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How a fragmented view of customer behaviour can impact your ability to deliver the right customer experience.

Terry Hunter
Tryzens CEO

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Agenda

- Where we have come from?
- What we are looking for?
- A retailers view of the current situation
- What we need to do

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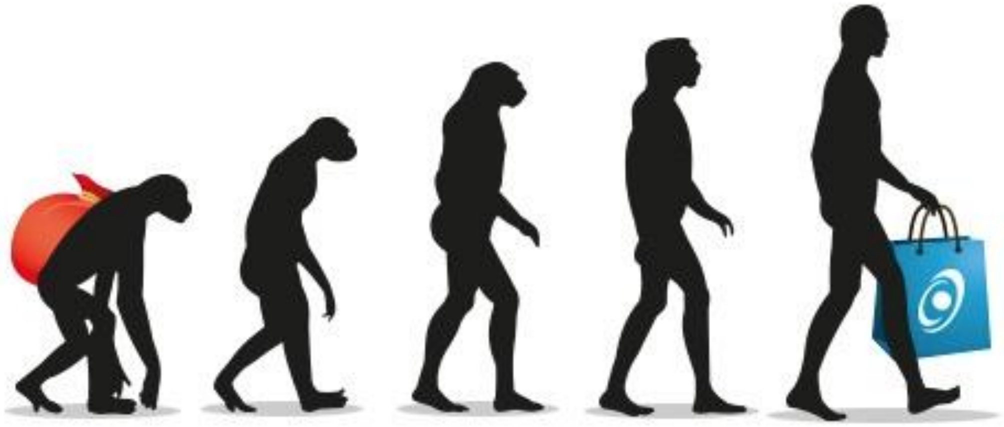
Evolution of eCommerce

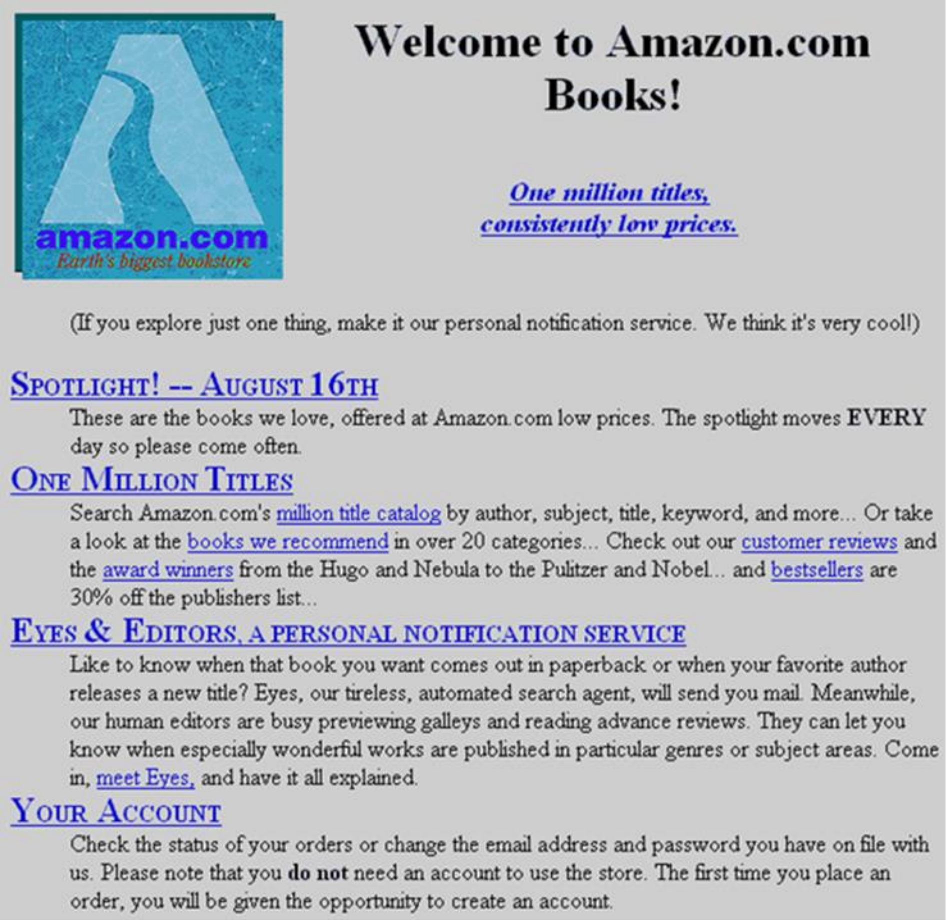
- Ecommerce transactional site with payment
- Faceted navigation
- Enhanced search
- Rating and reviews
- Internationalisation
- Currency
- Multilingual
- Multichannel
- Targeted marketing
- Personalisation



Evolution of eCommerce

Do you remember this?

- 1995 - Amazon.com, the first big online retail project, and its first interface 1995



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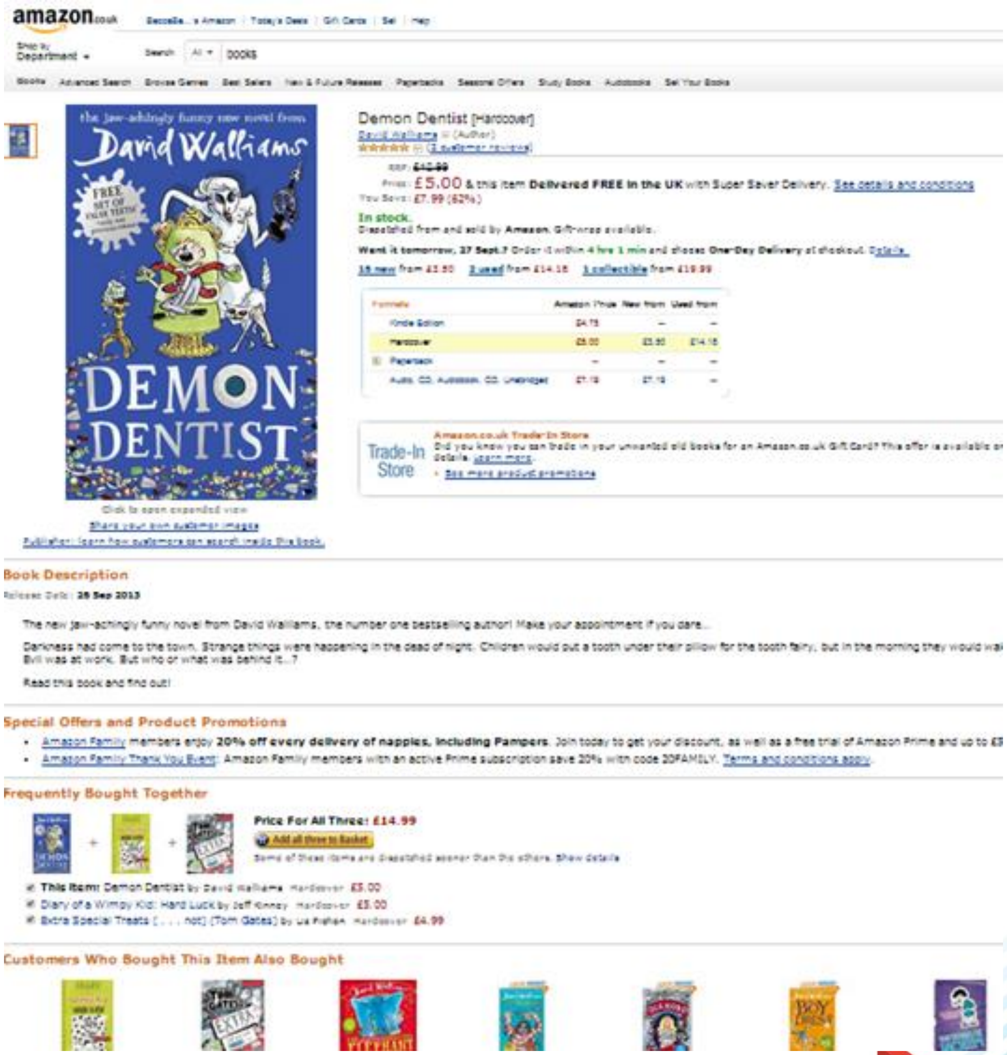
Single view – it is easier with less channels and less history! And 1 Channel. Personalised Websites Are…

2013 – Amazon.com

This is a result of understanding your customer correctly!



Demon Dentist [Hardcover]
David Walliams (Author)

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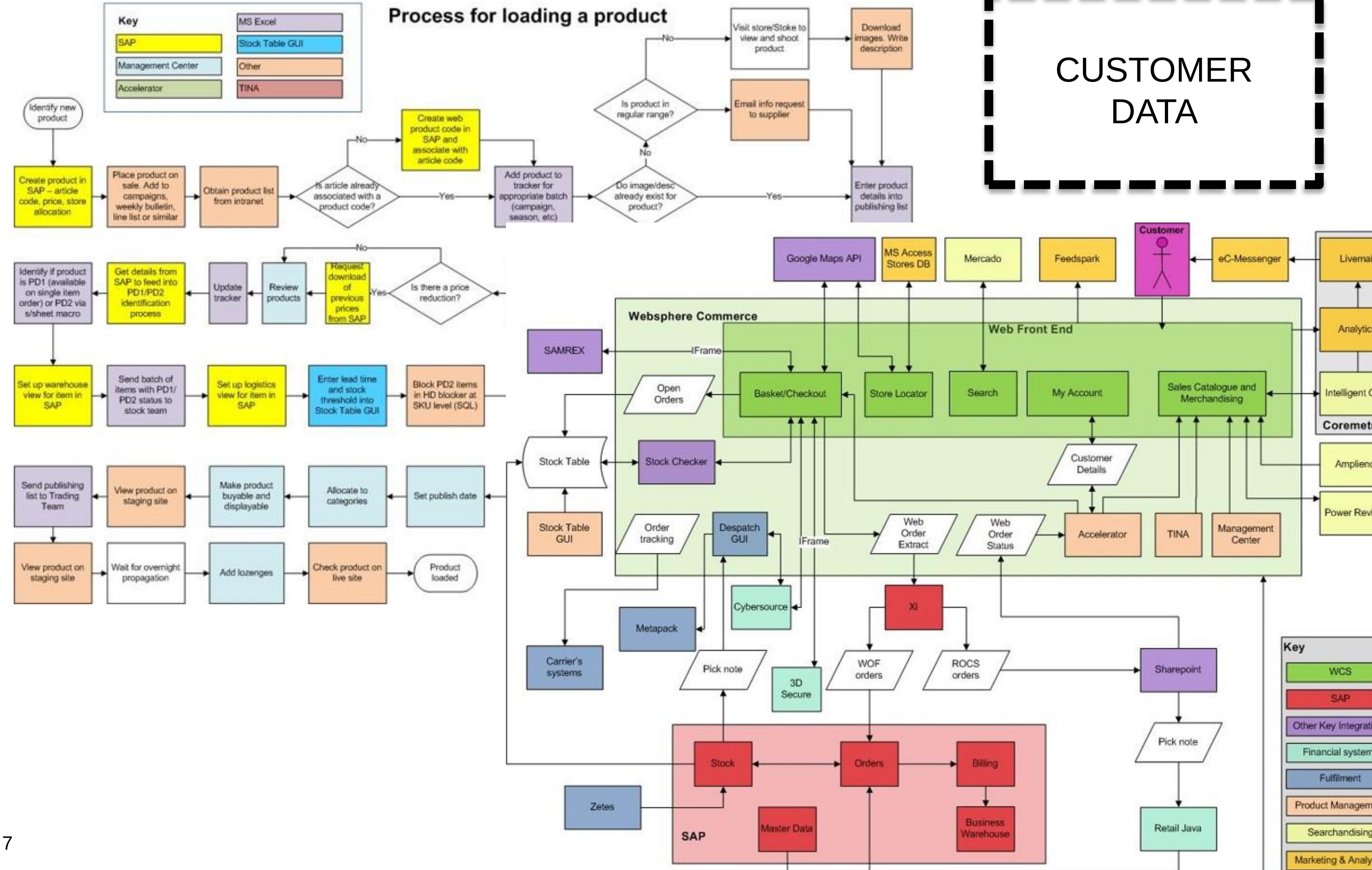
What are we looking for?

The situation and challenge

CUSTOMER DATA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Place product on sale. Add to campaigns, weekly bulletin, line list or similar
Obtain product list from intranet
Is article already associated with a product code?
No
Yes
Create web product code in SAP and associate with article code
Add product to tracker for appropriate batch (campaign, season, etc)
Do image/desc already exist for product?
Is product in regular range?
Visit store/Stoke to view and shoot product
Download images. Write description
Email info request to supplier
Enter product details into publishing list
Identify if product is PD1 (available on single item order) or PD2 via s/sheet macro
Get details from SAP to feed into PD1/PD2 identification process
Update tracker
Review products
Request download of previous prices from SAP
Is there a price reduction?
Set up warehouse view for item in SAP
Send batch of items with PD1/PD2 status to stock team
Set up logistics view for item in SAP
Enter lead time and stock threshold into Stock Table GUI
Block PD2 items in HD blocker at SKU level (SQL)
Send publishing list to Trading Team
View product on staging site
Make product buyable and displayable
Allocate to categories
Set publish date
View product on staging site
Wait for overnight propagation
Add lozenges
Check product on live site
Product loaded
Google Maps API
MS Access Stores DB
Mercado
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Store Locator
Search
My Account
Sales Catalogue and Merchandising
Stock Table
Stock Checker
Customer Details
Stock Table GUI
Order tracking
Despatch GUI
IFrame
Web Order Extract
Web Order Status
Accelerator
TINA
Management Center
Cybersource
XI
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So, does a fragmented view of customer behaviour impact the ability to deliver the right customer experience?

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THOMSON REUTERS

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Boxfresh

4

The retailers view of the current situation

‘We don't have a single view of a customer, which makes marketing and communicating timely and appropriately very challenging as a Multi channel retailer....’

Yes, we do have a single view of customer across the channels,

but to achieve that single view

online registration is mandatory prior to purchasing,

as is giving over a post code when transacting at the trade counters. As a result acquiring new customers online becomes the challenge, as although repeat custom is buoyant, it doesn't get the high basket values new customers tend to bring. So for me the single view of customer is possible,

but there are sometimes downsides that have to be factored in.

Do we have one, no.

We have a good view of our customers across store and online once they join our

loyalty scheme

and we use this to try to personalise the messages we send these customers

but we find it difficult to be agile with this data.

We have data on our non-loyalty online customers but don't do much with it at the moment.

As for **non-loyalty in store customers, we have no visibility**

of who they are beyond some in store customer research (average age, shops with etc.)

Ideally all customers would be loyalty customers but we realise this isn't the reality.

What we need to get better at is getting more value from our loyalty customers by

utilising the data in our on site messages and merchandising, personalised communication and in store sales advisor information.

Does is affect our ability to deliver the right customer experience? I think it depends on what the right customer experience is for your customer.

> **We can still offer great customer service and great product without a single customer view but that experience isn't necessarily personalised to you**
>
> and I think that's going to be one of the
>
> **big differentiators between retailers going forward**.
>
> It is more than a simple increase of services. It is an affordable effort to know the Customer and anticipate his/her needs: if a Customer wants a specific product now, it is my problem to offer it now and at the same conditions as competitors (even to mitigate the dissatisfaction of the Customer for not having found it immediately).
>
> **To study, know, analyse the Customers and their behaviours has never been so winning.**

“

Without a single customer view we are not quite flying blind, but we are not giving the customer the experience they deserve or expect;

we have got to get rid of the siloes and link our data up. The ability to offer a personalised experience, based on past behaviours is one of the key ways we can differentiate ourselves and be relevant to our customers

Does a fragmented view of customer behaviour impact your ability to deliver the right customer experience? ...Big question to which the simple answer is clearly "yes".

”

Boiling it down: the impact of not having a single view is that we will be losing customers, paying more to win customers or paying more to offer customers the services they increasingly expect.

Soon, we hope to have a thriving ecommerce site offering multiple digital products and services (deliver to store, fulfil from store, loyalty scheme, etc.) that our customers increasingly expect and find useful. This will also be available across multiple devices including mobiles, tablets and apps. It is a huge technological challenge to understand how customers' behaviour and needs differ and interact across these services and channels.

However,

ultimately, we will continue to lose customers or spend more money retaining / servicing them if we don't unify the data,

achieve that understanding and respond appropriately to lower our costs and give the customer what they want / increasingly expect.

Retail used to think customer behaviour was simple to understand online. But then we added 'Click and collect' and quickly realised that the interaction had never been and would never be a simple one.

The breadth of channels and ways to shop compound the situation.

'Straightforward' interactions such as a customer clicking a marketing email are no longer made up of just a simple desktop PC journey to track.

Customers are hopping between channels

for opening the email, researching and purchasing. A journey that started up in the inbox of a mobile phone can just as readily end with a sale in-store, on the work PC at lunchtime or on the iPad in front of Coronation Street.

Our single customer view begins to retrospectively put these pieces together to understand how marketing channels and sales channels interact in the multi-channel real world. There are still

missing pieces that mean tracking the customer journey between channels is fragmented.

With the high street under siege from pure plays, ultimately

understanding how customers shop (and want to shop) between channels will be the difference between those multi-channel retailers that succeed and those that fail.

My experience is that

it is still very early days in developing single customer view. Unless you have a loyalty device

that the customer is strongly incentivised to use in all channels then you don't really know who is shopping you cross channel.

Typically in a multi-channel retailer there will be a customer list with email being the key identifier (from newsletter sign-up, recruitment in store, purchases online). Communications may be segmented depending on what is known about the customer and how they signed up.

What is clear is that online communications are driving offline purchases but generally this is not tracked.

Mobile is key device for interaction, and potentially for tracking customers online to offline, but only if good reason for customer to identify themselves (personalised offers, etc.)

Not having single view is definitely impacting experience, especially for brands that don't control all their points of sale.

This is the next big challenge for retail - we've a long way to go. Compare the experience you get on Amazon (personalised relevant, etc.)

“

A customer journey map is a view of customer interactions within any organization; it's created by taking a walk in their customers' shoes as they purchase.

Retailers must get to know their customer

and get personal with their content and customers. They should be aware that their brand messages are at risk,

with consumers being bombarded with so many advertising messages a day.

It’s important for retailer to be stands out from the crowd – a good multichannel strategy should be customised with personalised content, extending across all channels, can be web, mobile, email or social. Basically the

quality of data retailer use is key to identify accuracy analysis and their consumer segment. ”

The best way to understand the customer is to improve your understanding of their multi-channel behaviour, enabling more relevant segmentation

and more effective one to one marketing campaigns.

You need to create a single view of the customer across all channels, this will enable real multi-channel marketing initiatives, dynamic targeting and personalisation based on their shopping behaviour. It

will also target unknown customers to help drive sales.

Summary - retailers view of the current situation

So, when we ask about a single view of the customer

> **They don’t have a single view**
>
> **Enforcing data collating has down side**
>
> **Customers are bouncing between channels**
>
> **Behaviour will change!**
>
> **They see the value and would like true single view of customer**
>
> - **It is believed to be a major differentiator**
> - **Online does drive offline purchases**
> - **It does / will drive revenue across all channels**

Complex Customer Behaviour

As this journey grows, understanding buying behaviour became more complex, action has to be taken to obtain good information and use it correctly.

Tools and automation is needed to understand what is happening and then take action.

CONNECTED COMMERCE!

Big Data – Crucial to Understanding the Customer

Big Data - When sets of customer data are so large and complex and from multiple sources it can appear impossible to process

BIG
DATA
ANALYTICS
STORAGE
TECHNOLOGIES
INFORMATION
SOFTWARE
USE
ONE
USING
GARTNER
MASSIVELY
BIOLOGICAL
WORKING
HUNDREDS
PERFORMANCE
ALSO
DISK
SHARED
TIME
RELATIONAL
TOOLS
SET
GENOMICS
WITHIN
PROCESS
DEFINITION
SEARCH
INCLUDE
SYSTEMS
NETWORKS
RECORDS
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CONTINUES
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ABILITY
SETS
EXAMPLES
APPLIED
SENSOR
ARCHIVES
ELAPSED
CURRENT
TENS
CAPACITY
PRACTITIONERS
BUSINESS
MOVING
SAN
TOLERABLE
PARALLEL
SIZE
NEEDED
PETABYTES
PROCESSING
LOGS
INTERNET
DISTRIBUTED
CAPTURE
MAY
MANAGEMENT
MANAGE
GROW
SOCIAL
LARGE
STORE
EVERY
CASE
LARGER

If it can be understood the value is exceptional.

What we are trying to do

1) Understand what data we have

2) Capture additional relevant customised data

3) Turn Data to information

4) Turn information into sales by spotting trends and opportunities

5) Implement tooling to automate the work

What Action Now!

Next steps:

- Good tools implemented well will understand and predict customer behaviour.

- Retailers can then interact appropriately to drive greater long term returns

"EMM?"

"Foundation Level?"

Thank You!

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