brands as a seamless, connected service across all channels? It might feel hard – it is hard – but it isn't impossible. It's time to look past the obstacles and find a solution.
- 4. Time to trust AI?** Artificial Intelligence has moved forward: it could be time to trust it.

Read on for a round up of the day's discussions and we look forward to seeing you at future Retail Hive Live meetings.

Best wishes

Sally Green & Noj Mather, Co-Founders, The Hive Network



With thanks to our partners

28 February 2018

THE RETAIL HIVE LIVE:

Engaging the Connected Customer



CONNECT
WITH YOUR
COMMUNITY

1. AI DRIVEN MERCHANDISING

- It is vital to understand your customer behaviour first, before writing the rules for AI
- AI success depends on high quality, well managed data
- Do not be discouraged by previous experiences; it is time to trust this technology
- AI merchandisers make decisions based on actual user behaviour, they are not influenced by human-based assumptions
- The best results are achieved through the balance of AI and Actual Intelligence (ie us humans!)

3. LOYALTY & CUSTOMER LIFETIME VALUE

- Thankfully 'loyalty' has moved on from the concept of 'points mean prizes'
- Loyalty encompasses every aspect of customer interaction from the product, the price, the distribution, the online community and the customer service
- Brand ambassadors and communities need to be created (if they don't already exist)
- The common issue is the difficulty of tracking and measuring soft emotional engagement but it is possible
- Brand momentum and advocacy is a clear KPI for loyalty and brand health
- To achieve loyalty, your data needs to be effectively joined up
- Your focus should be your value to the customer not their value to the business
- Do not build a brand on transactional customers; this is not going to grow your brand

2. ANALYTICS & INSIGHT TO DEEPEN ENGAGEMENT

- What are the best practices to deliver increased loyalty and increased purchasing habits? (i) Well established process to identify data types and business scenarios (ii) Regular use of analytics (iii) Take action from the data; don't just build data capability!
- The analytics available vary from business to business from reliance on standard website traffic (likely among large multiple retailers) to custom built algos (likely among small start-up retailers)
- Recommend merging of publicly available macro data with internal data
- It's now time for retailers to consider the importance of data engineers within the business
- Each business needs a champion of data and insight at C level, otherwise data will still stay in the cupboard
- Personalisation will only be successful if your business is able to capture data from all touch points

4. MARKETPLACES & GROWTH HACKING NEW MARKETS

- Is Amazon the "Retail Death Star" or a cost effective opportunity?
- Channels like Amazon, Zalando and the like can be a viable strategy, but getting the solution that's right for each brand is essential.
- Retailers face one of two options (i) invest 100% in Amazon or (ii) use Amazon for your longtail growth and put the top sellers on your own site
- Big question is will Amazon always have this much control?
- One area where there is unanimous support for marketplaces is that of entering new international markets
- If you're on marketplaces then controlling brand identity wherever possible is key



5. CROSS BORDER BRAND & MARKETING CONSISTENCY

- When entering a new market, how much content should be local depends on your particular brand. If your brand relies on British heritage (for example Fortnum & Mason) then localised tone of voice may not be appropriate.
- Produce clear and concise brand guidelines before entering a new market and ensure buy in/ approval from the local market so the core brand DNA is protected
- Be sure you have clarity on the value proposition for the new market prior to launch e.g. availability, price
- Strong recommendation to run international sites from a global hub which will maintain the brand voice and focus on the primary business objectives
- Translations for your local site are best done by people in the local market; don't rely on Google Translate!

7. 1:1 PERSONALISATION

- If Personalisation is something which your business wants to achieve then data is king
- Your brand must be relevant to your customer and therefore you need to know what your customer wants
- You need to strike the balance between being imposing vs supportive
- Brands must improve their communication of the benefits of data exchange; as a customer, what's in it for me? Once retailers crack this personalisation will become much more effective
- Segmentation is required to personalise at scale and good personalisation should be invisible to customers

6. SEAMLESS CROSS CHANNEL CUSTOMER JOURNEYS

- Building consistent experiences across all devices is an objective fraught with challenges; recommend adopting a fully agile approach with a fast turn around
- Don't be afraid to start again if you have to!
- Key to delivering a seamless customer journey is by putting the customer first; a cliché but very true. Keep the customer as the starting point, not what you can measure
- There are also two essential ingredients: (i) Culture within the business has to change to embrace the new customer-focused mindset and (ii) Technology must facilitate this change across ALL channels

8. CUSTOMER VISIBILITY IN AN OMNICHANNEL WORLD

- Is it ever possible to achieve a 360 degree view of your customer?
- It is BUT there are gaps, namely when customers delve into social media; whilst you may send them into Facebook you don't know what they're doing whilst on Facebook
- For GDPR you need an audit trail so customer visibility is vital not just to understand your customers better but from a regulatory perspective
- Invest in technology to assist you achieving a complete view of your customer however beware that the key is for the data to be linked to other data sources e.g. DM data, location data, website data, store data - so ensure this will deliver the results you need
- Legacy systems and company structure can be the 2 biggest obstacles to achieving a single view of the customer; it is vital to break down competition between stores and online

THE RETAIL HIVE LIVE: Engaging the Connected Customer



CONNECT
WITH YOUR
COMMUNITY



visit www.thehive-network.com for more pictures



Our forthcoming Retail Hive Live meetings..

- Focus on Fulfilment, 23 May 2018, London
- Cracking International Markets, 10 July, 2018, London
- Innovation in Retail, 27 September 2018, London

To reserve your place, please contact Paul Kehoe at The Hive Network:
e paul.kehoe@thehive-network.com m 07973 147826