



Tips for **RETAILERS**

It's not 'multichannel', it's not 'omnichannel',
it's just 'retail'

Making it work for the customer

Technology has enabled the smart retailer to ensure that the customer is kept within the purchase journey at all times, wherever they may be physically. Channels (online, mobile, in-store) don't matter to the customer – they just want to make a purchase, and it's the retailer's business to make this easy for them. And it pays off – a customer is worth five or six times more if they don't just shop in-storeⁱ.

But the first question you should always ask when considering digitally-enabled retail is: does your approach appeal more to the Marketing department than your customers? If the answer is 'yes', you need to think again. Everything you do should make the customer's life easier, from finding a store to paying for a product. Here are our top tips for delivering a seamless customer experience, whether they're at home, out and about or in-store.

Home truths about home shopping

Convenient commerce – make it easy for the customer to shop at home:

- Make products easy to browse and ordering straightforward
- Don't make the customer work too hard to find relevant information – shipping fees, for example - and make any terms and conditions transparent
- Don't have a complex registration process – research by Forrester shows that forcing customers to register leads to an overall drop of 23% in purchase completion
- Offer the same service online as anywhere else – this counts for ordering, delivery, returns, customer service. For example, make sure your customer contact points – in-store desks, call centres and so forth – have knowledge of online orders as well as physical ones
- Don't neglect tablets – they have a conversion rate which is currently 70% higher than smartphones and has recently overtaken desktops/laptops.ⁱⁱ





Out and about

Connected commerce – keep the customer in the purchase journey with:

- Interactive marketing (eg responsive posters) – alerting the customer en route to store locations, discounts, events and so on can influence their shopping behaviour
- SMS – don't overlook it as a way to get your message across. While smartphones may offer all kinds of advanced functionality, a basic text message has the advantage that anyone with a mobile can receive it, including those with feature phones, which still account for around half of the mobile marketⁱⁱⁱ. And commercial texts have been shown to have eight times the response rate of email^{iv}.
- Special offers – time- and location-sensitive deals and offers will tempt customers in-store, and the evidence suggests that the majority (57%) will redeem mobile coupons and vouchers then and there^v.

Popping to the shops

Customer-focused commerce – consider what makes the in-store experience special.

What will make the customer get up off the sofa, leave their house and pay a visit to your store? What's in it for them to make that effort when, in theory at least, they could do it all from the comfort of their living room?

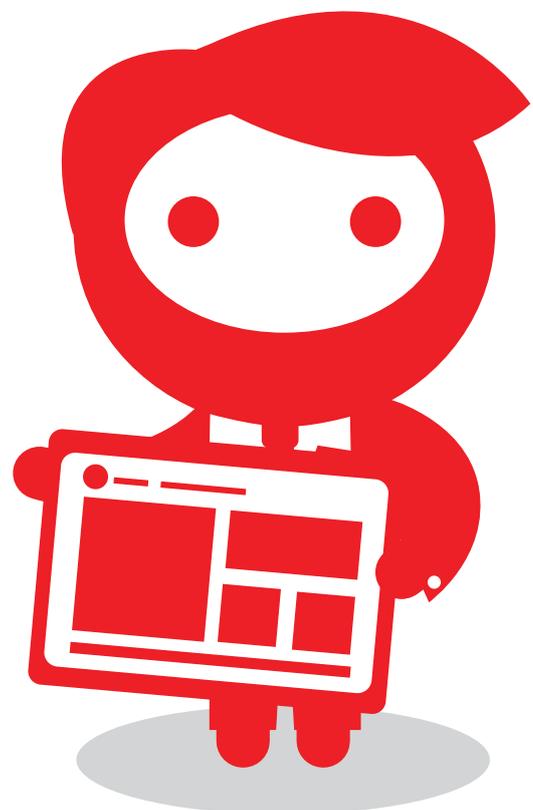
- People generally prefer a physical shopping experience – even among teens, 77% still prefer shopping in-store to online^{vi}. The 'shopping spree' is still seen as a treat which can't be replicated online – but this relies on superior customer service and empowered, knowledgeable staff, so equip them with the same technology and information as you do your customers. Our research among shop floor staff shows that 74% would feel more motivated and informed if they were trusted with a personal device, and the majority believe that this would help them increase sales^{vii}

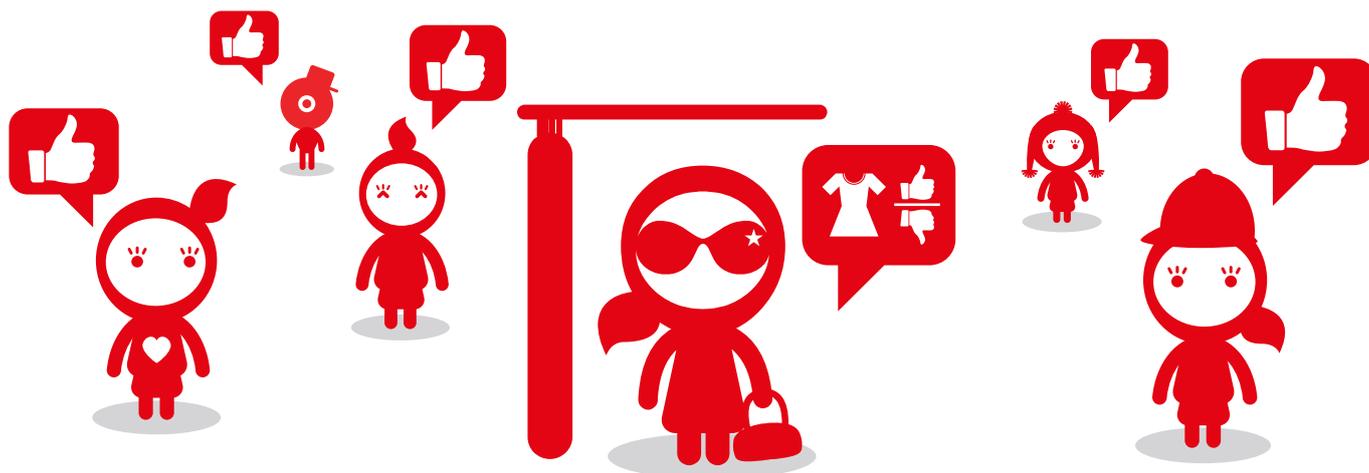
- Embrace showrooming - 70% of customers actively use their mobiles while shopping^{viii}, and mobile-influenced in-store sales are set to reach £407 billion by 2016^{ix}. Clearly the business analysts believe it's a behaviour that's here to stay, so retailers need to develop strategies to take advantage of this
- Leverage in-store advertising – it's the perfect place to promote your app or online ordering services, for example
- Click and collect is great for increasing flexibility, drives footfall, and is hugely popular with customers. For example, it now accounts for 35% of eCommerce for House of Fraser, rising to 60% for customers in the catchment area of a local store
- Reward your digital users with value-added content in-store – barcode readers, the ability to request in-store music, product-based video etc. It all helps to make them feel that they're receiving special treatment, which in turn should lead to bigger sales and increased loyalty.
- Stock – take advantage of online access to warehouses and other stores. Use online information to order, reserve or arrange for delivery – don't let local stock availability mean the customer leaves without making their purchase

Not all technical innovations are good for business. Some just muddy the waters and distract the customer from their purchase path – a prime example of marketing over customer-focused commerce.

Avoid...

- Traditional kiosks – why would customers bother to come to a store, only to browse the website (and usually in a worse way than the phone in their pocket)? For fixed digital retail to work, it needs to play to the strengths of self-service – complementing rather replacing staff, allowing users to explore products too niche or too large to keep on the shop floor, and wrapping the whole thing in an easy to use interface that is in sync with the other channels
- Gimmicks – what's the real benefit of enabling customers to try on 'virtual' goods when they're surrounded by the real thing?
- 'Computer says no' – make sure staff have the flexibility to deal with problems in any new system in a common sense manner. For example, if there is a problem with a click and collect order and the product is in stock, let them take it off the shelf (especially if the customer has already paid online). This will keep both staff and customers happy with the change





Bought and sold - what's next?

Continuing commerce – encourage loyalty and return business with after-sales engagement

- Consumers enjoy, and seek out, confirmation that they have made the right purchase choice. Use Facebook and Twitter to enable social sharing and endorsement from peers
- Give return visit/in-store rewards for purchases and social sharing
- Reviews – allow them, be open about them, don't censor negative reviews. Use the speed and reach of social networks such as Twitter to deal with customer complaints swiftly – then everyone knows you're on the customer's side. Remember that users don't entirely trust 5-star reviews or 1-star reviews – it's the 3-star ones which are seen as most truthful. Careful management of how reviews are shown on the page can make all the difference - Amazon increased its revenue by \$2.7 billion when it added a 'was this review helpful to you' button, which made ranking by star rating much simpler and eliminated the focus on just positive or negative reviews
- Track and reward loyalty across all platforms – use it to increase footfall. Bought online? Reward in-store
- Have an 'as you like it' returns policy – let the customer return goods however they choose. Don't make a click and collect customer return something via post – they picked it up in-store, let them return it in-store; the ability to use click and collect to immediately try out goods, and return if needs be, is a good conversion driver for online customers who might be on the fence about an item

The single most important tip is very straightforward: make it work for the customer. Your internal operations and business channels should be entirely invisible to them – they don't want or need to know that warehousing for online orders runs separately to warehousing for in-store, for example. They just want to find out what they need to know, either from a well-constructed, simple web/mobile site or from well-equipped staff who know more about the product than they do, and receive their purchases on time and in good order. It's not 'multichannel', it's not 'omnichannel' – it's just 'retail'.

i Source – Oracle. ii Source – Econsultancy. iii Source – Gartner Q1 2013 mobile sales report. iv Source - Cellit SMS analysis for retail.

v Source - IAB/Viggle survey2013. vi Source – Pew Research. vii Source - Red Ant/OnePoll research into 1,000 shop floor staff and their behaviour.

viii Source – Google 'Our mobile planet'. ix Source - Deloitte

About Red Ant – Technology for smarter retailers

Red Ant partners with retailers to deliver smarter ways to engage with customers through connected mobile experiences. Our connected experience platform RetailOS joins up all your devices and touch points to deliver a seamless shopping experience. RetailOS fully integrates with your existing technology and data sources for an enhanced customer experience to drive engagement and loyalty.

Connected retail experiences

Delivering a seamless shopping experience across mobile, tablet, kiosk, wearables and in-store displays

Personalised customer loyalty

Engaging and rewarding to make every customer feel like a VIP whilst capturing valuable shopper insight

Smarter customer service

Empowering employees with valuable customer insights and knowledge with our cognitive sales advisor and trainer

Founded in 1999, Red Ant has been part of the evolution of digital and consistently at the forefront of innovation and technology change with our strategic partners including IBM, Samsung, and Hybris. In 2014 Red Ant won the IBM Watson Mobile Developer Challenge, and is currently the only company in Europe using the unique capabilities of IBM Watson to develop next-generation retail apps.

Red Ant – Working. Smarter. Together.

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