

# ECOMMERCE PLATFORMS



September 2011

an internet retailing special report

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# Editors' comment

Welcome to the latest in our occasional series of *Internet Retailing* supplements. This issue our focus is on ecommerce platforms. In the coming pages we'll be looking at key issues and questions for retailers who are looking to invest in new technology.

Over the last decade ecommerce has proved that it's capable of adding value to the retailer's bottom line. Indeed, it's currently the only part of British retail that is growing consistently. The latest IMRG/Capgemini figures showed UK online sales up by 11.5 per cent in July 2011 compared to the previous year – and this was the lowest growth for 18 months. Despite this relatively weak performance, their growth rate far outstripped that of the country's retail sales as a whole, which grew by 0.6 per cent in value in July compared to the previous year, according to figures from the British Retail Consortium.

Consistently the figures show that cross-channel retailers benefit from higher levels of online growth than pure-plays do – so it's likely that more retailers will be looking at the kind of technology they need in order to offer services such as order online, collect in store; return in store, and the ability to buy from a mobile phone. Certainly, Mark Adams of Portaltech tells us in our cross-channel experience feature (page 16) that “if retailers aren't multichannel retailers they won't survive”.

The future, according to David Hogg of IBM Sterling Commerce, interviewed for the same feature, will lie in still more sophisticated services. He foresees a future where customers buy from tablet-wielding shop assistants, and order an item to be delivered directly to a relative at the same time.

But it's not only the technology and services that are developing. How retailers interact with their customers is also changing. In our customer engagement feature (page 28), we examine how retailers are now working to become trusted advisers to customers, developing two-way relationships – and how ecommerce platforms can help traders to achieve this.

So, just what is the technology required to enable merchants to cope with a cross-channel, retailer-as-trusted-adviser present, while allowing for further growth in the future? What exactly might retailers be aiming to achieve? And once strategic goals have been set, how should retailers go about achieving these? These are all questions we explore in this supplement.

We do that through the framework of six key areas that retailers need to consider as they plan their technology requirements for the future: web interface, merchandising, cross-channel experience, strategy, logistics and customer engagement.

In the web interface section (page 8), we take a look at how customers now routinely expect sophisticated features such as rich media and explore how the deployment of these technologies needs to be properly thought through. “Demanding new users expect a seamless, well-designed interface,” says Catriona Campbell, founder of usability specialists Foviance. “This goes without saying. However, it happens less than we would like to think.”

In our merchandising feature (page 12) we look at how the presentation of products can improve customers' online experience and ultimately lead to higher profits; while our cross-channel experience section (page 16) considers the need for a platform to service a multiplicity of channels, on and offline – and how best to approach that task.

Our logistics feature (page 20) gives a practical guide to how retailers can best find their way through the problems associated with delivering goods where and when customers want them. Patrick Wall of delivery management specialists MetaPack says that not only do retailers need to ensure they deliver on their promises, they also need an effective way to give customers choices about how they take that delivery.

In the strategy section (page 24) we run through questions merchants need to consider when choosing the type of ecommerce platform that will best suit their organisation. In a consolidating market, we also consider how the nature of the platforms on offer is changing.

Finally, our customer engagement section (page 28) considers among other issues how social media is helping to develop new relationships between retailers and consumers. We discover it's no longer just enough to sell things – today's marketing is about knowing and understanding those who buy from you in order to give them the kind of service they demand.

We hope you find this supplement useful. If you have comments, questions or suggestions for future supplements, do contact us. We can be reached at [chloe@internetretailing.net](mailto:chloe@internetretailing.net) or [jonathan@internetretailing.net](mailto:jonathan@internetretailing.net).

## INTRODUCING OUR SUPPLEMENT EDITORS

Chloe Rigby has been writing about business issues for the last nine years. A former business editor of the *Bristol Evening Post*, she has written for a wide variety of online and offline publications. [chloe@internetretailing.net](mailto:chloe@internetretailing.net)

Jonathan Wright earned his e-stripes on the UK launch of *Business 2.0*, which rode the crest of the dot.com wave back at the turn of the millennium. Since then he's been writing about subjects from entertainment to alternative investment for a variety of print and online audiences. [jonathan@internetretailing.net](mailto:jonathan@internetretailing.net)





# CONTENTS

08

**04 EXPERT OPINION**

WHAT NEW ASPECTS OF RETAIL DO ECOMMERCE PLATFORMS NEED TO EMBRACE IF THEY'RE BETTER TO SERVE THE CUSTOMER IN A CROSS-CHANNEL WORLD?

**07 CASE STUDY**

LK BENNETT

**08 WEB INTERFACE**

GETTING MORE FROM RICH MEDIA FEATURES

**12 MERCHANDISING**

HOW ECOMMERCE PLATFORMS CAN HELP DRIVE SALES

**16 CROSS-CHANNEL EXPERIENCE**

ENSURING CONSISTENCY ACROSS CHANNELS

**20 LOGISTICS**

THE COMPLEXITIES OF CROSS-CHANNEL DELIVERIES

28

**24 STRATEGY**

KEY FACTORS TO CONSIDER WHEN CHOOSING AN ECOMMERCE PLATFORM

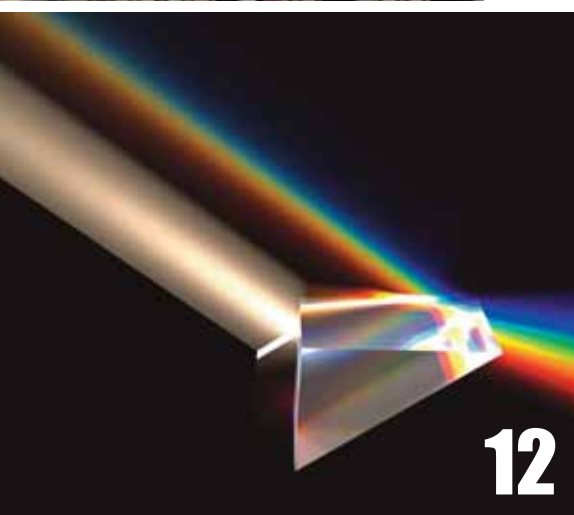
**28 CUSTOMER ENGAGEMENT**

START A CONVERSATION WITH THOSE YOU WANT TO REACH

**31 CONCLUSION**

BIND TOGETHER CROSS-CHANNEL OPERATIONS

20



12



16

**Editor:** Emma Herrod Tel: 07801 282729

E-mail: [press@internetretailing.net](mailto:press@internetretailing.net)

**Editor-in-chief:** Ian Jindal

**Design:** Alex Goldwafer

**Production Manager:** Tania King

**Web Editor:** Chloe Rigby

E-mail: [chloe@internetretailing.net](mailto:chloe@internetretailing.net)

**Publishing Director:** Chris Cooke

**Account Director:** Rob Prevett

Tel: 020 7933 8999

Fax: 020 7933 8998

E-mail: [robp@stjohnpatrick.com](mailto:robp@stjohnpatrick.com)

Internet Retailing

St John Patrick Publishers Ltd,

6 Laurence Pountney Hill, London EC4R 0BL

Printed in Great Britain.

ISSN 1759-0582

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# WHAT NEW ASPECTS OF RETAIL DO ECOMMERCE PLATFORMS NEED TO EMBRACE IF THEY ARE BETTER TO SERVE THE CUSTOMER IN THE CROSS-CHANNEL WORLD?



**E**commerce platforms need to embrace the convergence of social and mobile as a minimum in today's retail market.

It is time to move beyond standard social interactions based around 'likes'. We need fully to adopt the concept of the social graph in order to unlock the proverbial Pandora's box of consumer information. This will enable brands to understand more about the consumer than ever before. Individuals freely give information about themselves to social networks, oblivious to or just accepting the fact that it will, in reality, be used to allow brands to engage with them in a highly targeted way. Brands are now able to build physical profiles of consumers whom they may never have engaged with previously.

By embracing the technology that has been opened up to us in recent years, we are able vastly to extend social interactions and therefore retail interactions. Consumers visiting their favourite stores (if you have retail outlets, you'll know that you cannot shy away from in-store crossover) could, for example, receive a 15 per cent off promotion direct to their smart device based not just on location, but also on their interests from Facebook, age, sex and any previous purchases. We have the power to provide personalised, targeted promotions, which are

almost guaranteed to interest the consumer and will ultimately reduce the number of returns, as all promotions will have been accurately tailored using information exclusive to them.

Ecommerce platforms will be able to extend their reach into the offline world through social and mobile, using them to enhance overall service delivery and effectively close the customer sales loop. Shop assistants will be able to identify a customer who has 'checked in', help them with their shopping and then connect with the customer after the store visit with a request for a customer service rating. Alternatively, the consumer could use near field communication (NFC) to load his/her mobile basket with items of interest and then purchase at a later date, or send them through to the cashier for pick-up later that day. Use of social and mobile technology will enhance customer experience and allow brands to create a single customer view.

The future of ecommerce platforms is not simply online – it's in true cross-channel retail and the convergence of these channels for that single, holistic view of the customer.

*Paul Bidder, managing director*  
[www.colonycommerce.com](http://www.colonycommerce.com)



## PORTALTECH

If we look back over the last 12 months, it is plain to see that ecommerce platform vendors as well as leaders in ERP and CRM have really begun to understand the business opportunity that exists through supporting cross-channel retail. This has certainly been proven by the recent acquisitions that Hybris, Oracle and IBM have made to extend their cross-channel services and software propositions. What the ecommerce vendors have realised in particular is that the Holy Grail is to be responsible for managing and supporting customer interaction across all channels. In my view, we will see further consolidation and improved functionality from technology vendors properly to support a single customer view across all channels.

We have been talking about a single customer view for a number of years, so there is nothing new in the concept or our understanding of what could be achieved once we have it. In practice though, it is an extremely difficult concept to execute, largely because it is hard to define a single customer identifier that will allow us to track the customer as they move through a buying journey, especially when that journey touches non-digital channels (store, direct mail). Some of the leading ecommerce platforms can support a single customer view across digital channels (web, mobile, call centre) and, through using advanced personalisation coupled with the use of analytics vendors such as Hybris, are able to track, target and optimise the customer experience appropriately in the channels that their technology controls.

The missing piece of the puzzle, however, is that once these customers switch to a non-digital channel, we either lose that tracking capability or have inconsistent data to understand what is happening. Without this knowledge, retailers cannot execute their multichannel strategies as effectively as they would like. Since we know through research the multichannel customer is more valuable than any other, this presents a significant challenge.

The smart ecommerce vendors already recognise this issue and I think we will see them addressing it over the next year or two. The Hybris acquisition of iCongo for example, whilst bringing greater size and scale to their business operations, is about providing their customers with a suite of applications that can manage customer interaction across the web, mobile, call centre, print and in-store. This in effect does two things. Firstly, it solves the issue of a single customer view by closing the loop on the end-to-end customer

journey. Secondly, we now have a single view of enriched product information by channel with a single view of stock through unified order management/warehouse management applications, allowing retailers to trade with up to the second information about what is happening across their entire business.

Whilst Hybris have got there first in terms of a single stack of applications for end-to-end customer interaction across the enterprise, Oracle and IBM also have this capability through the various software platforms they own. The key for them will be pre-integration of the stack, making it simpler and more cost effective for retailers to deploy.

So to answer the question – what new aspects of retail do ecommerce platforms need to embrace? – my opinion is their focus should be on delivering a concept that has been around for while: the single customer view. Through extending (or pre-integrating) their platforms to manage customer interaction across all channels with a single set of business tools they will solve the single biggest challenge cross-channel retailers have today. For sure, ecommerce platforms will continue to innovate in other areas such as mobile and social commerce but in comparison these applications are more straightforward to develop and integrate. When you consider the budgets associated to mobile development (£100,000 even among tier one retailers is typical) and the budgets associated with multichannel integration projects, which run into the millions, you begin to understand just where ecommerce platforms should be focused in the short to medium term.

Finally, what I think will be interesting as a general industry trend is the battle amongst software vendors for customer ownership. As a software vendor whether ecommerce platform, ERP system or CRM provider your value tomorrow will be based on how well you solve the single customer view issue. Already ecommerce platforms, in particular Hybris, have laid down a challenge to the traditional players in the ERP and CRM space to say, we can own the customer journey from catalogue, to mobile site, to website, to in-store, to call centre and any variation in-between. The battle for customer ownership has begun.

*Mark Adams, director, Portaltech*

*Portaltech is a European leader in the implementation and integration of ecommerce and multichannel retail systems*  
[www.portaltech.co.uk](http://www.portaltech.co.uk)

# WHAT NEW ASPECTS OF RETAIL DO ECOMMERCE PLATFORMS NEED TO EMBRACE IF THEY ARE BETTER TO SERVE THE CUSTOMER IN THE CROSS-CHANNEL WORLD?



**E**commerce has gone from fringe to foundation and ecommerce platforms are now serving as the core engines powering cross-channel commerce operations.

The ecommerce platform can capture information in multiple channels, aggregate it into a view of the customer, leverage content and interaction history for use in other channels, and paint the full picture of the multichannel-enabled business. An ecommerce platform can elegantly deliver the information and services needed by most selling applications – web, kiosk, call centre and mobile. No longer just a web solution, ecommerce is becoming the foundation for all customer-facing commerce requirements.

The key cross-channel demands driving Red Technology's ecommerce platform vision and development roadmap:

- A flexible storefront that seamlessly handles multiple device types, for example, PC, mobile, tablets, kiosk and point of sale
- A CMS that unifies the requirements driven by fast

broadband speeds for rich media experience, as well as social media creating consumer demand for personal information sharing, reviews, ratings, Q&A, forums, recommendations and more.

- A sophisticated promotions engine capable of powering channel-specific targeted and personalised offers and advertising.
- A multi-site toolset that creates new opportunities by market segmentation, including International and long tail.
- Customer self-service improvements, leveraging buying lists (pre-order, scheduled, recurring, wish list), order history, pick-up, and return options that mix online and in-store.
- Web services and sophisticated workflows enabling the integration of data solos across the organisation.

*Red Technology, based in Oxford UK, authors the cross channel tradeit ecommerce platform.*

[www.redtechnology.com](http://www.redtechnology.com)



**T**he days of the standalone ecommerce platform are over. The ecommerce platform as an independent entity, plugged into a set of back-end systems, can no longer meet the needs of retailers who are increasingly dependent on multichannel revenues.

Ecommerce has created an entirely different trading environment for retailers. It's an environment full of opportunities, but it also brings challenges. Platform providers must now offer broader technology solutions to fill the gaps that currently exist.

Take CRM as an example. For every retailer with a successful loyalty scheme that lends itself to multi-channel analysis, there are numerous other retailers that do not have any such thing. How do you segment your customer database effectively and carry out measurable marketing campaigns that you can finesse over time? How do you know who wants to talk to you via Facebook rather than the telephone? How can you work out which are your profitable customers? We've all heard horror stories about CRM projects going wrong and that's why it is up to the ecommerce platform providers to deliver tried and tested solutions as part of their technology stack.

The same can be said for order management and product information management. For far too long they've either been

adjuncts to the front-end solution, or they're the main event, with the other elements tagged on. Supply chain and merchandising play a huge role in the multichannel customer proposition and retailers require (and deserve) flexible, scalable systems that serve the website but also the other channels.

The need for a holistic solution is not limited to the backend: any ecommerce platform absolutely must be able to extend so that retailers can take advantage of new devices and channels. It is simply not acceptable for a platform to focus on the PC-using shopper. Retailers must be able to serve mobile and tablet browsers from their core ecommerce platform, with a single set of manager tools that they can use to refine channel-specific strategies. The same for international retailing – multinational sites must be easily extensible to serve key markets.

Ecommerce has evolved and is now at the hub of the multi-touchpoint retail business. We ecommerce providers must deliver technology solutions that successfully support this.

*Sarah Lynch, development director, Snow Valley*  
[www.snowvalley.com](http://www.snowvalley.com)

# LK BENNETT

**F**ounded in London in 1990, British fashion house LK Bennett is a luxury high street retailer, renowned for its sophisticated collections of shoes, womenswear and accessories. In addition to its online business, LK Bennett enjoys a successful retail presence, with 115 stores and concessions across the UK, Ireland and France.

## The Brief:

LK Bennett came to Portaltech because they wanted:

- To re-platform in a 12-week timeframe for a go-live date of January 27th, 2010
- A flexible content management system that they could update and manage internally
- The ability to create and manage powerful promotions internally
- A platform that would support multichannel retailing
- A platform that was robust, flexible and scalable
- A future-proof solution that could be easily expanded to include multi-language and currency
- To provide an improved user experience
- To improve the display of product and brand
- A platform that loaded images quickly

## The Solution:

LK Bennett selected Portaltech in October 2009 and immediately established a collaborative style of leadership with Portaltech – with both partners taking a best of breed approach to utilising the very best skills, services and innovations from a range of technology service suppliers, to support and achieve LK Bennett's brief.

The go-live date of January 27th and the 12-week timeframe determined the shape of the project. With this in mind, Portaltech recommended LK Bennett use the Portaltech ecommerce Accelerator, powered by the Hybris platform. This platform would not only deliver the flexibility and functionality that LK Bennett requested, but would also allow them to manage their existing online, catalogue and retail channels. It also provided the ongoing scalability and multi-currency capabilities the company required for the long term.



Because of the challenging timeframes involved, Portaltech & LK Bennett conducted a highly detailed 'Discovery Phase' early on, to establish and determine the key business objectives, critical functional specifications and deliverables for the website and platform.

"The functional specification looks great, one of the best I've ever seen, especially considering the timeframe it was produced in," says Kate Smyth, ecommerce director, LK Bennett.

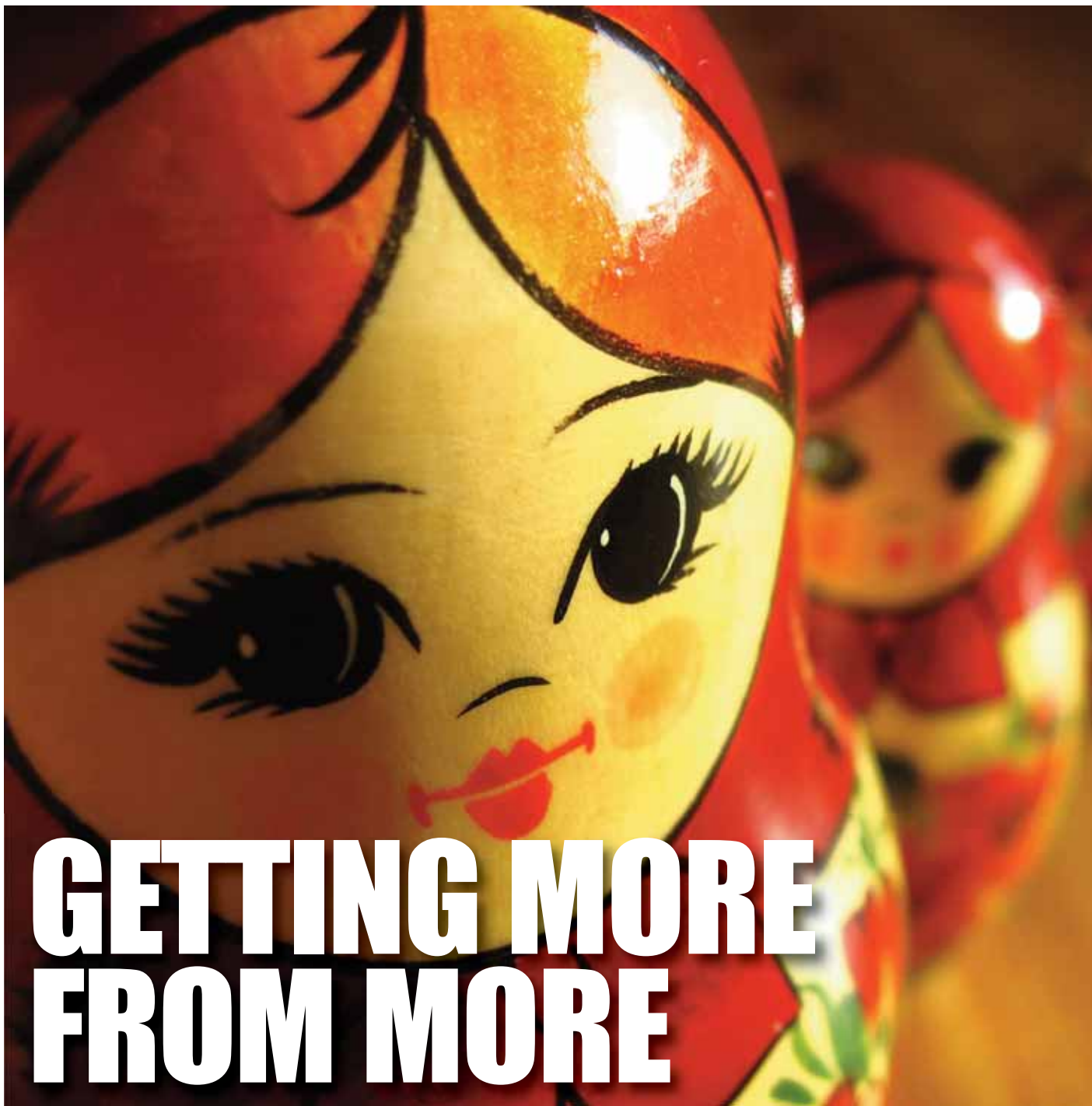


## Measurable benefits since launch:

- The website went live, on budget, on 27th January 2010
- Net retail sales increased 103 per cent YOY in the first five weeks after launch and by 70 per cent on the previous season
- Customer conversion rates increased 100 per cent YOY, in the first five weeks after launch and by 40 per cent on the previous season

- LK Bennett are trading 70 per cent up against forecast, to date
- The Hybris platform has empowered LK Bennett to manage their brand, build their business and drive their trading in a way that was impossible before
- The rich media capability provided by 10CMS enables the LK Bennett team to manage their brand image, marketing communication and improve consumer usability. LK Bennett can use stunning aspirational lifestyle shots, with hot spot overlays, that not only cross-sells a total outfit look, but also provides product information faster, reducing the number of clicks customers have to make to find products they like and add to the basket
- Winner of the IMRG Awards for excellence 2010, for 'Best website re-brand/re-launch'
- Winner of Retail Systems 2010 'Best SME Online Retailer'

Kate Smyth, ecommerce director, LK Bennett: "The timelines for this project were exceptionally tight, so it took absolute commitment from all the teams involved to produce the final high quality site. The response has been incredible from the increases we've seen in trading to the feedback from our customers. As an ecommerce team, we have been really thrilled with how straight forward the platform is to use and we are really benefiting from the management we now have over our online presence." ■ [www.lkbennett.co.uk](http://www.lkbennett.co.uk)



# GETTING MORE FROM MORE

TODAY'S ECOMMERCE PLATFORMS NEED TO WORK WITH AND SUPPORT A HUGE ARRAY OF FEATURES ON DIFFERENT DEVICES. AS **JONATHAN WRIGHT** REPORTS, A COMBINATION OF FLEXIBLE TECHNOLOGY AND UNDERSTANDING YOUR CUSTOMERS IS KEY

**W**

hen it comes to digital design, it's no longer enough loftily to say less is more. That's not to deny the importance of uncluttered and intuitive interfaces, it's

rather an acknowledgment that consumers increasingly expect what would once have been bells-and-whistles features – from rich media such as video to genuinely useful

personalised recommendations and much else besides – to be standard.

This is a comparatively new development. Even over the two years or so that *Internet Retailing* has been producing these supplements, methods employed by trailblazers such as ASOS or Nike have been adopted by other companies. In part, this is because broadband is no longer a novelty, but more akin to a utility. It's also about the

emergence of a generation that can't imagine life without digital technologies and has high expectations of these technologies.

"Demanding new users, digital natives aged between 16 and 25, expect a seamless, well-designed interface," says Catriona Campbell, founder of usability specialists Foviance. "This goes without saying. However, it happens less than we would like to think."





There's a further complication here with the emergence of new kinds of devices. Where once retailers could at least assume that digital customers were interacting with the company via the fixed web on a PC, that's no longer true. "We've got one client at the moment that's got almost 10 per cent usage on iPad," says Ben Morrison, head of web development at cross-channel specialists and platform providers BT Fresca. This figure, he adds, is far above any other client, but it's still an indication of where the industry is going.

### **DON'T REACH FOR THE KITCHEN SINK...**

In such circumstances, retailers could be forgiven for deciding simply to throw

resources at the latest technologies in a bid to keep up. In reality, it's often not that simple to bolt on such technologies to legacy systems and an existing ecommerce platform (which often won't have tools such as email marketing and social features as standard). Moreover, as Catriona Campbell has already hinted, this would anyway be a mistake. Introduce digital offerings that are poorly thought through and customers are unlikely to be impressed.

But if throwing the kitchen sink at the problem won't work, how should retailers go about rolling out the latest rich media? What degree of support should companies offer to customers using mobile interfaces? Is now the time to get serious about personalisation and social media?

As explored in the strategy feature on the key factors to consider when choosing an ecommerce platform (page 24), part of the answer to these kinds of questions lies in understanding exactly what your company does and where it's going. But there's an important caveat here: unless you understand what your customers want, how can you understand what this macro-vision should be?

Within this context, it's important to recognise that it's often customers who are driving change. Catriona Campbell outlines just one example. "The ability to save shopping lists created to purchase at a later stage is very popular with [digital natives]," she says, "as they often co-browse [with friends]." In addition, many of these customers might want to save a list on a mobile but buy later on a desktop PC where it's easier to enter payment details.

Of course, you might expect younger customers to value such features, but there's also plenty of evidence to suggest that older consumers too are adapting rapidly to new technologies. It is, after all, these older consumers who are usually best able to afford smartphones and iPads. It's intriguing to note here that when Marks & Spencer, not widely known for being on the cutting edge, introduced its mobile offering, it opted for a fully functioning mobile website rather than messing around with apps.

### **WASN'T BORN TO FOLLOW**

The M&S example is instructive for another reason too. Retailers can't just be reactive to what their customers are doing, they need to lead. This greatly explains why the company made such a significant investment. One way to get ahead of customers is to try out new technologies early, something advocated by BT Fresca's Ben Morrison.

**“ Demanding new users, digital natives aged between 16 and 25, expect a seamless, well-designed interface ”**

Sure, he would say that, but he also highlights the need for multivariate testing to prove the numbers stack up, that using rich media demonstrably increases conversion rates, rather than introducing technology for technology's sake. (Although of course even try-it-and-see test deployments have a cost.)

"We don't just wait for clients to come to us," says Morrison, describing BT Fresca's approach, "but we proactively go to them and say, 'Look there's this technology and we believe that you could use it today, why not try it?'"

Morrison also emphasises the need for flexibility so that, for example, an ecommerce platform's content management system can cope with different types of video and rich media rather than being prescriptive, and so that it's easy to use tools such as 10CMS or Adobe Scene 7. (For more on the different features to look for in ecommerce platforms, see merchandising, page 12.)

As we move forward, this need for flexible technology will only increase as companies deliver rich media across different channels. Take something as apparently simple and straightforward as an e-catalogue. The idea of flicking through pages digitally has been around for years, yet it's suddenly taken off with the introduction of tablet PCs, perhaps because the idea makes far more sense when you haven't got to contend with a keyboard and mouse.

The best of this new breed of e-catalogues, says Max Childs, senior marketing manager, EMEA for rich media specialists Adobe Scene 7, work with the way people use tablets, devices often accessed when consumers are relaxing on the sofa in the evening. "They're very much orientated towards branding, so really what we're looking at is a tool that people are using to engage people in their leisure time," he says. "The beauty of it being web-connected is that you can then link through to the store to buy." This link-through should, of course, be seamless.



## empowering brands to sell to a social world

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## ALL ABOARD FOR FUNTIME

The idea of customers wanting to be entertained by retailers won't just play out with tablet devices either. The collision of gaming and retail, says Catriona Campbell, will be crucial in the next few years.

"Making shopping interfaces pleasurable and engaging will be essential," she says. "As margins get squeezed on product, there have to be other design differentiators. Lego is a great example of using 'game mechanics' to sell items. Their Lego hero factory online store allows you to build your ideal Lego hero, name him, and then buy him. Nike too started this a while ago when they introduced personalised Air Jordans."

Again, ecommerce platforms need to be adaptable enough to cope with such complexities. This is no longer a world where retailers are essentially selling items from a static online catalogue that's only accessed via a desktop. This is a dynamic, constantly changing environment.

Nevertheless, it's important to realise that just because you can do something, it doesn't mean you should. "That even now is one of the larger challenges for retailers: which media do they use when to engage with their customers in the way they want to be engaged with?" says Max Childs. "Someone's expectations and desires from a brand will be different if they're on the website compared to if they're on a social networking site, or if they are having a surf on a tablet device or if they're receiving an email offer. You need to use the channels in different ways."

Even within a channel, there are subtleties that revolve around what different customers want, a theme taken up by Ben Morrison in relation to mobile. "Some customers, for example, are very brand-loyal, they want an application on their mobile so that when they walk past a store and the dress they were looking for has gone on sale, they get their mobile phone vibrating to say, 'Come into this store now and the product you're looking for is here,'" he says. "For other customers, they're looking at using the mobile channel just to browse on the way to work so it's a slightly different experience again."

“It's important to realise that just because you can do something new with technology, it doesn't mean you should”

## CHANGING PATTERNS OF BEHAVIOUR

"I think looking at how different people will look to use their mobiles is really important. We're seeing an emergence of people who pick up their mobiles first thing in the morning, going through their emails and connecting to ecommerce sites through email marketing campaigns, so it's looking at making sure you give optimum performance even at peak usage as well as offering content, promotions and delivery options tailored to these users."

Ben Morrison, head of web development, BT Fresca



## WHAT THE EXPERTS SAY



## SOCIAL SEARCHES

"Search needs to be optimised using software bolt-ons which are intelligent such as [information management software] Endeca. This solution is used by the majority of large retailers in the US, and for time-poor consumers it's a must when they are shopping and have been led to buy an item from a social source."

Catriona Campbell, founder, Foviance

## BACK TO BASICS

"The product really is the hero. All the navigation and other information on the website shouldn't get in the way of bringing a fantastic customer experience to the consumer because that's what will engage them, in the same way that if they're in store then you want to offer a really engaging in-store experience."

Max Childs, senior marketing manager, EMEA, Adobe Scene 7



## GOING TOO FAR

Catriona Campbell adds another warning. "Increasingly, brands are adding functionality and content that is inappropriate and interferes with their customer journey to buy goods," she says. "For instance, the customer experience on Amazon is now, I would argue no better than that of any other site."

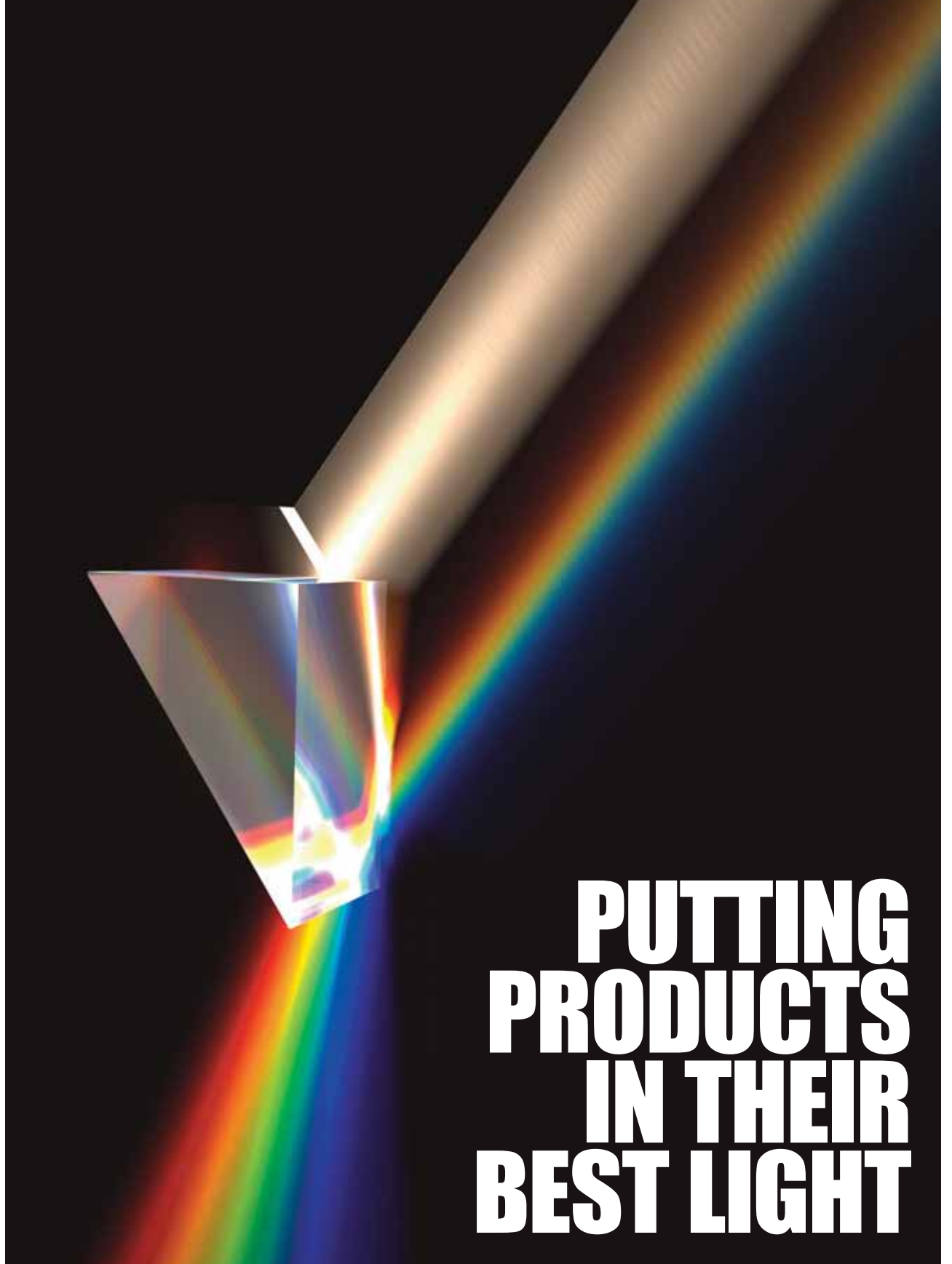
Campbell criticises the company's decision to accept Amazon Marketplace sellers. These, she says, introduce 'dark patterns' because consumers no longer have a clear idea of who is selling items, when these items will be delivered and what the costs will be. "Although there is an implied level of trust associated with being on the Amazon platform, the user is still nervous to buy a number of goods from the site from a variety of suppliers because of repeat delivery costs, etc," she says. "In my view, the brand Amazon itself is suffering."

Another area that illustrates potential trust issues is personalisation. Going

forward, this is going to be a key area that retailers have to think about. "I certainly appreciate it if I go on a website and they show me information that is relevant to me. In the same way, if I get an email from a sports store, or whatever it may be, if they are showing things that I'm interested in, then that's fine, I don't mind that interruption," says Max Childs.

However, the potential downside here is that if retailers use the information they gather inappropriately, customers will no longer trust them. In other words, an ecommerce platform that can't cope with the subtleties of increasing personalisation and segmentation is likely to be more trouble than it's worth.

Then again, the reality is that in such a rapidly changing marketplace, no ecommerce platform is likely to be a perfect fit for any company. Even if it were, there's probably a legacy system that will trip you up and present an unexpected problem. However, if you at least have a clear understanding of what your customers want to do via different channels – and remember this will change over time, but it's something you can constantly measure and test – then you do at least have a fighting chance of getting ecommerce systems working with the latest interface technologies rather than against them. ■



# PUTTING PRODUCTS IN THEIR BEST LIGHT

HOW CAN MERCHANDISING MAKE THE ECOMMERCE PLATFORM MORE PROFITABLE? **ALISON CLEMENTS** FINDS OUT

**C**hoosing the right ecommerce platform ensures customers have a consistent experience online, locating relevant products quickly and easily, and feeling well served by their trusted retailer. Recent history has shown that ecommerce platforms that

can support rich content and intelligent merchandising will drive conversion rates, and generate loyal customers. Amazon, Apple, John Lewis, Boden, Marks & Spencer and Littlewoods have all proved this to be the case. So how can retailers cost-effectively achieve merchandising success while maximising

the return on investment from an ecommerce platform?

Tony Stockil, chief executive at ecommerce consultancy Javelin Group says the obvious starting point is to perfect the basics of search and browse, before enhancing a site with additional components for rich content,

**WHAT  
THE  
EXPERTS  
SAY**

personalisation and recommendation. “It’s essential to get the search and navigation aspects spot on and that means working hard on search terms, managing taxonomies, and ensuring your product is correctly tagged so the system can help customers find them,” he says. “Although many ecommerce platforms on the market offer good standard search and navigation tools, it’s often apposite to bolt on other solutions that automate and enrich the search capabilities.”

Javelin Group and website design specialist AWA worked with kitchenwares retailer Lakeland to launch a new website in April this year. In order to present the merchandise in the most effective way, the Hybris ecommerce platform was chosen, integrated with the Adobe Merchandising tool powered by Omniture that streamlines merchandising of products and Silverpop’s eCRM system for email messaging. Stockil says research and customer feedback was used to redesign every aspect of the site, from the homepage, search and product pages to the basket and checkout. Tony Preedy, marketing director of Lakeland, says, “We were determined that our new platform would enable us to give our customers the very best levels of service and to enable us to present our innovative range of products in the very best light.”


Re-platforming is a necessary evil in our fast-evolving sector, but by investing in the most appropriate ecommerce platform for your needs in the first place, it’s possible to stave off doing so too often. “Getting the scale right – a platform to suit the realistic ambitions of your business – needs to be considered first,” says Paul Bolton director of product and strategy at IVIS Group. He sees many thriving ecommerce businesses opting for the hosted, software as a service (SaaS) model, which enables a degree of flexibility over time and less up-front investment. “Other players like to be more in control and keep their platform supported in-house, and will invest in whole solutions to manage the latest merchandising techniques or select particular ecommerce components,” he says.

Platforms might provide a robust visual merchandising interface, and some automated tools for dynamic merchandising, with the option to also integrate specialist behavioural merchandising software from third parties. BT’s FrescaCommerce platform is

**SPECIALIST SOLUTIONS**

“Today online shoppers are still being presented with irrelevant products when they use the search facility on many sites. Some platforms can facilitate search and navigation better than others, so often etailers will generate more conversions if a specialist search and merchandising solution is bolted onto the core platform.”


**Tony Stockil, CEO, Javelin Group**



**PERSONALISATION**

“By deeply integrating different data feeds into the ecommerce platform, etailers have the ability to make product presentation, recommendations and even blog content, personalised and relevant to each individual visitor. No longer deemed a ‘nice-to-have’ technology, online retailers are often faced with the challenge of how to pre-integrate a behavioural merchandising product that works best for them into their existing ecommerce CMS system.”

**James Doman, marketing manager, PredictiveIntent**



**MAKE THE DIFFERENCE**

“Online merchandising has become such a big focus because deploying it well is what really differentiates etailers in today’s crowded online marketplace. Other components on an ecommerce platform might be important for helping customers pay easily or set up delivery, but what really stands out and drives sales is how good the guided navigation is and how you are assisting customers to actually make that purchase.”


**Paul Bolton, director of product & strategy, IVIS Group**



**WHAT RETAILERS DO BEST**

“Today the real focus lies in optimisation of ecommerce platforms, and that is where merchandising comes in so strongly as a means of driving conversion rates and increasing basket value. Merchandising is what retailers do best.”

**Justin Lord, head of business development, BT Fresca**



a hosted and managed platform used by the likes of New Look, Mothercare, Aurora and JJB Sports which has this flexible option. Justin Lord, head of business development for BT Fresca says helping retailers optimise their merchandising techniques is part of that service, with quarterly reviews for clients to tell them where performance could be improved or changes made to pages that have problems. “There is fantastic new technology coming through, taking online merchandising to a new level, but we believe it’s vital to work with our clients to ensure they are getting the basics right first,” says Lord. “It’s easy to lose sight of the importance of good product descriptions and quality photography, and this is where retailers traditionally excel, and compete, so it’s worth

spending time to get that right. Technology is there as an enabler but it shouldn’t be making up for poor merchandising. Customers often don’t want over-crowded, slow-loading pages, or too much complex functionality around the visual merchandising. So the basics of getting the search and browse

“ Platforms that support rich content and intelligent merchandising will drive conversion rates ”



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## CASE STUDY: MUSICADEMY.COM

Musicademy, which sells resources for training musicians, found a way of using intelligent automation to cut the cost of merchandising and improve conversion rates and revenue. It achieved this while working with existing platforms.

It wanted to make the product discovery experience relevant for each individual visitor, to increase conversions and revenue, building on existing platforms. The site offers a wide and varied inventory of products designed for various types of musician and skill level, but site visitors were not discovering the relevant information and products easily. For instance, a 'beginner bass guitar player' would inadvertently be presented with 'advanced drumming' products and tutorials simply because the 1.0 recommendation logic calculated these as being best sellers. Personalisation and recommendation technology could solve this business problem.

The existing ecommerce platform co-existed

with a content management aspect powered by WordPress. Combined, these software packages served the core purpose of offering a fundamental site but they lacked the merchandising features the online marketing team required.

PredictiveIntent set up event feeds from Musicademy.com to its own web service, to record all visitor behaviour and site interaction to build a behavioural data mine of every aspect of visitor's journey through the site, from the keywords visitors used in search engines to arrive on the site, right through to what blog posts they read or what types of music they were interested in.

Using a range of widgets PredictiveIntent took over existing non-intelligent recommendation or suggestion areas, including bestseller, customer suggestion and checkout areas. Relevant products were dynamically displayed in the blog, directly from the ecommerce store.

The final technical task was to work with the Musicademy team to agree what logic would be used to calculate what products to merchandise when visitors arrived on site to massively improve discovery and conversion rates.

Musicademy is on the Magento platform and PredictiveIntent has built a deep extension for the platform that supports many complicated composite products.

The online store can now dynamically adapt what content and products are displayed, based on the behaviour of any given visitor. The business now relies on the PredictiveIntent service to dynamically calculate what all site visitors are interested in, to ensure that the most relevant blog entries are displayed on the home page and that the most appropriate products are displayed throughout the visit.

Within a short space of time Musicademy's conversion rates and revenue were improving, and all manual merchandising processes have been eliminated.

elements right, and making the product look its best can't be under-estimated."

### USING INTELLIGENCE

Intelligent merchandising is of course big news in ecommerce today, and it's becoming expected that online players will offer personalised recommendations and tailored content. For example Tesco is reportedly relaunching Direct, its non-grocery website, moving the site from 'manual merchandising' to an automated 'algorithmically merchandised' platform.

"Many large online retailers have shown that behavioural merchandising significantly increases revenue way beyond basic 'bestsellers', 'related products' and 'also bought' features," says James Doman, marketing manager of PredictiveIntent, which has developed software for intelligent merchandising. He says real-time visitor profiling, behavioural statistical analysis, collaborative filtering and business rule filtering, are no longer 'nice-to-have' components, but essential. "It's the best way to deliver engaging and targeted shopping experiences to every visitor," he says, "regardless of whether they are a known site user already, or simply just a returning window shopper."

The IVIS Group's Bolton says it's now easier foretailers who want to adapt the latest customer-centric merchandising technology. "What typically happens with merchandising is that people can add software components on to their existing platforms," he says. "There are many boutique software vendors out there that

“ It's becoming expected that online players will offer personalised recommendations and tailored content ”

have designed their products to be compatible on all platforms, so there is little risk of a platform not being able to cope with new elements bolted on." Etailers can therefore buy into the latest merchandising and recommendation components and build functionality for guided navigation and recommendations around the core ecommerce platform.

### DEEP INTEGRATION

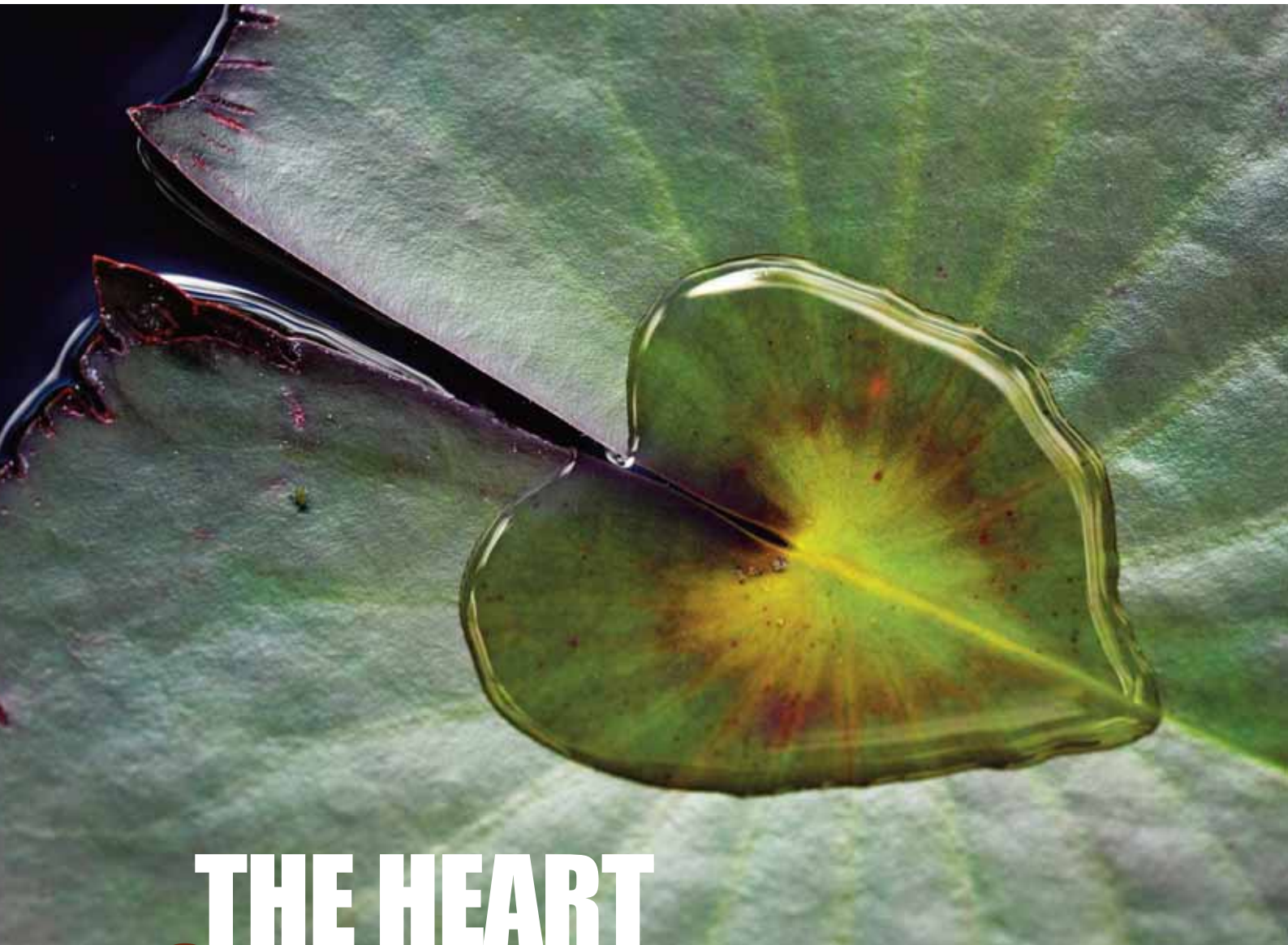
For effective digital merchandising the ecommerce platform must be deeply integrated and fully linked with other business feeds, says Predictive Intent's Doman. That makes dynamic search and recommendation a vital part of the customer experience. "If you have a static product catalogue showing a range of prices, sizes, colours, it must be linked into the real-time stock feed so that if recommendations pop up none of them are out of stock," he says. "There's a real danger that customers click through to six recommended cameras and find none actually available to order."

Similarly the platform needs to be integrated with the visitor feed, following the stream of all visitors coming to the site, so that the site responds to patterns of behaviour across their entrances, exits and browsing paths. And there needs to

be integration with the events feed which means the site can capture data and respond correctly to events such as a purchase being made, returns, queries, and so on.

Customer-centricity – making dynamic recommendations – works across many digital channels too, so retailers must ensure their ecommerce platforms can deliver across websites, mobile applications and Facebook sites, according to Bolton at IVIS. "To be at the cutting edge of digital merchandising today you need to be integrated into so many elements of an individual's life for marketing communication, product presentation, and for gathering data on their behaviour at all these touchpoints," he says. "This is another area where platform choice is an issue."

Many platforms can support merchandising for all the different 'storefronts' – from PC and mobile to Facebook, and the advantage here is that product catalogues and inventory systems work across all channels rather than having to be reconfigured for each. BT Fresca's Lord says: "Having all these services coming from a single source drives simplicity and efficiency, which can have a big impact on ROI." ■



# THE HEART OF THE MATTER

THE DEMANDS OF IN-STORE COLLECTIONS FOR ONLINE ORDERS AND M-COMMERCE ARE STRETCHING THE CAPABILITIES OF MANY RETAILERS. PUTTING THE ECOMMERCE PLATFORM AT THE CENTRE OF OPERATIONS MAY JUST MAKE THINGS RUN MORE SMOOTHLY, WRITE **CHLOE RIGBY AND JONATHAN WRIGHT**

**S**hoppers are setting the pace when it comes to how they want to shop. Increasingly, they expect to be able to move from one channel to another without missing a beat. This process could see them researching a potential purchase from home via a laptop, checking that you have it in stock via smartphone while travelling to town and then making a last-minute price comparison when they're actually standing in a store.

From the consumer's point of view, cross-channel is convenient, allowing them to flick from one channel to another at will. There are potential upsides for retailers too: it's well established that shoppers who buy with companies across different channels will on average spend three times as much. But while cross-channel retail offers great rewards to traders, it can also stretch retailers' systems.

That is especially the case when those systems are creaking under the strain.

Websites may be integrated into older legacy databases, while m-commerce may be tagged on as an afterthought. While the result may stand up to a cursory examination, it's unlikely to present a seamless, consistent view to the customer.

#### **WHY CROSS-CHANNEL?**

This is important because consistency is not only more attractive for customers, it's more effective too. It means that customers see the same information however they interact with the retailer, a



key factor in building trust. Log into the Amazon site through a PC or through a mobile phone, for example, and the site will recognise the individual. More than this, shopping basket contents will be the same and recommendations will be consistent. This not only looks reassuringly familiar, but it saves shoppers time. Plus customers who don't have to locate the things they want to buy all over again are more likely to part with cash.

For David Hogg, retail executive at IBM Sterling Commerce, this kind of seamless experience needs to extend into real-world stores too. Customers, he says, increasingly "expect the retail systems to be connected, even though they don't know how". From a customer perspective, after all, if they can buy online and get a birthday present delivered directly to Auntie Mabel, why can't they do the same in-store?

Of course, this can be complex to organise, but to return to an earlier point, the best retailers want to be able to handle this kind of transaction because it can lead to increased sales. "Retailers want [to be able to do this] because whenever you get customer processes that connect the web and encourage web shoppers or browsers to go into the store, then you clearly get a significant uplift in sales," says Hogg. "It's a question of leveraging ecommerce technology in stores." To get the maximum return on investment, Hogg adds, PoS, CRM and website systems need to be connected.

### HOW TO ACHIEVE SEAMLESS CROSS-CHANNEL?

Put like that, it all sounds like a simple matter, but the truth is that many retailers don't yet have systems that will cope with these kinds of transactions. "A lot of the retailers we're speaking to are struggling with the fact that they have disparate systems with all the information in they need to provide a cross-channel experience," says James Scott, managing director, EMEA, with ecommerce specialists Channel Advisor. "They are really struggling with how they get [the data] in systems that can talk to each other efficiently."

You might therefore expect new kinds of cross-channel retail platforms to be emerging engineered to cope with an increasingly complex retail landscape.

In truth, as we also explore in the customer engagement feature (page 28), it's the next generation of ecommerce platforms that may hold the key. This isn't

### THE SIZE OF THE TASK

"Applying logic and business rules to improve [the customer experience] involves intervention and work and manual effort, merchandising, personalisation. It's a big issue. Why so many multichannel retailers struggle is they haven't addressed where do we hold our customer information and how best do we join these systems up? The ecommerce platforms recognise this challenge. They understand it is an issue."

Mark Adams, sales and marketing director, Portaltech



## WHAT THE EXPERTS SAY



### THE WAY WE SHOP NOW

"Nowadays there really is very little disconnect between a shopper's interaction with you on the web and in the store. If you're not doing a good job of moving this data around you can very quickly come unstuck and expose yourself in terms of not having the right data in the right place at the right time."

James Scott, managing director, EMEA, Channel Advisor

### THE MOBILE FACTOR

"Most of the surveys asking consumers what they want to use mobile for, it's nearly always as a shopping assistant rather than as an ecommerce transacting tool. It's more about helping us when we're physically out shopping, finding stores nearby that have an inventory of products, or doing some form of product or price comparison."

David Hogg, retail executive, IBM Sterling Commerce



so surprising. Providing a good customer experience in a world where closely targeted marketing is becoming the norm relies on retailers having good data. Ecommerce technology providers have a head start here. (Although it's worth interjecting some words of caution from David Hogg here: "There's still this idea of a mythical platform that solves everything, I don't think there is yet.")

It's for these kinds of reasons that Mark Adams, sales and marketing director at ecommerce specialists Portaltech, advises putting the ecommerce platform at the heart of cross-channel retail. "My view is that actually ecommerce platforms are becoming the system which is holding more information around what customers are doing," he says. A further point here is that if till sales and ecommerce platform are linked, the richness of information available to retailers increases hugely.

### JOINED-UP THINKING

It's not just real-world and digital storefronts that need connecting. As David Hogg points out, retailers trying to ensure a consistent cross-channel experience need to think about joining up the website, the store, mobile and the call centre – and that's just the customer-facing end of the business. Once a customer has made a purchase, all the technology around getting goods to where they need to be, the business of logistics, comes into play.

Partly for this reason, he hones in on the order management function as key. There's another factor here: retailers typically have to replace customer-facing technology far more often than logistics technology. "You don't want to have to rework all the integration points in your logistics system, so the order management separates all that back-end integration

“ Shoppers who buy with companies across different channels will on average spend three times as much ”

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## SAVILE ROW CO FINDS NEW MARKETS AT HOME AND ABROAD THROUGH NEW CHANNELS

Suit retailer Savile Row Co is finding new and profitable audiences for its tailored clothing, thanks to its ecommerce platform.

The company, founded in 1938 initially sold from its Savile Row, London shop and later from catalogues. But in 2002 the decision was taken to move online. Today Savile Row Co sells in more than 30 countries, through a range of marketplaces and websites including Amazon.com in the US, and is now planning to launch on eBay Australia.

Working with such marketplaces, already including eBay.co.uk and Amazon.co.uk as

well as a wide variety of price comparison websites, used to be a highly time-consuming task for the company. But then it partnered with Channel Advisor, whose ecommerce platform it now uses to access a wide variety of online sales channels. Now, it only needs to submit one product data feed in order to sell on websites around the world. This gains it a whole new audience beyond the clientele it works with through its customer-facing website, which runs through a Snow Valley ecommerce platform.

Savile Row Co marketing manager Mkwama Ndeti says using the platform

saves “an enormous amount of time”. She adds: “We’ve gone from one channel of catalogues to a multichannel strategy. It is a big strategy and at the same time we’re looking to expand into different markets including the US and Australia.”

Stelios Pardalakis, search marketing consultant who handles Savile Row’s PPC campaigns and search engine optimisation, says: “It saves us time so we can do more clever stuff, such as working on our strategy.” That strategy is now focused on adding other channels including mobile and Facebook sites.

and allows [retailers] to much more quickly and nimbly refresh the customer-facing technologies,” Hogg says.

It’s worth noting here that by customer-facing technology we’re not just talking about a website redesign every couple of years. M-commerce, in particular, is growing at an exponential rate at a time when a smartphone that’s a couple of years old is likely to look very clunky indeed.

Then there’s the way that different channels are starting to interact in new and surprising ways. Mark Adams thinks this opens up new opportunities for retailers. Increasingly, he says, we’ll see the digital and real worlds blurring so that kiosks at the till or sales assistants armed with tablet computers become commonplace.

For customers, the pay-off here is to be better informed, to have access to customer reviews and feedback, to be offered personalised sales promotions and offers, all on a decent-sized screen that doesn’t tax patience. “Providing that level of information is going to provide a richer experience to the customer,” says Adams.

From a retailer’s perspective, there’s a new opportunity to link up PoS information with data gathered elsewhere. From a different angle, it seems we’re back to the idea of the ecommerce platform supporting real-world retail rather than just online sales.

### BUT WHERE TO START?

The reality, of course, is that many retailers have a long way to go before they achieve the kind of seamless cross-channel integration that experts advocate. However, that doesn’t mean that companies shouldn’t be aiming to do better. This needn’t involve embarking on a huge project. James Scott of Channel Advisor points out that many companies

would benefit from doing something as simple as making sure that product data feeds work efficiently.

“People in stores might be scanning in your barcode to compare online,” he says. “You need your info there and it has to be up-to-date and correct.”

But this is just a start. Going forward, he says, customers will increasingly expect to be able to do things such as

in the USA as an example of where the industry may be going.

“You can go into a Best Buy store in the US and you can do normal point-of-sale transactions coupled up with a save the sale transaction coupled with a gifting transaction, buying for someone that lives far away and it’s all one single PoS transaction at the end of the day,” he says, “but using a combination of point of

“ Doing cross-channel retail well almost automatically generates customer loyalty ”

check stock levels via a Google search. “I think buyers’ expectations are going to continue to increase and it’s something retailers are going to have to address sooner rather than later,” he says.

For David Hogg, the key to dealing with these kinds of issues is to prioritise. Likening most retailers’ operations to a train station – different parts of the IT infrastructure are sitting at different platforms, and presumably got in at different times and will be leaving at different times too – Hogg says that legacy systems are a fact of life. In addition, the timescales on which they’re likely to be replaced or updated will depend on a retailer’s priorities.

He argues that most big companies have already invested in state-of-the-art websites and systems that can cope with cross-channel transactions such as buying online and picking up in store. The next tranche of investment will likely be in helping customers do more complex transactions. He cites Best Buy

sale, ecommerce and order management technology without having to go to three different points in the store.”

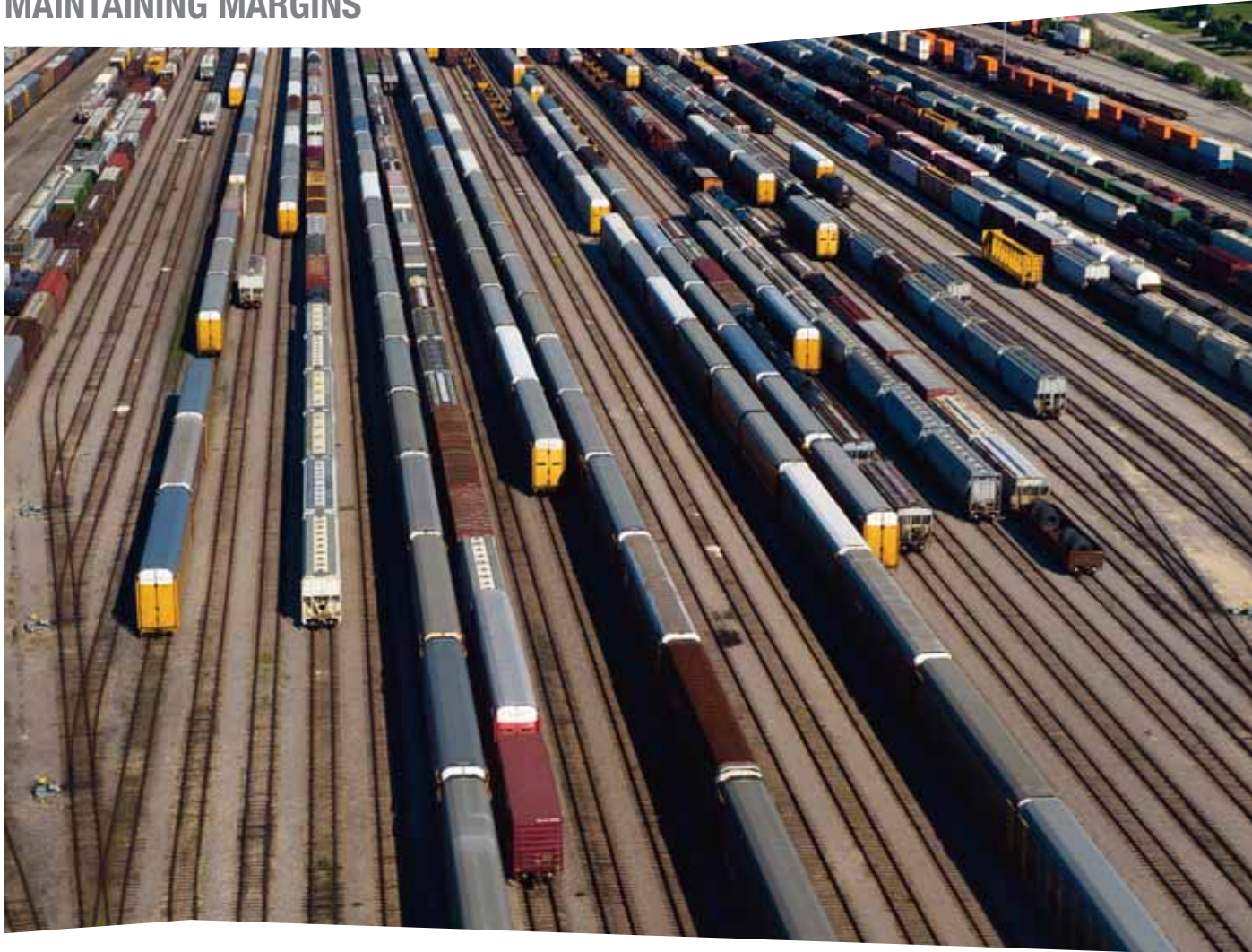
### TO THE WINNERS, THE SPOILS

To us at least, that sounds a lot like proper cross-channel retailing and the pay-off could be considerable. To quote David Hogg: “Doing cross-channel retail well almost automatically generates customer loyalty. If you’re good at it people will come back and they will shop more.”

Conversely, retailers that don’t grapple with the issues here, may find themselves left behind. “If retailers aren’t multichannel retailers, they won’t survive,” says Mark Adams bluntly. “It’s a tough time now for retailers, and the ones that [adapt] will be the ones that stay in business. Consumers won’t be flocking to their stores and websites if they don’t and it’ll have to be how everyone trades. Joined-up, cross-channel trading will have to be the norm.” ■

# DELIVERING THE GOODS

WITH VIRTUAL STOCK, DROP-SHIP VENDORS, FULFILMENT FROM STORE OR WAREHOUSE, AND MULTIPLE CARRIER OPTIONS, ECOMMERCE LOGISTICS ARE INCREASINGLY COMPLEX. **PENELOPE ODY** FINDS OUT HOW RETAILERS CAN ENHANCE THE CUSTOMER EXPERIENCE WHILE MAINTAINING MARGINS



**T**he days when online orders were picked and packed from a single warehouse and despatched via single carrier are long gone. Today not only may the website offer a greatly expanded product range, with goods shipped direct from suppliers but, as retailers cut inventory to reduce overheads, the chosen products may come from different stores, assorted warehouses or be placed on back-order for fulfilment when new stocks arrive.

Add to that customers who expect daily notification of order status or perfectly consolidated deliveries and will instantly phone the call centre if something appears to be missing, even if the despatch docket clearly states 'to follow,' and the demands on ecommerce platforms continue to grow.

Approaches to handling these various logistical challenges vary: cross-channel order management is complex and while ecommerce platforms can offer some functionality, much often depends on integration with core retail merchandising

systems which are not always capable of real-time reporting. Equally, adding insights into supplier stock levels for drop-shipments can be challenging, as can carrier management, making it difficult to give shoppers accurate and consistent information about deliveries.

## **KEEPING THE CUSTOMER UP-TO-DATE**

Many of the 'nice-to-have' logistics services which customers are believed to want are provided through integration

with trading partners or come from highly niche IT tools that need to be integrated with the basic ecommerce platform.

Carriers, such as Yodel and CityLink, for example, are already working hard to improve the amount of real-time information that shoppers can access about their deliveries. “We’re developing a client portal for parcel information which will go live early next year,” says Greg Smith, chief information officer at Yodel. “This shows consumers more of the event flow in real time.”

While timed delivery slots for small parcels are unlikely to become reality in the foreseeable future, Yodel is looking to allow retailers selling big ticket lines to embed available delivery slots within their sites so that shoppers can book a delivery time when they place an order.

Patrick Wall, chief executive and co-founder of carrier management specialists MetaPack, compares conventional retail systems to a basic road map: “Ecommerce systems then add the ring roads and bypasses. They provide bridges to link systems.”

Customers, he argues, need a choice between despatching the goods as soon as possible or waiting until the order is complete and then consolidating into one consignment. In order to do that, he says, you need applications that understand the limitations and capabilities of the delivery options so that if, for example, a single consignment is required then an extra day is built into the schedule to cross-dock packages from various sources. Equally real-time stock management is essential in order to manage customer expectations. “Pick and pack based on real-time stock information is straightforward with warehouse management systems,” says Wall. “It is when you take stock from stores to fulfil online orders that it becomes more difficult and I know of some retailers who have had to abandon this type of fulfilment because of inaccuracies leading to poor customer services.”

While MetaPack focuses on managing multiple carriers for home deliveries, Axida’s systems link website orders to individual transport fleets, such as Ceva Logistics’ contract to deliver big ticket items for Tesco. Its long-established HDi application, also used by the likes of Ikea and Wincanton, takes the order information and matches it to carrier schedules and capabilities, in some cases powering the timed delivery options seen by shoppers when they place their orders.

“Many retailers still think of ecommerce as just the website. They don’t see that the ecommerce platform can offer the same window for a growing number of digital options”

### PAY AS YOU GO

While HDi is used by the largest retailers, Axida introduced Pick, Pack and Despatch (PPD), a “software-as-a-service” (SaaS) product, earlier this summer, which is targeted at mid-tier operations and fulfilment houses. “HDi really started back in the late 1990s as a delivery and installation management tool for big ticket lines,” says commercial director, Wayne Holgate, “Technology has moved on, however, and now the system is increasingly used to improve the visibility of delivery information for consumers so they have a more accurate idea of delivery time and service issues.”

While MetaPack and Axida applications can provide the “bridge” between retail and carrier systems, IBM’s order management tool – part of its Smarter Commerce initiative – solves the “available to promise” issue for players such as Argos and Crocs. The order management suite, which came with IBM’s Sterling Commerce acquisition last year, was developed by Yantra more than a decade ago as one of the first dedicated cross-channel applications. It has now been fully integrated with the rest of the Smarter Commerce offering. It, too, acts as a ‘bridge,’ this time between store, warehouse, suppliers, carriers and digital channel platforms to track stock levels and purchases to give a ‘single truth’ about customer activity and inventory.

“Drop-shipment is increasingly used in the US to expand the product range online,” says David Hogg, ex-Sterling Commerce and now IBM’s commerce solutions lead, north-east integrated operating team. “Retailers have tried to cope with managing this manually using spread sheets based on the assumption that inventory is always available – which it obviously isn’t. Real-time inventory visibility is a pre-requisite to accurate availability to promise.”

The Sterling Commerce product is targeted at larger retailers but an SaaS offering is in the pipeline which would make it a practical option for mid-tier players as well.

Supply chain specialist, Manhattan Associates also provides order

management tools as part of its total suite. “Our distributed order management application integrates the ecommerce platform with the fulfilment centre,” says solutions consulting manager Alex MacPherson. “It helps to create a single stock pool and updates the central inventory file from stores every six to 12 hours, although warehouse stocks are in more real-time, so that orders can be fulfilled from different locations or collected from store.”

The system has been in use in the USA for six years but was only launched in Europe 18 months ago and is used by companies like Trois Suisse in France.

Creating such ‘bridges’ between applications is all very well if the core retail merchandising systems are robust and reliable, but there are still many retailers dependent on ageing legacy systems with limited capabilities.

### AVOID RETURN TO SENDER

“Delivery options can be complex,” says Sarah Lynch, development director at Snow Valley, “especially when it comes to international customers, and older retail systems cannot always cope.” Address fields, for example, may be inadequate for differently formatted overseas locations and the last thing any retailer wants is a shipment to come all the way back from São Paulo because the label format lacked enough characters to include the house number so the parcel was undeliverable.

In such cases, vendors, such as Snow Valley, argue that adopting the platform as the core retail system can be the solution. “With all new clients we want to find out what sort of systems they have and how robust they are,” says Lynch. “If they are good, then fine, integrate basic ecommerce tools; but if they are ‘just OK’ then a more comprehensive ecommerce platform to manage supply chain could be the answer. Many retailers still think of ecommerce as just the website. They don’t see that the ecommerce platform can offer the same window for a growing number of digital options – iPhones, iPads, whatever – so they just dip a toe in the water.”

Hybris, too, stresses the international capabilities of its platform for despatch

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and multiple-currencies, as well as the importance of real-time information. “We certainly see a bigger role for the multichannel applications layer in future,” says Kees de Vos, vice-president, business consulting at Hybris. The company’s recently launched Multichannel Accelerator, for example, is an integrated suite that incorporates order management and merchandising.

The system taps into the information in other retail applications, such as store stock, and ERP, as well as drop-shipment needs, and aggregates the information to deliver a single stock picture which enables availability to promise. “Of course we would like users to regard Hybris as their core retail application,” adds de Vos, “and we can integrate with EPoS systems for store pick-up but we don’t do financials and we don’t have a complete merchandising suite or carrier management so for some functions we are currently quite thin – but the system will only become thicker in future. We already have customers like Adidas and Nikon and growing interest from suppliers who want to sell direct to consumers.”

As de Vos rightly says, cross-channel order management is vital for any ecommerce platform so it is not surprising that traditional retail systems players are also eager to stress their capabilities here.

Sarah Taylor, retail industry director at Oracle, believes that stock information needs to reside on the traditional core retail merchandising suites and this can then enable the newer niche tools. “Argos uses Oracle as its core system,” she says, “and this integrates with Sterling Commerce order management. Different retailers tackle the problems in different ways but integration to core applications is key.”

Taylor maintains that traditional merchandising attributes, which feed into supply chain and logistics tools, are the vital driving force for multichannel fulfilment and while Oracle’s web front end – its ATG acquisition last year – provides a viable ecommerce solution, the supply chain functionality comes from the core retail suite.

### MANAGING EXPECTATIONS

Opinion is divided, too, on other aspects of supply chain that some ecommerce systems providers believe are essential. “Most of our users are in the fashion sector,” says Robin Coles, director of supply chain consulting at BT Expedite, “and consolidation of consignments really

### FROM THE HEART

“The ecommerce platform can become the hub of operations and can cope with the fact that stock is not simply in a single warehouse but can be anywhere and must also be delivered to just about anywhere as well.”

Sarah Lynch, development director, Snow Valley



## WHAT THE EXPERTS SAY



### MANAGING ORDERS

“Unless users are pureplay with a single fulfilment option they need order management tools and this functionality really drives cross-channel fulfilment.”

Kees de Vos, VP, business consulting, Hybris

### BUILDING UP

“Retail merchandising systems are like the plumbing and wiring of a building. Just because you expand into the loft you don’t put in separate wiring. You need to integrate the ecommerce platform with existing retail merchandising systems to meet supply chain needs”

Robin Cole, director of supply chain consulting, BT Expedite



### GIVE SATISFACTION

“Real-time order management provides the call centre with instant information about order status and customer history. Shoppers’ patience runs out pretty rapidly when they are calling about the whereabouts of their orders and this allows call centres, even when outsourced, to see a full order history.”

David Hogg, commerce solutions lead, north-east integrated operating team, IBM

doesn’t seem to be something people expect or retailers provide.”

Tim Robinson, partner at consultants Kurt Salmon agrees: “Consolidation of consignments is really an aspiration,” he says. “It would be lovely if we knew when our goods would be delivered or when and where we needed to collect the entire order but it’s not the key priority. It is more important to manage expectations

and keep customers fully informed.” While Robinson argues that occasionally a consolidated consignment is seen as essential – for DIY or gardening projects, for example, where a missing vital component can cause problems – online shoppers are used to buying from marketplaces such as Amazon where goods inevitably arrive at different times from multiple sources.

“Priorities for most multichannel retailers are much more fundamental,” he says. “They need to maximise stock availability, manage the cost of the delivery and manage that expectation. We also have no idea when the current recession is going to end so cutting stocks to release working capital is often an urgent requirement. IT applications which can help do that without impacting service levels are currently far more important than nice-to-have functions like consolidating consignments.” ■

“ Real-time stock management is essential in order to manage customer expectations ”

Not on the high street is a marketplace for craft retailers



# WHAT'S YOUR LINE?

THE FIRST STEP TO DECIDING WHAT KIND OF ECOMMERCE PLATFORM WILL SUIT YOUR COMPANY IS DECIDING WHAT EXACTLY YOUR COMPANY DOES, REPORTS **CHLOE RIGBY**

**O**n the early days of internet retailing the most successful companies, from Amazon to Tesco, were those that developed their own ecommerce platforms. Arguably, this was necessary when the choice of off-the-shelf solutions was limited. And today, for many longstanding ecommerce retailers, online retail is still all about the technology.

But for retailers coming more recently to the market, the story may be different. Ecommerce, now a proven market, has evolved to meet customer demands. Those demands range from the expectation that they will be able shop online to the wish to purchase from their mobile phone, check stock online and follow retailers via social media. Innovation is happening so fast that many traders are struggling to keep up.

As if recognising how daunting this is for retailers, there's a move among many technology providers to consolidate. In recent months IBM has bought analytics company Coremetrics and order management platform Sterling Commerce, eBay has bought Magento, the open source platform and ecommerce services company GSI Commerce, while most recently Hybris has merged with iCongo with the promise of becoming a one-stop shop that gives its customers the choice of how to buy.

The reasoning? As ecommerce becomes more complex, many retailers, it's thought, would prefer to get all of their functionality in one place. Carsten Thoma, co-founder and chief operating officer of platform provider Hybris, says: "It's a big advantage if a retailer can be across different disciplines and functionalities with one vendor. It makes it much easier to set up their own organisation and own structures. You don't have to deal with different partners and different contracts – that can be very distracting."

## WHO ARE YOU?

One way to avoid such distractions can be to start with a straightforward but key question. "For me the absolute first question has to be what kind of an organisation you are," says Giles Delafeld, group ecommerce director at Alexon Group, who oversaw development of a new platform while at Blacks Leisure Group.

If the company is a large business, then any choice of solution is likely to include IBM Websphere, or close competitor ATG, says Delafeld. "Businesses like that are turning over probably £200-£300 million plus online, and the kind of cost it takes to make Websphere work and to customise it to your business would be acceptable on that kind of revenue."

Large and mature retailers tend to have their own in-house ecommerce teams, arguably a prerequisite to making larger systems work. But mid-tier businesses with smaller or no ecommerce team may well prefer to use a hosted solution. There, says Delafeld, options would include BT Fresca or Venda. Such solutions, he suggests, would provide a richer customer experience straight from the box. Importantly, "They would be available at a cost that is appropriate to that size of business."

## RETAILER OR TECHNOLOGIST?

The next key question is about whether your company sees itself as an IT innovator or as a company that would simply like to sell online, as part of a cross-channel strategy.

Eric Abensur, chief executive of platform Venda, asks: "Do you want to be retailers or technologists?" He adds: "Retailers are focusing more and more on their core activities to drive the most profitability that they can during uncertain times. Keeping that tight focus means shedding activities that are not strictly core."

Innovative or individualistic websites are not necessarily the result of smart in-house capability. Indeed, Jamus Driscoll, vice-president marketing at on-demand platform provider Demandware rejects the common suggestion that



## NOT ON THE HIGH STREET

When NotontheHighStreet.com launched in 2006, it could find no suitable off-the-shelf solutions to fit its needs, which included a marketplace business model. Instead, it chose to develop its own ecommerce solution, built in-house. At first it used a PHP development framework but in 2009 it migrated to the Ruby on Rails platform. It is now on the fifth version of its application.

Gregory Becker, senior technical manager, says: "We are constantly developing and improving our online marketplace and therefore need to be able to control the

development cycle at all times. Building our own was, and remains, the only viable option."

The company recently added a new social commerce tool of group gifting to its functionality and found this straightforward thanks to its team of in-house developers. "The hardest part is prioritising which function to add," says Becker. "We operate in an agile fashion so can easily focus and deploy resources for business needs as required."

His advice for others considering their ecommerce platform options is to look at the

technical expertise in the company. "The best fit would be a good open source platform with an active development community," he says. "Alternatively a hosted solution with a good API that can be integrated or extended as required. If the company needs more technical advice a hosted solution would work best." But, he adds: "The platform alone will not make the sales. Investing time and money on optimising the core user journey and ensuring the customer experience is as optimal as possible also needs to be a priority."



Shabby chic from Notonthehighstreet

innovators need to own their systems. "Modern on-demand architectures are really built as platform as a service – development control can be provided and extended to inhouse teams for them to develop on the platform itself." As evidence, he points to Nine West's building of a Facebook shop on a Demandware platform.

### OWNED OR RENTED?

What are your aspirations for the business in the medium term, that's to say the next

five years? Do you have the cashflow to invest in developing your own or customising an existing platform, or would

you prefer a hosted solution with regular, known payments, and a provider who may share in the profits.

Fashion companies, for example, often decide not to develop in-house. Take Aurora Fashions, owner of Oasis, Warehouse and Coast. "They wanted to quickly establish themselves with a high-quality offering. The answer for them was to go to BT Fresca in order to get to that position of strength without having to develop internally," says Delafeld. Outsourcing the whole process through a vendor such as GSI Commerce or Elastic Path can be another useful answer. Such providers, says Hosein Moghaddas, VP and managing director, international, at GSI Commerce "are not trying to sell a platform but the ability for you to sell to your consumers and be successful".

When Marks & Spencer decided what platform it needed to get to the next level of cross-channel services, it opted for its own wholly owned solution. M&S wants to become a leading international cross-channel retailer, increasing its revenues from these services as high as £1 billion, up from the existing £500 million that it's achieved through its current, Amazon-built platform. To achieve this its incoming executive director of multichannel ecommerce Laura Wade-Gery (formerly with Tesco), decided building its own platform was required and hired SapientNitro to make it happen.

Until recently, whether you owned or rented was largely dictated by which platform provider you went with. But

“ Innovative or individualistic websites are not necessarily the result of smart in-house capability ”



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**James Scott, Managing Director of ChannelAdvisor**



For Mcommerce, with 70% of attendees being either an e-tailer or a multi-channel retailer, the audience was perfect. Likewise was the NEC location, which we prefer over London venues as it means easier parking, hotels and access. The show was both cost-effective and well-attended, meaning we received a significantly greater number and quality of leads than we expected. ”

**Robert Masson, Managing Director of Mcommerce**

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when Hybris merged with iCongo to offer what it described as a ‘complete multichannel’ package, it also moved to offer access to its platform via the cloud or through a managed service.

Hybris’ Thoma explains why this was important: “Companies that are mature might want to own their solution on their premises. In different phases of the commerce initiative within the company you may want also to outsource, or maybe you might choose a hybrid model.”

### DOMESTIC OR INTERNATIONAL?

Selling overseas can be as simple as adding new delivery or payment options to your website. But for those looking to run foreign language websites capable of handling high levels of demand, it’s important that the technology they use has the ability to respect the multilingual, multicurrency, multishipping needs of ecommerce in different countries, as well as the varied tax laws, says GSI’s Moghaddas.

Hybris’ Thoma also suggests that traders may want to mix and match functionality depending on territory: “For example, an on-premises solution for the largest markets you set up your commerce activity in, or a hosted or managed solutions, cloud-based for smaller countries, brands or initiatives. It’s the ultimate flexibility in deployment model on a global scale.”

### CULTURE CLUB

When choosing an ecommerce platform it’s also important not to underestimate the corporate culture, says Alexon’s Delafeld. When he went through the process of finding the right ecommerce platform at Blacks Leisure Group, he asked himself many of the questions we’ve looked at here. In the end he went with Mantiki. That wasn’t because they had the most functionally rich platform or because they were the cheapest but because, “They had exactly the right culture fit to work with me and my team.”

“ When choosing an ecommerce platform it’s also important not to underestimate the corporate culture ”

## WHAT THE EXPERTS SAY

### THE PACE OF CHANGE

“The changing customer journey is being changed by customer innovations, not by retailer invention. That means commerce is changing ever faster. We used to think that ecommerce was evolving quickly; now we have to manage m-commerce and most retailers have only just started developing a strategy for it only to find they are expected to have an s-commerce strategy.”

Eric Abensur, chief executive, Venda



### SO STAR WARS

“We’re living in a remarkable time where growth is on every angle and dimension – things we think are impossible, completely foreign, so Star Wars, are now becoming real within 18 months.”

Jamus Driscoll, VP marketing, Demandware

### BEYOND TECHNOLOGY

“If you go with a boutique provider then it’s no longer just about technology, but around how you use the experience within that boutique provider along with your own team to be able to create competitive advantage in that development process.”

Giles Delafeld, group ecommerce director, Alexon Group



### JOINING UP PAST AND FUTURE SYSTEMS

Most retailers will have legacy systems – and questions about whether they should be replaced. Venda’s Abensur says: “You should approach your platform with a mindset that says, ‘I’m building a store complete with marketing, promotion, merchandising and sales capabilities; the legacy systems will have to plug in.’ There are very few legacy systems that don’t have integration or modernisation tools that allow them to interface with web systems.”

But ultimately, investing in new systems will be inevitable at some point and when that happens it’s a good idea to make sure the new platform can adapt to new additions – whatever the technological future may bring. Demandware’s Driscoll says the website is now “just one representation

of the consumer’s interaction with a brand”. He adds: “We would encourage retailers to build their architecture around a concept of nobody knows what’s next, as opposed to saying there’s a discrete list and some things are on and some off.”

### WEIGHING UP – AND MEASURING

Part of deciding which is the right ecommerce platform is to work out how you’ll judge if it’s a success. For Venda’s Abensur, the key is profitability. “You’ll know it’s working when sales start to flood in and orders start to flood out.”

GSI’s Moghaddas says customer retention is crucial – and that means it’s important for board members to consider ecommerce analytics. “I recommend that the board understands what’s being presented in front of them – what revenue being generated, what’s the stickiness on the site and what’s the repeatability of the sales on the site,” he says.

As we’ve seen, looking to invest in a new ecommerce or cross-channel platform is no small piece of work. Installing a new platform can be expected to run over the course of several months. That’s why it’s important to make sure that the decisions you make now are carefully considered and valid for the medium-term – and in ecommerce that’s the next five years. ■

# LET'S BE FRIENDS

CUSTOMER ENGAGEMENT USED TO BE ALL ABOUT COMMUNICATING AT SHOPPERS WITH MESSAGES FIRMLY SET TO BROADCAST MODE. BUT NEW TECHNOLOGIES THAT BRING INFORMATION ABOUT CONSUMERS TO THE RETAILER CAN HELP MAKE IT A TWO-WAY STREET, REPORT **CHLOE RIGBY** AND **JONATHAN WRIGHT**

**R**ather than overtly selling to their mailing list, the most forward-looking retailers now aspire to befriend their customers. It's an important shift. By offering customers advice, information and recommending products, retailers can take on the role of a trusted adviser.

But to do this effectively, cross-channel retailers need a great deal of information about their customers. We explore how platforms will increasingly help retailers gather the information, and ways retailers can then use this information to build relationships with customers.

## GETTING THE INFORMATION

Getting data from consumers is unlikely to be a problem, certainly for larger retailers. Even without retailers taking proactive measures, customers constantly give away clues about their likes and dislikes as they interact across different channels. "There are a number of ways retailers can collate information on their customers," says Paul Bidder, co-founder of social commerce platform company Colony Commerce. "This could be through online, it could be through social shopping or marketplaces, it could be looking at basket drop-outs and we can look at mobile brand engagement."

The potential problem often highlighted here is actually one of being inundated with raw data. But to look at that more positively, what better recommendation is there for the importance of this information? To focus just on social media for a moment, those who use Facebook Connect, which enables users to share their Facebook identities with other sites, volunteer a

huge amount of personal data. Hashtags on Twitter can also help map a consumer's interests. Of course, not everyone wants to volunteer this much about themselves, but retailers can do much to persuade the wary by offering discounts and promotions.

Kees de Vos, VP, business consulting and multichannel evangelist at ecommerce specialists Hybris, sees huge potential in this use of social media. "It's kind of like instant CRM," he says. "If the user says, 'Yes, I use Facebook Connect to log on to your website,' suddenly the retailer has a vast amount of data available – not just about the person that is logged on but also about their relationships and their group of friends, their peer system as it were. I see your likes, your dislikes and the bands you're interested in, your age, I can see all this data instantly."

The next step is for retailers to use what they've learnt. "We've got a great Facebook Connect demo and it blows people away every time we show it to them," continues de Vos. "Based on people's likes, we change the behaviour of the entire site with different promotions, different merchandising, so on and so forth. It's extremely powerful."

## USING INFORMATION

Clearly, this kind of data gathering is powerful because it enables retailers to deal with customers via digital channels at a far more personalised level. "The retailer will be far better enabled to understand that customer, profile them, target promotions, products, emails and navigation to that customer's specific needs," says Paul Bidder. "Doing that will enhance the ability to engage with

the customer, completing the circle."

It's worth pausing to reflect on Bidder's talk of "completing the circle". Get this kind of personalisation right and you open up an ongoing conversation with customers. Get it wrong and you may find customers far less likely to share information again, the conversation will be over. That important warning aside, the opportunities are clear in areas such as tailoring content for individual customers.

"If I know you like red, I might bring red product to the surface," says Paul Bidder. "An ecommerce site might service your interests in a particular genre, bring that content to the fore. Also, you can outreach to potential prospects, send them a random act of kindness because that information is available."

Intriguingly, as Bidder hints, personalisation using social media, something we've previously thought of as being highly targeted based on specific information, may also be of use in pulling in new customers. You might, for example, upload a YouTube video and hashtag it, so that "you're integrating people you don't know for engagement".

## FROM ENGAGEMENT TO CONVERSION

Once a conversation has begun with a customer, the next step, unless you're





“ The key is to understand your consumer’s behaviour not just in a single channel but over multiple channels ”

forever to be passing the time of day and chatting about the weather, is to persuade customers to part with money to buy goods or services. That’s not necessarily as straightforward an objective as it may sound. In a cross-channel world, retailers can no longer assume that a good way to go is to try to drive a consumer towards buying online. Sometimes, this may lose a sale.

“The key is to understand your consumer’s behaviour not just in a single channel but over multiple channels,” says Kees de Vos. “People are extremely good at analytics in the web channel – this person doing this, that person doing that – and the ultimate result of fine-tuning is to convert that customer into a buyer online.

“The interesting thing is that we need to take a step back and think about is

converting that particular consumer online every time the right thing to do? We know there is a large percentage of our consumers who prefer not to convert online but prefer to go into store and pick their items up there. Maybe their customer mission this time round is to find the best possible product information and their local store, and then go to store to pick it up.”

In other words, context is important. It’s one thing to have an increased amount of personal information about shoppers, it’s a leap too far crudely to shove customers towards a purchase on the basis of this information. More subtlety is required.

#### THE ROLE OF THE ECOMMERCE PLATFORM

Mark Adams, sales and marketing director at ecommerce specialists Portaltech, takes up this theme of using information in smart ways. In a new spin on the idea of getting a single view of the customer, he says that much data is currently held in different systems associated with the store, the website, email lists and so on. “There’s lots of disjointed information around what the customer is doing in each of those retail touchpoints,” he says. “I think the big challenge for retailers is looking at how they amalgamate that data into one system.”

For Adams, the key technology will be the ecommerce platform. This may seem counterintuitive when it comes to in-store transactions, but Adams sees digital technologies increasingly being used in retail outlets, a way to solve the “disjoint” between store and other channels.

“I think you’re going to see ecommerce platforms moving into point of sale,” he says, “so actually if the ecommerce platform is somehow inputting tightly into, or even running, point of sale systems then you close the loop on this customer understanding, on what they do in store or even what they do in digital channels. That becomes quite profound in terms of you have that view of what customers are potentially doing across all your retail touchpoints.”

This idea is probably a couple of years down the line, but more immediately Kees de Vos of Hybris advises retailers to run CRM through the ecommerce platform, since customer experience depends on joining up four data points: product data, customer data, order data and stock data.

“You have to be consistent, and you have to be correct and accurate on all of those four data points, and you have to have a single point somewhere within your system landscape of each of those data points,” says de Vos. “I strongly believe if you don’t have that single view of product, of customer, of orders and of stock, it’s going to be extremely difficult to give really good cross-channel user experience to that client.”

Mark Adams makes a similar point. “If [retailers] don’t believe they have systems to support multichannel trading, joined up customer views, that’s what they need to look at first,” he says. “Everyone recognises they have to do multichannel, how do they go about it is the issue.”

### BOOSTING CUSTOMER SATISFACTION

To return to where we began, it’s important to remember this isn’t a case of gathering information for its own sake. Using technology to learn about your customers means you have a better chance of getting it right with your shoppers. Even in an environment where customers are increasingly confident about grazing across different retailers’ offerings, this is important.

“Loyalty doesn’t really exist any more but there is a certain amount of loyalty starting to come back,” says Colony’s

## WHAT THE EXPERTS SAY

### MAKE IT PERSONAL

“You can sometimes get a very dry connection between the brand and consumer when communication is automated, but you can now do it by understanding the person’s



profile more, you can tailor your responses quite specifically. It may well be an automated email but to the end consumer it looks personalised, like someone has taken the effort to work out their needs.”

Paul Bidder, co-founder, Colony Commerce

### CROSS-CHANNEL TECHNOLOGY



“We don’t know if the website is driving 25 per cent of footfall in stores – because we don’t track it, because we don’t have joined-up systems to say someone hit the website then went into the store to buy, the customer information is not joined up. That’s because it’s really difficult to do, but imagine if we had ecommerce platforms providing PoS mechanisms.”

Mark Adams, sales and marketing director, Portaltech

### LOOKING AHEAD

“If we bring internet-based technology, real-time segmentation, real-time promotions, those kinds of things, into store, I think we have a little revolution. I think if we get to a point that we can recognise customers in store – the technology is there, with mobile phones we can quite easily recognise people in store – then at till point as people are walking through the store, we can offer them personalised promotions, we can bring some of the user experience people have online and we take for granted online into the store.”

Kees de Vos, VP, business consulting, Hybris



Paul Bidder. “People are looking for customer service.”

Conversely, if retailers fail to get things right, social media magnifies the effects of problems. Anyone who doubts this is pointed to a recent Kelkoo survey, which revealed that one in five British consumers will air grievances through review websites, while 14 per cent said they’d use social media for the same purpose. If a conversation becomes a case of customers shouting at a retailer where all the world can eavesdrop, this is clearly bad news.

“ if retailers fail to get things right, social media magnifies the effects of problems ”

### MAKING THE BUSINESS CASE

Finally, if the idea of a conversation with customers still sounds hopelessly woolly, here’s another way to look at the power of personalisation. Using new technologies, customers are happy, even keen, to share their personal information with merchants. However, in return they expect merchants, among other things, to use this information to serve them better. It’s hardly a bad deal for retailers, especially when you contrast this with the situation a few years back, when marketers regularly used to spend money on mailing lists and databases that were sometimes of dubious value.

In the next few years, retailers will increasingly be able to use technology to create better, more personalised communications aimed at customers who are already interested in their products. Not only does this save on marketing costs, it’s also likely to cut down on costly returns caused by customers being nudged towards buying products that weren’t really appropriate.

Really, isn’t it time you talked to your customers? ■

If there's one thing the short but eventful history of ecommerce reveals, it's that retailers always want technology that does just a little bit more, as if the next piece of software will solve all ills. It won't, of course, but this doesn't mean that we should assume there have not been huge developments in ecommerce technology.

Already, if we isolate the website from the rest of a retailer's operations, it's clear that companies are able to use ecommerce to gain rich information about customers and what they buy. But that's a narrow view, as most, if not all, of the experts we've spoken to for this supplement agree the future is in cross-channel retail. It's simply not enough to understand what's going on online without understanding how this interacts with other channels.

The best ecommerce platform providers understand this well. It's partly for this reason that we've often focused here on the idea of the ecommerce platform as the application that ties together all the different channels. While harried retailers might be forgiven for treating this viewpoint with some scepticism, there's actually much to recommend it.

Why? Because, as we've seen through this supplement, it's ecommerce specialists that have already done essential work in such areas as data gathering, CRM and merchandising. In short, they're ahead of the game. This doesn't mean that anyone has yet developed the definitive ecommerce platform. As we've also seen, it's doubtful whether such an entity can exist. Factors such as legacy systems, budgets and the niche areas occupied by different retailers all play into the decisions they take about which technology to buy and why.

All that said, the direction of travel is clear. Whether retailers are huge multinationals that want to develop their own bespoke systems or mid-tier companies looking at software as a service (SaaS) solutions, the key is to look for technology that will help with the transition to genuine cross-channel retail – and by this we mean more than enabling customers to order online and pick up goods in shops. What lies ahead is a far more dynamic retail landscape where customers skip across channels to make their purchase choices.

Pulling together all that we've learned from this supplement, how should retailers go about preparing for this? We'd suggest three key areas to consider initially. Firstly, retailers need to have a flexible yet clear-sighted strategy that puts the unique offering of the company at its core. Secondly, retailers need to have realistic timelines – it's no good



expecting to become an exemplary cross-channel retailer tomorrow if you're still grappling with problems around your mobile strategy.

Finally, when choosing partners for implementing the move to cross-channel retail, consider whether there's what Giles Delafeld of Alexon calls a "cultural fit." This may sound initially seem like the least important factor, but remember that you'll likely need the assistance of partners in dealing with unexpected bumps along the road. You have to be able to develop a close working relationship here.

Ever since market traders first tried to out-shout each other in order to attract attention, retail has always been a competitive industry. Increased

complexity doesn't change this fundamental point. Choosing the right ecommerce platform and rolling it out as part of a cohesive cross-channel strategy helps ensure you are heard.

This supplement is part of *Internet Retailing's* series of supplements. Each explores questions facing retailers today through six key aspects: web interface, merchandising, cross-channel experience, logistics, strategy and customer engagement. We welcome your input and suggestions for future themes at [editor@internetretailing.net](mailto:editor@internetretailing.net)

Chloe Rigby and Jonathan Wright  
[chloe@internetretailing.net](mailto:chloe@internetretailing.net)  
[jonathan@internetretailing.net](mailto:jonathan@internetretailing.net)



## Who are Portaltech?

Portaltech is an award winning eBusiness consultancy that specialises in the design, implementation, integration and support of websites and web based transactional solutions for multichannel retailing.

We are a one stop shop of the most skilled experts in web, online, brand, retail, digital marketing, platforms and systems building; dedicated to delivering excellence in total integrated solutions.

Whether you are planning to re-platform a current site, looking to embrace the mobile channel, interested in International

opportunities, or are just keen to ensure your eCommerce platform is robust enough for the future, we can help you to achieve your goals.

We believe that to stay ahead, your business needs a holistic approach. Portaltech will analyse your business's eCommerce and multichannel retail requirements, reviewing and advising on brand execution, website design, the right platform for your business short and long term, integration with your current systems, retail operations, digital marketing, mobile commerce and marketing, fulfilment and customer services.

