Also Available on the High Street……

How can you best apply your customers' preferences to drive customer loyalty in the current economic environment?

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1. Also available on the High Street….
2. Challenges of Digitisation
3. Opportunities of Digitisation
4. Supporting the All-channel Customer
5. Digitisation: What does Good Look Like?
6. Sounds So Simple

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1. Also available on the high street.......

Setting the scene (2012):

1. Retail worth £311 bn (ONS)
2. E-Retail worth £77 bn (IMRG Capgemini e-Retail Sales Index)
3. Mobile sales 12% of e-Retail (IMRG Capgemini m-Retail Sales Index)
4. Digital advertising worth £2.6 bn in H1 2012 (IAB)
    A. Up 12.6% on previous year
    B. Mobile ad-spend is 7% of all digital ad-spend
    C. Mobile search up 152% in H1 2012
5. 24% of all website visits via a mobile device (IMRG Quarterly Benchmark)

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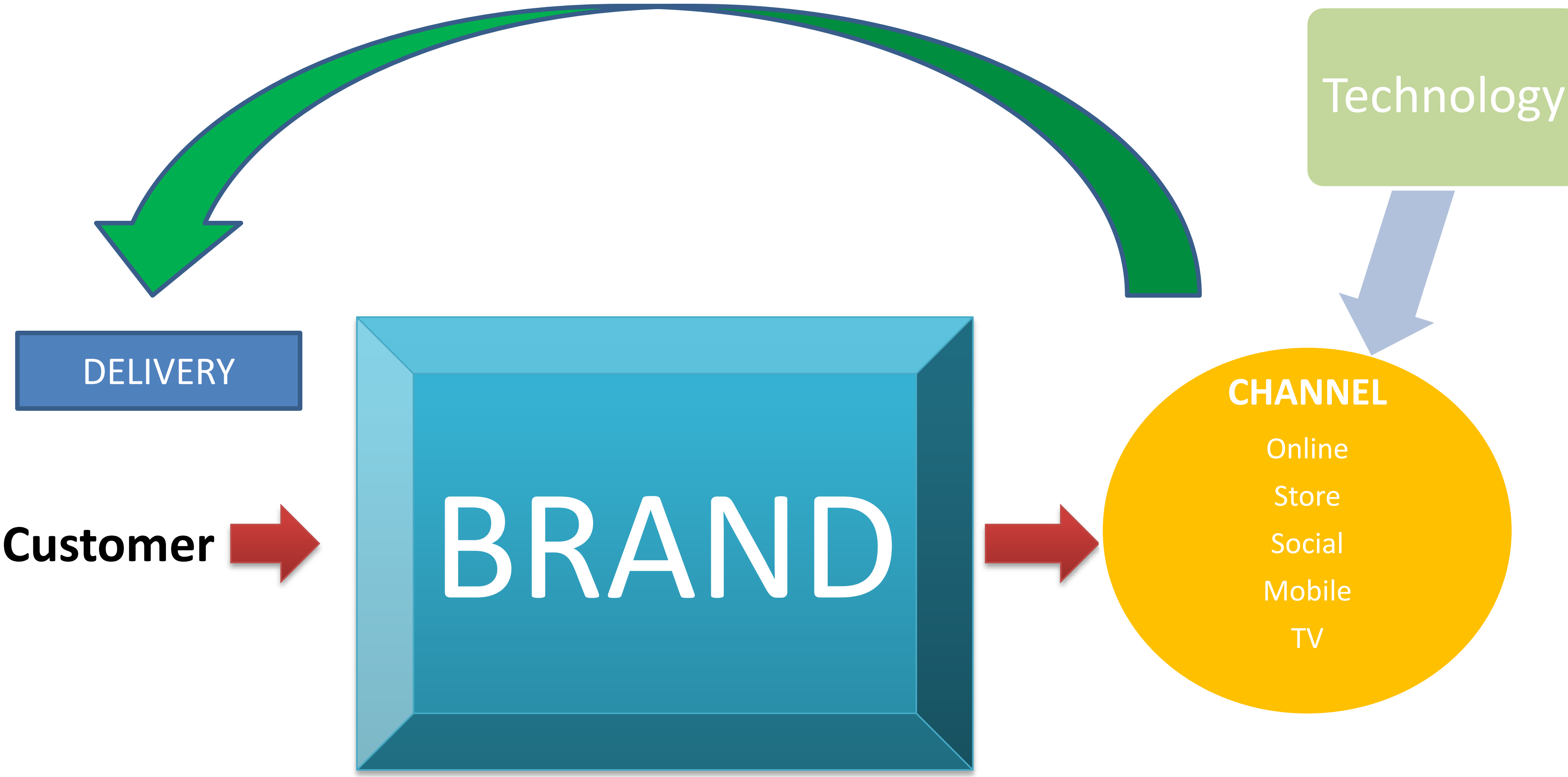
Talking of Channels, Social and Technology



2. Challenges of Digitisation

- Customers come in connected
- The pace of change
- Standing out from the crowd
- Getting it right first time
- Fraud.....
- Cross border; complications and potential

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3. Opportunities of Digitisation

- 24/7 relationships
- Understanding the customer
- Trusted point of access
- Digital store space is cost effective
- Innovation is not about size
- Cross border expansion

4. Supporting the All-Channel Customer

- The customer is changing
- Multiple connections – including physical
- Customer is getting more digital
- Point of reference is changing – increasingly not High Street first

Cannibalisation of sales – by channel

Really.....?

80%
Percentage of smartphone users who use their device for second screening
(IMRG eCSI – Oct 2012)

41%
Percentage of consumers encouraged to browse for a product on their device after seeing it on TV
(IMRG eCSI – Oct 2012)

53%
The percentage of consumers who avoid instore travel agents altogether when booking their holidays
(IMRG eCSI – Jan 2012)

Divided attention – keeping the focus

- Instore wifi
  - - link to customer reviews from shelf edge
  - - extend stock range
  - - greater customer interaction
  - - Customer Interaction – vouchers, guides, help
  - - Customer insight
  - - Geolocation in-store

29% said that they would use their mobile more whilst out shopping if free wi-fi was readily available. (IMRG eCSI - September 2012)

51% of smartphone owners are already accessing the Internet from their mobile whilst out shopping on the high street, and half (50%) of these are taking the opportunity to visit retail websites. (IMRG eCSI - September 2012)

‘Showrooming’

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The customer is changing

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Online, Offline, What line?

- Make In-Store relevant again
  - Stock checking
  - Use web estate to take in-store orders
  - Ensure customers are positively engaged before they leave
  - Customer insight
  - Geolocation in-store
  - Brand engagement

24%
The percentage of consumers for whom high street staff have checked stock using a device
(eCSI – Jul 2012)

53%
The percentage of consumers who tend to shop with different brands online than on the high street
(eCSI – Jul 2012)

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5. What Does Good Look Like?.....

- Seamless; where I want, how I want
  - Single view of customer – with caveats
    - Different channels, different requirements
    - Context
    - Data – purchasing, search, browsing
    - Personalisation can go very wrong – Don’t assume
  - Technical Support
    - Avatars, Virtual Mirrors, Dressing Room at home
    - Social networking – Digital engagement and customer support
    - Fulfilment – Order tracking, live stock positions, Click – n – Collect
    - Don’t forget returns
  - Think ‘Frictionless’!

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What do your customers want?

The retail proposition is paramount:

- Online/Offline/Multi-channel
- Store numbers
- It's about getting the proposition right to satisfy the needs of a retailer's specific model and customer base

- Delivery portfolio – 1st Time any channel.

- It isn't the technology or channels that are important for determining retail strategies; it's the customer.

The retail balance of power

The customer is king: but should not be regarded as a despot

Customers are now multi-connected and have the capacity to access brands whenever and however they choose;

communication between customer and brand has changed immeasurably.

Far from a simple contract between buyer and seller, there is a clear element of storytelling necessary within brand communication, driven by simplicity and availability.

Customer only sets the rules for how they want to hear; it is up to the retailer to keep the story interesting and engaging.

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Brand must stand for something

Become a trusted point of access: customers surround themselves with the brands and services that provide the content and experience that they want.

6. The imperatives;

- Money – target investment; don’t chase the latest ‘must-have’
- Technology empowers the relationship – Data and Trust
- Technology is changing the relationship
- The customer is changing, adapting, ever-more demanding
- But the customer just wants to buy stuff!
- It’s called RETAIL

Thank you

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