



MADE.COM: DESIGNING FOR THE DIGITAL GENERATION

Annabel Jack, Chief Commercial Officer, Made.com, on connecting
with millennials online and in-store

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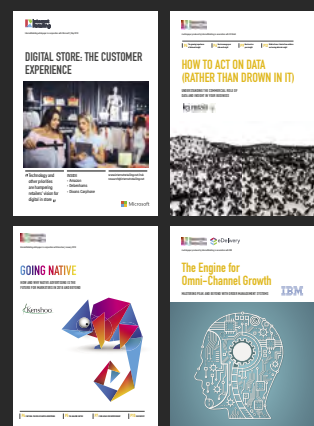


Providing colour to insight

InternetRetailing's White Papers provide a practical, case-study led view on a single topic of interest to retailers. Working with suppliers with domain expertise, ongoing research investment and a retailer-centred, market-based view of the topic, we combine these into an accessible briefing paper, rich in insights and reference sources.

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Editor's comment



“Life is like a box of chocolates. You never know what you're gonna get”. So said Winston Groom, author of *Forrest Gump*.

The same can be true of customers since every one is different and at best can be grouped into a few segments. Retailers have tried to compartmentalise customers even going so far as to have cardboard cut-outs of ‘the customer’ or a number of ‘customers’ arrayed around their offices making it easier for the team to associate with the 18-25 year old fashionista or 30-55 year old DIYer.

These personas extend online too with campaigns written to match each grouping. There is only so much that can be achieved in a working week and scaling these personas to cover every possible customer type, journey and end result is not a 5-minute task. Artificial intelligence though has been taking a lot of the laborious processing out of the task and meant that content and campaigns can be served to customers at the right moment in the best channel – and down to an individual basis.

In this issue of *InternetRetailing* magazine, we look at how artificial intelligence is moving on from being an intelligence and processing tool for retailers into providing a more human connection with customers. Apptus is aiming to be the UX for fashion with its search and merchandising solution which understands that a customer searching for a light blue dress doesn't want to see table lamps, while the latest release from RichRelevance incorporates natural language processing. This means that it can understand unstructured data such as ratings and reviews and use the content to better inform the resulting

products served to customers.

Voice – the big thing of 2018 – continues to impact on retail and it's another area in which retailers can not only connect with customers but need to do so in a way that is more human than mechanised. With shoppers talking in full sentences to Alexa, Siri and Google's Assistant, rather than scrubbing out extraneous words as they would with a typed keyword search, natural language processing becomes even more important. As does an understanding of context and how one search leads on to another.

This is impacting on search on ecommerce sites as retailers vie to be ‘the’ search result spoken by the smart speaker. This ‘intelligence’ is leading on to customers getting closer to a product which they are likely to purchase faster and with fewer interactions. Visual search, recently introduced on marksandspencer.com, makes product searches even more intuitive.

As Paul Skeldon, *InternetRetailing's* Mobile Editor, says in his article on connecting with customers, the hyper-connected consumer is now looking for the brands they like and trust to be part of their lives, not just something that pushes things at them as and when a marketing campaign kicks off.


This means using the data they give you to fully understand not only what they look at and what they buy, but what they are doing in the wider world, why they like what they like and why they might be interested. “Understanding their social media presence, as well as their wider habits is key to unlocking this in-life marketing concept,” he says.

The majority of shoppers are happy to share information – and the younger the shopper the more

likely they are to divulge information about themselves and their purchases to retailers and to other shoppers. Furniture design company *Made.com*, for example, has access to more than 10,000 pieces of user-generated content as its customers share images of their purchases in their home across social media and in particular on Instagram.

The company was set up with the ambition to be the number one destination for home design across Europe and for the past year it has been focusing on “building a brand for the millennial generation who are confident to buy a big ticket item online”. Annabel Jack, the company's Chief Commercial Officer, spoke to me at length about how the company is connecting with millennials online and through its expanded showroom. She also features on the cover of this issue of *InternetRetailing*.

Also in this issue, Grant Coleman, of Emarsys, examines why omnichannel marketing engagement is more than an e-receipt, while Craig Summers of Manhattan Associates explains why it's time to put the supply chain at the heart of the business.

As every customer is different, so too is every retailer but there are common trends that are impacting on every business. The *InternetRetailing Expo* is taking place in April at the NEC in Birmingham. With more than 100 speakers and 300 exhibitors I hope there is something in the assortment to tempt you. Whatever segment of retailing you operate in, the team at IR Towers looks forward to seeing you there. 

Emma Herrod
Editor



Chloe Rigby highlights recent industry changes but to keep up to date with the news and her insight between issues visit www.internetretailing.net

OCADO AND M&S SIGN £750M PARTNERSHIP DEAL

OCADO is going into business with Marks & Spencer, as it sells half of its UK retail business to its new partner for £750m.

The business will continue to trade as ocado.com and operate from the Ocado Smart Platform but will have access to M&S's brand, products and customer database from September 2020, after Ocado's current agreement to deliver Waitrose groceries expires.

Ocado brings to the partnership its Ocado Zoom same-day delivery service, which is first being trialled in London. M&S brings access to seven million members of its Sparks loyalty club and three million M&S Bank customers. In total, say the partners, the joint venture will benefit from access to more than 12m M&S Food shoppers.

The two say that the joint venture is a "strategically compelling route to unlock growth for M&S Food through a profitable, scalable presence in the online grocery market, the UK's fastest growing channel."

In the year to December 2, the two say, the new joint venture would have generated revenue of £1.5bn and EBITDA of £34.2m.

Steve Rowe, Chief Executive of M&S said: "I have always believed that M&S Food could and should be online. Combining the strength of our food offer with leading

online and delivery capability is a compelling proposition to drive long-term growth.

"Our investment in a fully aligned joint-venture with Ocado accelerates our Food strategy as it enables us to take our food online in an immediately profitable, scalable and sustainable way.

"Combining the magic of M&S Food with Ocado's leadership in online technology allows us to transform UK online grocery shopping by offering customers the broadest, most innovative and relevant range in UK food retail with award-winning service. Our partnership with Ocado will create shared value for our customers, colleagues, supplier partners and shareholders, operating with a common sense of purpose and values."

The new joint venture means that Ocado splits out its online grocery business from its fast-growing technology business which is enabling retailers around the world to tap into Ocado Smart Platform and related fulfilment services for their own ecommerce grocery delivery services.

M&S meanwhile, says the new venture will be a key part of its transformation programme to create a profitable family of businesses within three to five years "bound together not only by shared sites but by a shared consumer brand, colleagues, values, technology and customer data."

ONLINE GROWTH FOR H&M

H&M has reported a 22% lift in online sales in its latest full-year figures, after twelve months in which the Swedish fashion retailer moved to futureproof its business and to further integrate store and online sales across its markets.

It reported a 5% increase in net sales to £18bn (SEK 210.4bn) in its latest financial year, to November 30 2018. Gross profits came in at £9.3bn (SEK 110.9bn), up by 2.5% from £9.2bn (SEK 108.1bn) at the same time last year. Online sales came in at SEK 30bn (£2.5bn) in the full-year. Ecommerce accounted for 14.5% of total group sales.

All of H&M's 47 online markets are now on the same platform, following the migration of its German website, and it will launch ecommerce in Mexico during the coming year, and, through a franchisee, in Egypt.

In 2019, the retail group aims to add a net 175 new stores across a variety of its brands, while continuing to invest in a more convenient shopping experience – adding services such as click and collect and the ability to return items bought online to the store. Three new fulfilment centres were opened in Q4 to increase capacity, especially for online sales.

UK online sales grew by 38%, while store sales fell 1% resulting in overall growth of 8%. Sales grew in physical stores and online in China (+24%), India and Russia.

EBAY FOCUSES ON UX

EBAY has reported revenues of \$2.9bn (£2.2bn) in the quarter to December 31 – up by 6% on the same time last year. In the full-year the US-based marketplace reported revenues of \$10.7bn (£8.2bn), up by 8% on the previous year.

It said active buyers had grown by 4% during the quarter, taking its total to 179m active buyers around the world. Marketplace sales delivered revenue of \$2.3bn (£1.8bn) during the fourth quarter.

"We delivered record earnings for the fourth quarter and full year 2018," said Devin Wenig, President and Chief Executive, eBay. "In 2019 our focus will be on further improvements to the eBay user experience, while pursuing significant long-term growth opportunities in advertising and payments. We are confident in the strength of our business and future growth prospects, as demonstrated by our decision to institute eBay's first-ever dividend and increase our share repurchase programme."

Services launched during the year included the launch of installation services for those buying auto, home and electronics goods, and the expansion of eBay Authenticate to the jewellery category. eBay Instant Selling was launched, enabling consumers to sell their smartphones and get paid immediately through an eBay voucher.

AMAZON FY RISES BY A THIRD

VOICE commerce continued to lead the way for Amazon, as it reported net sales up by 21% in its fourth, Christmas, quarter – and up by 31% in the full year. The Echo Dot, one of Amazon's own-brand voice commerce devices, was the best-selling item around the world, and the retailer now has doubled its Alexa team.

Meanwhile, the retailer said that small and medium-sized marketplace sellers were responsible for 50% of products sold over the holiday period, and that their sales were now growing faster than its own direct sales.

The US retailer, which is also the UK's leading pureplay – ranked Elite in IRUK Top500 research – reported net sales of \$72.4bn (£55.4bn) in the quarter to December 31, 21% up on the \$60.5bn (£46.3bn) it reported at the same time last year. Net income – or profits – increased to \$3bn (£2.3bn) in the fourth quarter, up from \$1.9bn (£1.5bn) a year earlier.

Over the full year, net sales were 31% up at \$232.9bn

(£178.3bn), while net income stood at \$10.1m (£7.7bn), up from \$3bn (£2.3bn) a year earlier.

Looking ahead, Amazon is forecasting a slowing in growth, with sales expected to be up by 10% and 18% in the first quarter of 2019. However, operating income is expected to be up by between \$2.3bn (£1.8bn) and \$3.3bn (£2.5bn), from \$1.9bn (£1.5bn) in Q1 2018.

"We improved Alexa's ability to understand requests and answer questions by more than 20% through advances machine learning, we added billions of facts making Alexa more knowledgeable than ever, developers doubled the number of Alexa skills to over 80,000 and customers spoke to Alexa tens of billions more times in 2018 compared to 217," says Amazon Founder Jeff Bezos.

There are more than 28,000 Alexa-compatible smart home devices available from 4,500+ brands. More than 150 different products have Alexa built in, from headphones and PCs to cars and smart home devices.

LEGO CLOTHES SELL TO SNAPCHAT USERS FROM AN EMPTY SHOP

PUSHING the boundaries of in-store experience, a range of Lego-themed clothes for adults went on sale in a totally empty pop-up shop during London Fashion Week. Kabooki, the company behind the Lego Wear license, launched the limited-edition collection for adults, in the pop-up store with nothing inside it except a Snapcode – a sort of QR code for Snapchat – on a plinth.

When customers load up Snapchat, the be-plinthed Snapcode acts as a portal into an augmented reality (AR) fashion boutique, where they could browse and buy the limited edition range of streetwear clothing.

The virtual boutique featured an interactive DJ booth, an arcade machine and, most importantly, exclusive access to the limited-edition fashion range. Visitors who 'walk in' via their phone were able to browse products placed on Lego mannequins and buy online through an integrated 'Shop now' feature.

The launch was a global first for the brand and was set up with the aim of driving traffic to the Lego Wear ecommerce site.

"We loved the idea of experimenting with a new and innovative digital customer experience together with the Lego team. Approaching the adult fashion audience with this limited-edition clothing line through an AR experience is something we have never done before," said Birgitte Holgaard Langer, Chief Operating Officer & Chief Marketing Officer at Kabooki before the launch.

FUNDING & TRANSFORMATION FOR DEBENHAMS

DEBENHAMS has put funding in place in order to give it the financial space to turn its business around. The multichannel retailer said that it had extended its lending to give it access to another £40m over the next year as it continues to put its Debenhams Redesigned strategy in place. The strategy aims to transform it from a legacy department store business to one that employs new mobile and digital tools to engage shoppers at a time when they want to do more of their shopping online, and spend less time in stores.

Debenhams Chief Executive Sergio Bucher said that the announcement "represents the first step in our refinancing process. The support of our lenders for our turnaround plan is important to underpin a comprehensive solution that will take account of the interests of all stakeholders, and deliver a sustainable and profitable future for Debenhams."

The retailer also said then that it plans to close up to 50 under-performing stores over the next three to five years from a store estate of 165. Its plans include focusing on its own brands, and the retailer, ranked Leading in the latest IRUK Top500 research, said it had struck an agreement in principle with Li & Fung for the LF Digital platform to improve its supply chain visibility. "This," said Bucher, "will help us anticipate and respond more quickly to trends and our customers' preferences, as well as delivering better quality product."



Read more of *Paul Skeldon's* insight into the fast changing mobile channel and keep up to date with the significant news at www.internetretailing.net

WEARABLES ARE STILL A LONG WAY FROM MOBILE MAINSTREAM

ONE IN FIVE adults wears a smart watch or fitness strap and by 2020, the wearable tech market will be worth 30 billion euros globally – proving the market is one to watch. Globally, this equates to 105 million wearables shipped in 2018, a year-on-year increase of 10%, according to the latest Wearable Technology market report from Futuresource Consulting.

To date, technical features have led the race, with most devices competing solely on battery life and capabilities. But technology is no stranger to fashion; from smart fabrics, models wearing Google Glass on the runway, to fashion designer Adam Selman sporting the next generation of payment enabled dresses on the catwalk – wearable tech is increasingly claiming its place in fashion.

“Technology is getting faster and smaller, speaking to those same consumers seeking minimalist and seamless, but well-designed options. Now technology and fashion brands need to work together to end consumer confusion over whether devices are fashion accessories, tech hardware or fitness tools,” says Jorn Lambert, Executive Vice President, Digital Solutions Mastercard.

Fashion and technology both act as extensions of oneself and for wearable technology to be attractive to consumers it must appeal to both. Be it a diamond cuff, a metallic watch, or gold-plated ring, smart jewellery that allows consumers to unlock new goods while looking good is essential to the next stage of wearable technology's growth. It's a promising way for brands to enter a new market and reach new, connected and digitally native customers – wearables are multi-use, but cheaper than most mobile devices.

Looking to the brands, Apple regained its position as the largest connected watch vendor during Q4, totalling 20 million Apple Watch shipments during the year, however in volume terms it has been challenged by Xiaomi throughout the year whom have gained in volume rankings during 2018. Fitbit and Fossil remain challengers to Apple's dominance on the smartwatch market, with Fossil competing through offering a wide range of smartwatch styles and Fitbit competing on price, with its \$200 Versa. In 2019, we expect vendors to benefit from a strong market for smartwatches, with tailwinds driven by replacement and upgrade purchases generating strong market growth.

UK CONSUMERS USING RETAILERS' APPS FOR PROMOTION NOTIFICATIONS

NEARLY HALF of UK consumers who use retailers' apps do so to get notifications about promotions, finds a study by GlobalData. This is good news for retailers, who should ensure their apps include this functionality to promote discounted products and encourage browsing, says the analytics company's latest report.

Hannah Thomson, Senior Retail Analyst at GlobalData, comments: “The popularity of this feature among consumers suggests that this form of communication may be more effective than the more-established method of an email newsletter.

“Retailers must however ensure their apps deliver the functionality consumers value, such as the ability to make and save wishlists and to give updates on deliveries, as limited storage on mobile devices means consumers are selective about which apps they install.”

Retailers which can encourage shoppers to use their apps can expect to pick up additional spend on impulse purchases. Some 53.3% of consumers agreed that most purchases made using smartphones were impulse buys.

Thomson adds: “This will benefit retailers of discretionary products, such as fashion and decorative homewares.”

AMAZON ADDS IOS-BASED LIVE STREAMING

AMAZON is allowing brands and retailers on its site to live stream product demos and sales pitches in a new service using nothing more than a smartphone.

Reminiscent of TV shopping channels, Amazon Live sits on the retailer or brand's product details page and on the Amazon Live home page and allows live interaction between viewers and the retailer while the 'broadcast' is in progress. Each broadcast is then also archived for future use by shoppers.

While the Live Stream is in progress, shoppers can talk to the retailer or brand – or other shoppers – using live chat and the products being featured in the Live Stream are available to buy along the side of the video player.

Live Stream isn't available to all, however, being only available to Professional Sellers on Amazon's Brand Registry and isn't currently open to retailers in China and Hong Kong.

If you qualify, then it is relatively easy to set up, working off a simple iOS app. The brand or retailer downloads the Creator Apple app, which then allows the stream to be filmed and streamed from an iPhone or, using a live stream encoder, a professional camera can be used.

Image: Made.com



Made.com: Designing for the digital generation

Annabel Jack, Chief Commercial Officer, Made.com, spoke to Emma Herrod about how the company is connecting with millennials online and through its expanded showroom.

The high street is changing. Shoppers want experiences and not just ‘things’, and they want to be entertained when they do go into a physical store. Any retailer with a high street presence wanting to know how to fulfil these customer needs could gain a lot by taking a look at the newly expanded and relaunched London showroom of Made.com.

Not only is it designed with the furniture retailer’s millennial customers in mind but it is also helping the

company achieve phenomenal growth: 2018’s turnover was up 34% year-on-year and that’s just in the UK.

Made’s showroom is more than a display of products. It’s a place where customers can immerse themselves in the catalogue, explains Annabel Jack, Chief Commercial Officer, Made.com.

The company sees its showroom – which with the relaunch has tripled in size – as a place where its online customers can touch and feel fabric, attend a workshop,



Image: Made.com

▲ A range of screens enable customers to explore products further and spend time with a designer

talk with a designer or play with the technology that's being tested ahead of possible rollout to other showrooms. It's a place where customers can experience the brand and where Made can build a deeper, more personalised relationship with customers.

The showroom has furniture, lighting and homewares on display for customers to touch, feel and sit on as well as a very large, 55 inch, touchscreen through which customers can further explore the products and their provenance. A design area with seating gives them the opportunity to look over content on smaller screens, be inspired or spend time with one of the company's designers.

All of the screens give access to the same content and functionality as the company's website but their large format and proximity to the actual product make it easier for shoppers to move between digital and physical. From here they can rotate product, watch videos and zoom in to examine an item up close or view different colour ways. Those colours can also be seen on physical swatches of wood or material which shoppers can examine or take away. The area where the swatches are kept is designed to allow shoppers to see everything in similar colours, so all of the blues, pinks and so on are presented together.

There is some additional functionality on the screens, too: a QR code is displayed with every product and when the

shopper scans this with their smartphone it brings up the product on their phone. The QR code can also be printed out from the screen onto a glossy postcard which includes an image of the product and its name so the customer has a physical record of what they're interested in.

A buy-now button triggers an alert for one of the store assistants to approach the customer. Jack explains that store assistants' salaries are not commission based so conversations are not a hard sell.

"The human interaction is as relevant as the technology experience" says Jack, and she adds that this desire for a high-quality experience for the customer is one of the reasons why the company has stayed away from augmented and virtual reality.

To further link online and the showroom, customers will soon be able to book an appointment online with a designer in store. This is just one of the service-led ideas that the company is working on.

"The showroom is a destination," says Jack, so people will travel especially to visit the showroom. This means that the six showrooms which Made operates currently do not need to be in prime locations. "Finding the space is important," she adds.

Everything in the showroom is designed to help the customer, whether that's seeing the product they have been

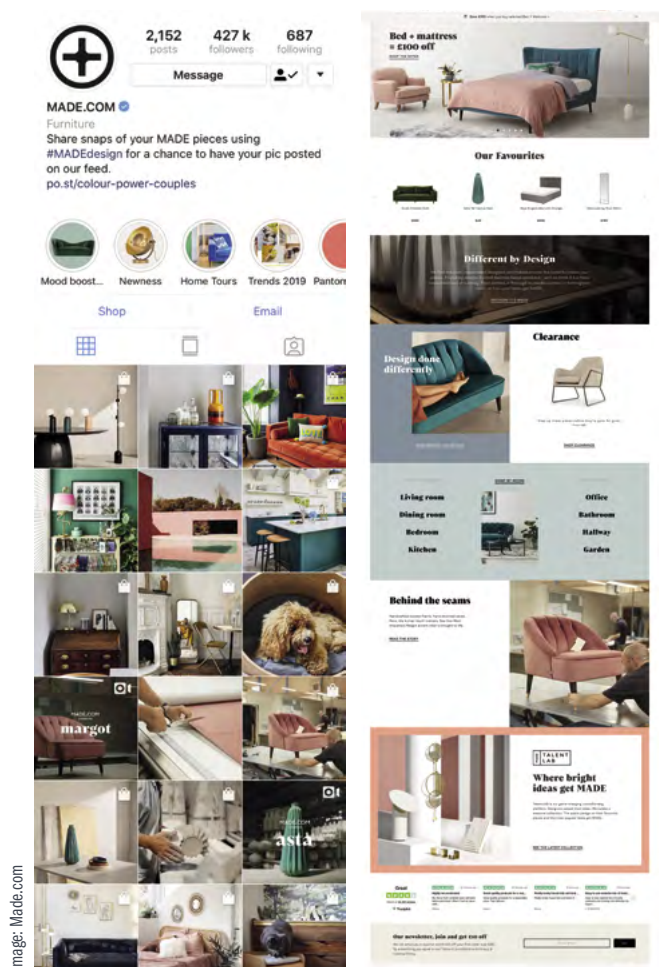


Image: Made.com

▲ Millennials willingly share images of their purchases resulting in Made having over 10,000 pieces of user-generated content

▲ Highlighting the provenance of products is important to millennial customers

looking at online (its website displays a list of the products in the showroom so shoppers are not disappointed if the items they have been looking at aren't on show when they visit), gaining inspiration from the company's own content and curation or user-generated content, or taking time out in the coffee shop – which is coming soon – to think about and discuss potential purchases.

The showroom is also hosting events and workshops, and an area of it has been given over to partnerships with companies offering complementary products. This area – which is currently being used by indoor plant specialist Patch – will change regularly, explains Jack, giving shoppers an even greater reason to visit as well as keeping the space fresh.

INSPIRING MILLENNIALS

Inspiration, visuals and design are three areas which are important to Made and to its millennial customers. The company was set up with the ambition to be the number one destination for home design across Europe and Jack says the past year has seen it focus on “building a brand for the millennial generation who are confident to buy a big



ticket item online”. She equates the current position of the furniture market to that of the fashion industry a few years ago, when it suddenly expanded online once consumers were happy not to have to touch and feel items before making a purchase.

A change to the homepage of the website last year saw the company introducing more features to inspire customers as well as highlighting the provenance of products – something that Jack says is important to millennials.

Videos show how items are made and the individual factories that the company uses, from the potters in Portugal to the needleworkers in Nottingham. Other features highlight different parts of the home and how they can be styled. This is an area in which Made excels with its own studio creating content around products for the different channels. It is also flexible and able to move fast to react to trends.

Shoppers can gain further inspiration by narrowing down product lines to show the type of things or collections that they prefer. By ‘liking’ items online, they will be shown products that match their style. They can also choose to view only items which are available for delivery in their chosen timeframe or match certain size criteria.

In addition, shoppers can see what products look like in other customers' homes and how they have styled them. “We have over 10,000 pieces of user-generated content,” says Jack.

“Our customers are on social media a lot.” She adds that visual platforms such as Instagram have “fuelled” the company's growth. Customers can buy directly from Instagram, too, she explains and they are also very happy to share their purchases on social media, thus acting as brand ambassadors.



Image: Made.com

Customers can co-create products with the company since anyone can send ideas to the crowd-funded Talent Lab, which Made launched in 2017. A selection of product ideas, along with details of the designer, are then shown on the website and shoppers can pledge £5 or so to an item that they would like to see go into production. If an item receives enough pledges, Made will work with the designer to take it from the design stage and into production. Shoppers who make a pledge receive the item at a lower, early-bird price. This scheme has grown from a competition with a single winner to the company now working with 200 designers a year.

Talent Lab is well defined within the showroom with photographs of designers hanging near their products. Jack explains that designers are at the heart of the business since the founders' ambition was for Made.com to be "the leading design-led furniture business in Europe".

EUROPE

Made operates in seven countries outside of the UK and these accounted for 42% of its total turnover in 2018. Of these, France and Germany are the largest markets. In fact, says Jack, looking at the size of the opportunity: "Germany is equivalent to the UK and France put together in terms of the buying power of consumers."

Made also operates sites for Switzerland, Austria, Netherlands, Belgium and Spain. Its international

operations are run from offices in Paris, Berlin and Amsterdam where it also has showrooms, albeit on a smaller scale than the expanded London outlet. Jack explains that the showrooms are an important part of the company's growth and it is committed to rolling out more. She sees them being opened in key cities but adds: "I can't see us in a position where we'd want to roll out 30 showrooms."

A new showroom will open in Hamburg, Germany, in March.

This year will also see further expansion of Made's online presence with a site covering Denmark and Sweden and sites for Portugal and Italy. Its latest launch was in October 2018 into Spain's £6bn-a-year market for furniture and homes. The country has made a great economic recovery in recent years and Jack says Made's launch has "exceeded expectations".

Spain's GDP grew by more than 3% year-on-year 2015 to 2017, and with rising employment, Spanish shoppers are keen to spend more and spend better. Online sales are also increasing rapidly from a low base compared with the UK; the furniture and homewares sector is a specific area of growth that's forecast to reach almost 13% penetration by 2022.

The country's passion for interior design, along with it having the second biggest smartphone penetration in Europe (after Sweden), leaves scope for Made to expand

Image: Made.com



▲ Made's London showroom has tripled in size

very quickly and effectively through brand advocates on social media.

The company already collaborates with many Spanish designers, including Casa Estudio and Nelson Ruis Acai, one half of Cate and Nelson who have designed bestsellers for Made, including the Wes sofa.

Made is predicting growth in all of its markets during 2019 and expects its international business to overtake the UK to account for more than half of its turnover this year.

2018 SUCCESS

This predicted growth follows a year in which Made has seen its turnover increase by 37% to £173m, driven by the expansion of its existing markets, its launch into new product categories and the growth of its international markets. Revenue in the UK reached £100m for the first time with turnover from its European market growing by 40% to £73m.


The expansion of product categories away from large items of furniture into lifestyle, leisure and gifting, which includes items such as dog beds, yoga mats and bicycles, has been a key driver for the 34% growth in the UK market in 2018, explains Jack. "There have also been lots more impulse purchases."

While customer acquisition is always front of mind, the launch into the new categories has helped with retention and repeat purchases since items which were previously

the mainstay of the business such as sofas have a long gap between one purchase and the next.

Made now sells a range of 4,000 products which is refreshed weekly. Up to 2,000 new products are launched each year by the in-house design team and collaborations with hundreds of established and emerging designers as well as those applying through the Talent Lab. It is also in charge of the manufacturing through supplier relationships which it has built up over the years and enable it to show the provenance of the products it sells.

“ The human interaction is as relevant as the technology experience ”

Made has its sights set on the burgeoning European market for furniture and homewares, which is estimated to be worth around £120bn. Through its investment in technology and infrastructure – including a £40m investment in 2018, and a newly designed homepage and in-house creative team – the company is set to continue to expand its business and deliver on its ambition of being the design brand for the digital generation. 

Connecting with Gen Z

The recent controversy over the Fyre Festival, which promised more than it delivered, highlights the findings of research that proves that Gen Z is the most likely generation to purchase from a company that provides consistent, relevant content. *Emma Herrod* reports on the findings.

The fast emerging, Generation Z (born between 1996 and 2015) have been stealing the limelight from the so called 'entitled' millennials. But aside from their nascent economic might, this born-digital generation point us toward trends that may well have a profound effect on how brands connect with all future generations that only know life after the onset of the internet.

Gen Z have never known a world without the internet and see no distinction between their physical and digital lives. For them, the web should become a human experience, believe the authors of a study by The Center for Generation Kinetics and WP Engine.

According the study, Gen Z continues to be the most Internet-dependent generation – 61% of Gen Z can't comfortably go more than four hours without the internet, while 13% of Baby Boomers can go a week or more. Gen Z, which has never known a world without the internet, not only expects 24/7 digital access but expects that within five years everything – clocks, refrigerators, vacuums, dishwashers and other appliances – will be connected online.

Gen Z has grown up in the hyper-personalised world of targeted advertisements and social platforms. As a result, they are willing to trade privacy for personalised experiences – 38% will provide their personal data to enable a more personalised experience over an anonymous one. Additionally, 40% of Gen Z would stop visiting a website if it didn't anticipate what they needed, liked, or wanted.

Given Gen Z's dependence on the internet, it's fitting that merely being online is no barrier when it comes to earning their trust as consumers. When asked if an online-only company was less trustworthy than a solely brick-and-mortar business, 61% of Gen Z say no. As shoppers, Gen Z demands that brands be both socially accountable and imbued with a sense of authenticity in their interactions.

Some 65% of Gen Z are more likely to buy from a company that contributes to social causes, while 30% have stopped buying from a company that contributes to a social cause with which they disagree. This is similar to Baby Boomers, 28% of whom would stop buying from a company if they disagreed with their stance on social issues, while 60% are more likely to buy from companies that contribute to causes with which they agree.

Another interesting digital note: despite Gen Z's eagerness to access the web using new methods and

different devices, they still show a clear preference for a company's website over a mobile app when making purchases. This fact held true across all generations, with Baby Boomers leading the pack at 93%, followed by Gen X (89%), Millennials (71%), and Gen Z (69%).

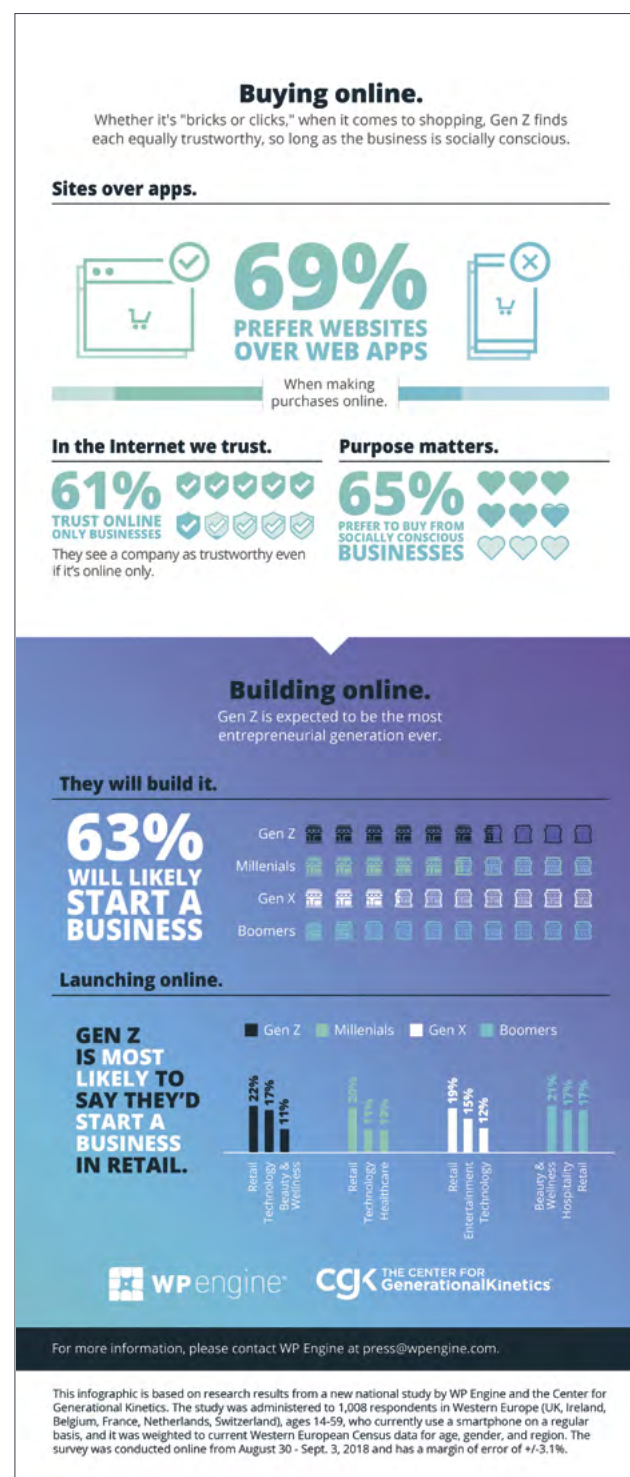
And when it comes to technology, Gen Z has a powerful tech-centric view of the future. When thinking about how websites will function five years from now: 78% believe that with biometrics (fingerprint and face recognition, voice and speech recognition), internet authentication will be done without keyboards; 77% think that through augmented reality or virtual reality, the internet will impact our view of the world constantly, wherever we are; 63% believe that everyone will have their own personalised virtual digital assistant (Siri, Alexa, etc.) to help them do everything they need to do online; 78% think all software and websites/digital experiences will have digital learning/AI capabilities.

"Gen Z is empowered, connected, practical, empathetic self-starters who want to stand out and make a difference in the world," says Jason Dorsey, President, The Center for Generational Kinetics. "They merge the human and digital experiences – it is all one combined reality for them. They are fuelled by technology engagement and value uniqueness, authenticity, creativity, shareability and purpose. And they look for that from the world around them."

Gen Z is the first generation to intrinsically combine the digital and the physical worlds. From now on, the digital experience will be synonymous with our human experience.

But, assuming that this holds true, the question for retailers is how to reach this key audience in a meaningful way by understanding that for, for this generation, the digital experience will be synonymous with their human experience.

1. You'll only find information useful if it engages your emotions: 29% of Gen Z prefer to be entertained by a company's online content compared with 6% for baby boomers;
2. Honesty and openness are increasingly the currency of brands: 79% of Gen Z will trust a company more if the images that brand uses are not photoshopped; 84% of Gen Z trust a company more if they use actual customers in their ads;
3. Relationship success will be determined by how good a catch everyone else thinks you are: 47% of Gen Z believe their online reputation will determine their dating options;



4. Politicians will no longer be your only political leaders: 46% of Gen Z believe that people who build/manage the internet are more important than political leaders around the world;
5. Economic access will not depend on you having a formal education: 62% of Gen Z would rather have unlimited access to the internet and no college degree than a college degree and no access to the internet;
6. Your career choices will be increasingly defined by

economic independence: 63% of Gen Z said they would or possibly would start their own business.

"Gen Z is well on its way to becoming the largest generation of consumers by the year 2020," said Fabio Torlini, EMEA Managing Director at WP Engine. "For marketers and brands to effectively engage Gen Z, they must embrace new technologies, experiment with new forms of communication, and internalise the nuances in how Gen Z blends the analogue and digital worlds."



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• Find out how to meet the expectations of the Generation Z customer.

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Sustaining Retail

Even as we seek to sell more, the broad issue of sustainability is increasing in importance to our customers. *Ian Jindal* considers how retailers and brands might approach an action plan.

In 2015 there were 100 billion articles of clothing produced, yet research shows that many people only wear an item 7-10 times before discarding it. Despite recycling efforts, nearly 10 billion kilograms of textiles a year are sent to landfill in the USA. These textiles may never decompose, due often to plastic content in the fibres. If we avoid landfill by incinerating textiles then we produce some 3,000lb of CO₂ per megawatt-hour. Coal produces 2500lb/MWhr.

Notwithstanding the environmental impact of waste, retailers and brands promote consumption: new range, new season, refresh, update, buy more, buy now. Improved manufacturing capabilities keep costs low, and discounting keeps consumption high.

There are however voices calling for increased sustainability, and as retailers respond we realise the complexities and challenges in this journey. At the end of April 2019 we will publish our RetailX Analyst Report on Fast Fashion, which will consider sustainability as one of the strategic issues. Some of the considerations are already evident.

■ **Sustainability** must be measured. Customers want to be educated in our choices, and given access to how our thinking turns into action. While there is a growing number of accreditation programmes for trees, cotton, recyclability etc, we have to explain to the customers the impact of this choice, both upon our business practices and as a benefit to the customer.

■ **Traceability.** To supplement a transparent approach we need to be able to trace and confirm the

movement of money and goods. This could range from ensuring that a Fair Trade premium actually makes its way to the source, or that we can be certain that we've procured organic and sustainable materials. There are emerging technology options, blockchain-powered ledgers and tracking systems, but it's vital that brands invest in credible assurance and assessment procedures, rather than accepting promises at face value. The weakest point in current procedures is often the source, and technology cannot rectify an initial falsehood.


■ **Sustainability is multidimensional.** Take cotton as an example. While we may source organic cotton (no pesticide use, no fertilisers), we also have to consider the water usage in growing and processing the crop. As with products from beef to almonds, water usage is as significant a challenge as land use. Addressing one part of the interconnected chain of production leads us to address broader, linked issues.

■ **People are resources too.** Broader considerations of the cost of production must include issues of modern slavery, child and bonded labour. All too often wages are kept artificially low by exploiting staff. Slavery is invidious and can take many forms. For example withholding passports, money or contact from workers. Factoring in fair, living wages for workers is an issue both of sustainability and of ethics.

■ **Conflicting values.** Sustainability can involve compromise or even irresolvable positions. One brand

may ban fur on the basis of animal suffering; another might support fur as a sustainable aspect of indigenous people's way of life. Both brands need to make their case to consumers who can then choose.

■ **Renewal** as much as reduction. While we have focused upon reducing the waste or harm, a growing number of brands feel that we must reverse previous damage. The sustainable mantra of "reduce, re-use, recycle" now adds a "renew" as well. Can we produce raw materials in ways that leave the land better than we found it? Beyond a 'plant a tree' approach we see brands working to bring poisoned land back into production, or to sequester carbon through their activities. In retail we see the growth of marketplaces that extend the life of products (formerly known as 'second hand' or 'vintage'), rent-not-buy, and repair or renewal services.

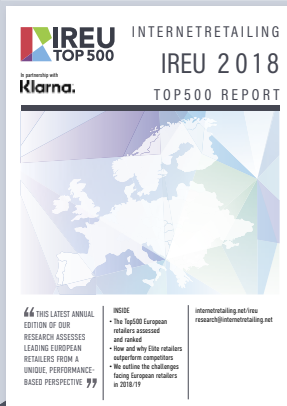
Sustainability is a complex and complicated field, but the imperative to act is clear. Customers, governments and good business will compel us to make some steps (at a minimum) in this direction. For our businesses to be sustainable, so must be our business practices, products and services. 

We would love to hear your thoughts, questions and experiences in sustainability. Drop a note in confidence to ian@retailx.net. If you would like to reserve a copy of the Analyst Report visit <https://retailx.net/product/fast-fashion-2019-sector-analyst-report/>



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IRUK: Brand Engagement

The latest IRUK Top500 Performance Dimension Report focuses on Brand Engagement. *Emma Herrod* shares some of the findings.

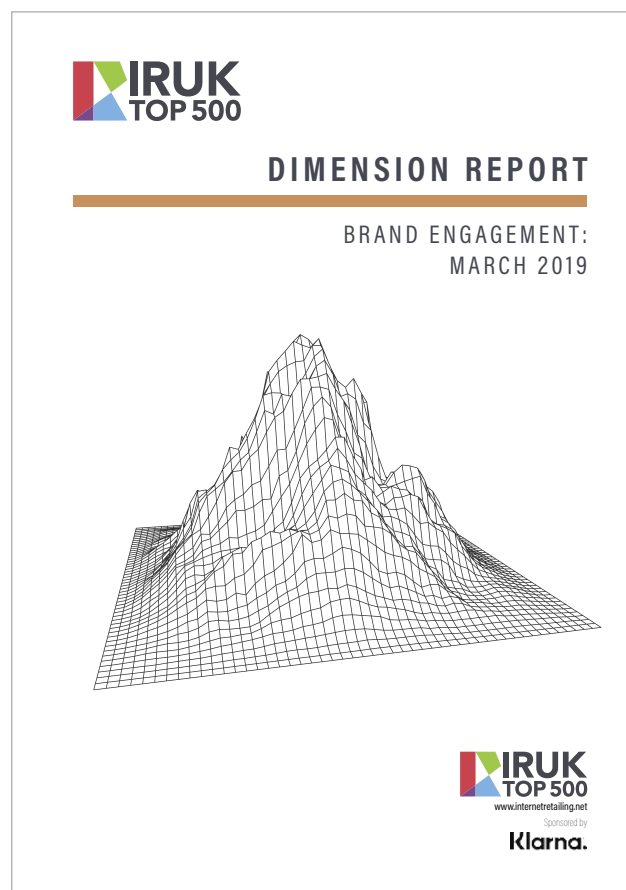
The latest IRUK Top500 Dimension Report of 2019, focuses on Brand Engagement and the ways in which Top500 retailers selling in the UK market build their brand and engage with their customers, both online and across different channels. For in a shopping environment that's highly competitive both online and in-store, building a distinctive brand is as important to retailers that sell consumer brands as it is to the brands themselves.

It is about retailers developing a brand look, feel and voice that shoppers can get to know. When shoppers recognise a brand they are more likely to remember it when they next make a relevant purchase, and when they get to know a brand and see it as reliable, they are more likely to trust it – and to develop an ongoing relationship with it. This is particularly important at a time when many retailers sell the same products and consumer brands: it is key to be the name sticking in consumers' minds when they consider their next purchases.

“ It is about retailers developing a brand look, feel and voice that shoppers can get to know ”

The good news is that today there is a wide range of tools available for retailers to use in building their brand's voice and image – and in this Dimension Report the IR researchers look at how retailers are building followings by sharing images and videos, and by striking up conversations on channels from YouTube to Instagram, Facebook to Twitter. The report looks at how they use email to continue that conversation, and reviews and ratings to bring in other opinions. It also explores the RetailX original research that underpins this Dimension Report.

Amongst the retailers interviewed, is Jack Cooper of Andertons Music who tells Chloe Rigby how the family-run business talks to an audience that extends well beyond its hometown. The third-generation family business trades from a single showroom store in Guildford, Surrey. Yet, to date, its YouTube videos featuring a unique take on the rock'n'roll instruments and equipment that its musician customers buy have been watched, collectively, for 1.03 minutes by viewers around the world – that's equivalent to 1,963 years and 148 days.



Videos range from 15-minute overviews of the latest guitars, keyboards, other instruments and equipment in its product range, to hour-long interviews with musicians who are key to its product categories.

This activity helps to bring musicians from as far afield as Australia and the US into the store, dropping in to take part in its regular events and masterclasses. It's also won the retailer a Top50 place in the Brand Engagement Dimension of the IRUK Top500, alongside retailers including Sainsbury's, Argos and Boots.

Sainsbury's, according to the IR researchers, puts food at the heart of its social media conversations with shoppers. Its website features a wide range of recipes, themed from Change4life healthy eating recipes through to vegan and family favourites. Website users can see information ranging from how popular those recipes are – the number of people that have saved the recipe is displayed – through to how much the recipes cost per portion, and whether there are any current offers on ingredients. Users can

then click to add the ingredients directly to their grocery shopping baskets.

By adding their dietary preferences to the website, shoppers can also be alerted if they choose any items that do not conform to their preferences – a useful piece of personalisation. Shoppers can then go on to share the recipes they have found on the website to Facebook, Twitter, Pinterest or via email, while saving them for future reference.

The conversation continues across social channels. The retailer's YouTube channel features a range of 'how to' cookery videos, as well as recipe demonstrations while its Twitter channel engages with shoppers predominantly via food-related discussions and by sharing recipes.

Argos, meanwhile, scores well in the report since it has long defined its retail brand through the innovation and technology that it deploys in the shopping experience. Through its strategic use of technology, the retailer offers its customers a range of convenient ways to buy products. That's important for Argos since many of the general merchandise product it sells are not exclusive. Since last autumn, its customers have been able to browse and order from its range via a new and potentially convenient channel – voice.

The IRUK Top500 Brand Engagement Dimension Report is a useful tool for retailers to understand how leading traders build their brands, and to understand how their own businesses measure up against the benchmark set by members of the IRUK Top500.

12 APPROACHES TO BRAND ENGAGEMENT

Retailers that take the time to strike up and engage in conversations with existing and potential customers stand out in the IRUK Top500 Brand Engagement Dimension. By providing information or inspiration that's of real value to the people considering buying their products, these traders make it that bit more likely that shoppers will buy. The Report includes 12 highly-practical approaches that leading retailers are taking as they find new ways to open conversations with customer.

1. Put brand experience to the fore
2. Find new approaches to loyalty
3. Leverage utility
4. Use new technologies to answer questions
5. Deploy reviews and ratings strategically
6. Make space to talk
7. Use images to engage customers
8. Use new ways to engage
9. Give shoppers good reasons to sign up
10. The role of the store in brand awareness...
11. ...and in brand experiences
12. Use content alongside commerce

It flows from IRUK Top500 research, in which InternetRetailing benefitted from the valued input of its skilled Knowledge Partners. As always, InternetRetailing would like to hear what readers think, whether you have views on the metrics used, and how they could be improved, or on an innovative approach that's working for you as a retailer – please do share your thoughts via research@internetretailing.net. 🇬🇧

BRAND ENGAGEMENT TOP 50

Aldi
Amazon
American Golf
Andertons Music
Argos
Asda
Avon
Axminster
B&Q
Bathstore
Beauty Bay
Boden
Bonmarché
Boots
Clarks
Dr. Martens
Dune London

Dunelm
Ellis Brigham Mountain Sports
The Entertainer
Evans Cycles
Everything5pounds.com
Fat Face
Fragrance Direct
H&M
Halfords
House of Fraser
Hughes Electrical
Iceland
JD Williams
JoJo Maman Bébé
Joules
Mainline Menswear
Marks & Spencer

Morrisons
Mothercare
New Look
Next
Nisbets
Ocado
Pets at Home
Route One
Sainsbury's
Superdrug
Sweaty Betty
Ugg
Victoria's Secret
Watch Shop
Wickes
Wilko

IREU Top500: The Customer

The latest InternetRetailing EU Dimension Report focuses on The Customer. *Emma Herrod* reports on some of the research findings.

The latest of InternetRetailing's IREU Dimension Reports focuses on The Customer, which is of course where the focus of retail should always be. By this, the researchers mean that retailers – and increasingly brands selling direct too – operating at the cutting edge are increasingly building their offerings around customers, personalising offerings.

In one sense, this is simply a continuation of something shopkeepers have always done, staying close to customers and understanding their needs. The difference now is that retailers that operate across channels and across territories, and which have different brands sharing much of the same infrastructure, have to stay close to customers at scale and in an increasingly competitive environment.

This is not going to change. Rather, as the report discusses, reaching different demographics is only likely to become more complex in the near future – so much so that the assumptions underpinning traditional targeting techniques can no longer be relied upon.

So what should retailers do to prepare? The case studies on Ocado, Asos and Ikea offer clues.

Online supermarket Ocado, for example, has put customer care at the heart of its strategy and, in the past year, has pressed ahead on several fronts. One project has seen it introduce the Orlo technology platform – also used by Iceland and Laura Ashley, among others – which integrates social media and live chat management so that the online grocer can move easily between communication channels when talking to customers, while at the same time, allowing Ocado to retain linked records of all conversations. Ocado's stated objective is to provide its customers with improved customer care as one more way of delivering a better overall shopping experience.

Fashion retailer Asos is taking a multifaceted approach to supporting its customers and, says the report authors, "The volume of work Asos undertakes to support the customer journey is striking. It updated its technology through 2,900 releases in its last financial year, including many new customer features and shopping experience changes."

It recently launched Fit Assistant, an AI assistant built into the Asos app that helps consumers find their fashion


fit before they order. Fit Assistant uses machine learning to offer consumers personalised size recommendations for particular products, based on their pattern of previous purchases as well as returns.

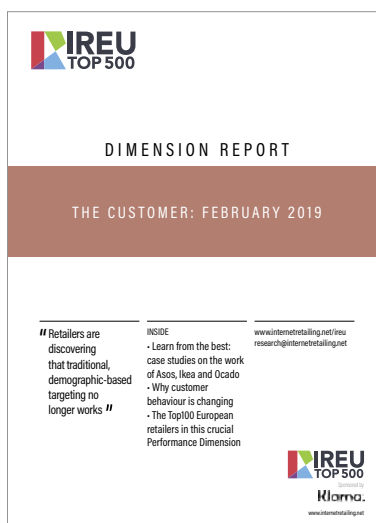
Ikea, the Sweden-headquartered home retailer, meanwhile, has created loyal customers the world over primarily through its distinctive store offer and well-designed products. On the face of it, the company plans to stick to its proven formula in the years ahead, although with a few twists. It recently announced plans to invest billions of Euros in growing its store count to 70 over the next seven years, while also working hard at its developing omnichannel offer.

This IREU Report lists the leading retailers by their performance in this Dimension.

The report concludes that we are living through an era where pricing is, if not quite transparent, at least far less opaque than it would often have seemed to previous generations. With access to a smartphone, customers on the move can instantly check prices on the items they want to buy. Yet despite this, customers do not buy on price alone. Issues around trust, in particular, always have an effect on purchase decisions. Customers want to buy from retailers and brands that are reliable, efficient and that keep their promises.

This is why issues around customer experience again and again turn out to revolve around a rather dull yet important word – consistency. When customers order from a retailer, they should move from an intuitive website or app through an easy-to-follow checkout process, and be able to choose from delivery and collection options that are appropriate to what they've bought. If these customers have to send an email or talk with a customer service advisor, they should get straightforward, polite and prompt answers. When they range across different channels, as customers do, they should not receive any information that does not tally with what they have been told elsewhere.

This all sounds simple, but as this Dimension Report shows, just the sheer number of variables here mean that ensuring dull consistency is tough. Moreover, it is work that never ends, which constantly needs revisiting as, for example, demographics change and customer expectations similarly change. To stay ahead of competitors, retailers need to recognise this truth and deal with it – consistently. 



Pay later gets you paid.

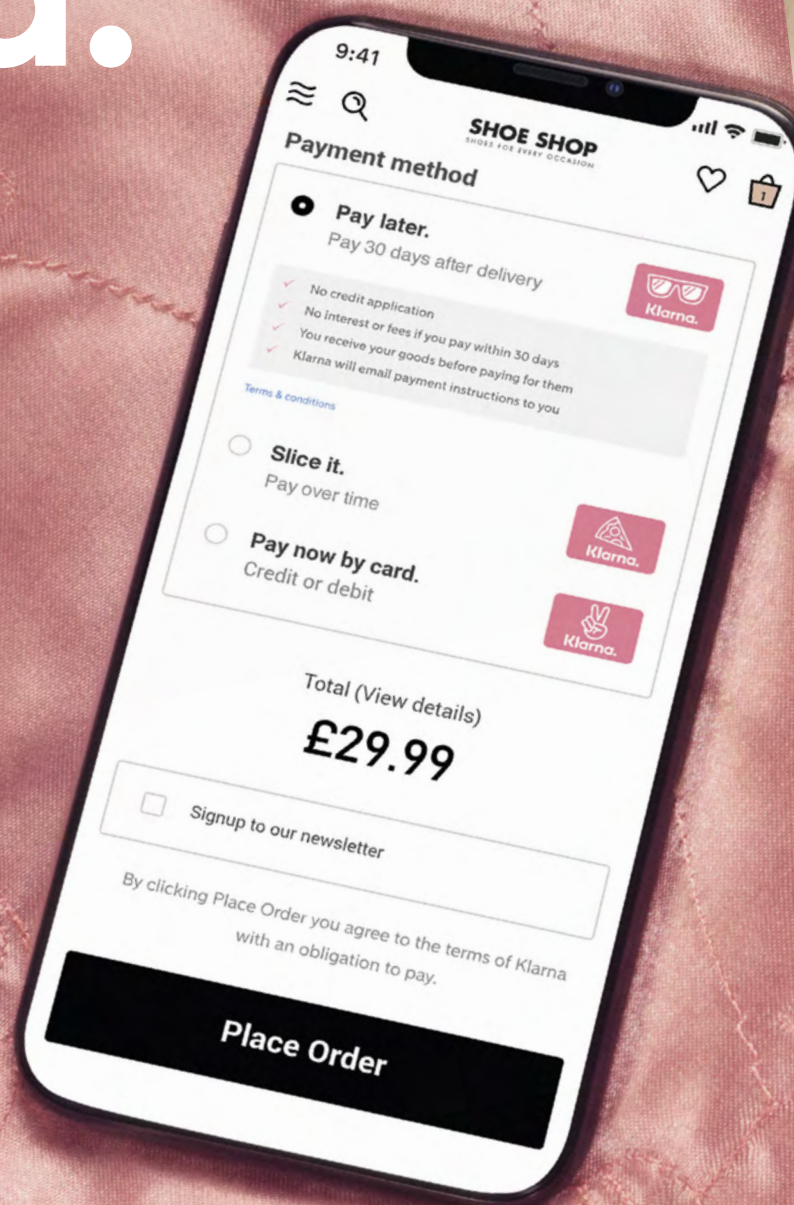
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Snoop Dogg becomes a shareholder in Klarna and transforms into Smoooth Dogg

Stockholm, January 17, 2019 – Klarna, a leading global payment provider and bank, joins forces with rapper and global pop culture icon Snoop Dogg in order to bring the company's communication concept of "Smoooth" to the next level. The collaboration entails Snoop Dogg becoming Smoooth Dogg and the face of a major campaign called "Get Smoooth", as well as Snoop Dogg becoming a minor shareholder in Klarna.

As a communicative concept, "Smoooth" encapsulates Klarna's strategy as well as its promise in a single word, meaning: removing friction from the world of pay later payments. To make this effort abundantly clear, the company now teams up with Snoop Dogg, arguably the smoothest man alive, on his journey to become even smoother, in the campaign "Get Smoooth". For Snoop Dogg, this is part of his European investment strategy.

"I've been looking for an opportunity to expand my tech investment portfolio to Europe and seeing the way Klarna operates and how they challenge the status quo, I think it's a match made in heaven. I'm very excited about this partnership," says Snoop Dogg.

"Get Smoooth" refers to the fact that whether you are a consumer, a merchant or a famously smooth person as Snoop Dogg, Klarna's products will make your everyday life a lot smoother and hassle-free. From smooth to smoooth.

Calvin Broadus, better known as Snoop Dogg, is an American rapper, record producer and actor. His music career began in 1992 when he was discovered by rapper and music producer Dr. Dre. He has since sold over 37 million albums worldwide. Snoop Dogg will acquire the shares from an existing Klarna shareholder. Klarna's CEO

Sebastian Siemiatkowski confirmed the partnership on Twitter and adds:

"Snoop is not only a rap legend, but also a successful businessman, with a genuine interest in tech, retail and e-commerce. He has a great understanding of consumer behavior and is exceptional when it comes to branding and marketing," Siemiatkowski continues: "Teaming up with one of the smoothest persons alive, opens new doors to Klarna as we grow and develop as a company."

Following the Get Smoooth campaign, Snoop Dogg and Klarna will shortly announce the next step of their collaboration, presenting a range of unique items enabling anyone to "Get Smoooth".

The commercials featuring Snoop Dogg as Smoooth Dogg can be found through the links below:

THE CORONATION

www.youtube.com/watch?v=i57wmNb92Qs&feature=youtu.be

LONGEST TOAST

www.youtube.com/watch?v=mKzShC6rq5M&feature=youtu.be

SILKY BED

<https://www.youtube.com/watch?v=Fz9NXMxm9p8&feature=youtu.be>

For more information, please contact:
Communications @ Klarna.
press@klarna.com

Simon Wistow

Co-founder and VP of Product Strategy, Fastly



WHAT DOES YOUR COMPANY DO AND WHAT IS YOUR USP?

Fastly helps good companies do great things online. Chances are, you use Fastly's technology daily. If you read the Guardian, BuzzFeed, or the New York Times, listen to Spotify, shop online at Boots, Reiss and La Redoute, order from Deliveroo, book travel on KAYAK or Airbnb, use GitHub and New Relic for work, or use Pinterest – Fastly is making it possible. The company is the lifeblood of these rich online experiences, sat in the background ensuring that the most popular destinations online are consistently fast, secure, and scalable.

In today's internet climate, users demand a secure, fast and dependable online experience. By allowing developers to build better, more scalable applications on top of its platform, Fastly enables effortless innovation and reduced infrastructure costs, and is ideal for handling today's massive, distributed attacks – proactively blocking threats at the edge where they meet users.

HOW DO YOU DELIVER ON THIS USP?

Fastly was born out of frustrations with legacy cloud infrastructure and content delivery network (CDN) providers. Essentially, a CDN moves content nearer to consumers – or caches it – to take strain off a company's main servers. Traditional CDNs were born in the early days of the web and could only cache static content such as images: content that didn't change over time.

What we did was allow our customers to cache dynamic content as well – content that changes because of the environment whether that's what the latest news is, what's in stock at an ecommerce site, a live match report that changes rapidly but unpredictably or even personalised content served up for the user.

We are able to increase our customers' conversion rates by delivering image-rich, pixel perfect experiences, quickly and reliably, across web and mobile platforms. We improve the speed and scalability of our customers' sites and apps so they update and serve content in real time, ensuring end users have a fast experience, all the time, no matter where in the world they are.

Fastly is highly programmable which enables our customers' ecommerce, mobile and security development teams to focus their resources on what matters most by

FASTLY IN BRIEF

Founding date: 2011

HQ Location: San Francisco, CA

Customers: Boots UK, Airbnb, KAYAK, Wayfair, Deliveroo, La Redoute, Daniel Wellington, Calvin Klein, Daniel Hilfiger, Twitter, the Guardian

Website: www.fastly.com

freeing them from manual processes. Lastly, we ensure our customers can build trust with their customers by securing their data without sacrificing performance and protecting against common security threats.

“ We wanted to create an edge computing platform that could give real-time visibility and enable the use of dynamic data, content publishing and ecommerce functionality. ”

WHAT ARE THE MAIN CHALLENGES FOR RETAILERS THAT YOU ARE HELPING TO SOLVE?

Sites are expected to be responsive and fast in order to succeed. For retail customers, if it's fast you'll look at lots of products. If it's slow you will get frustrated and abandon your cart.

Secondly, there is security. This covers everything from needing a firewall to distributed denial of service attacks, where a massive amount of traffic comes at your site so that servers are overloaded. During peak season retailers also experience surges in traffic so it can be hard to differentiate between good and bad traffic.

The old approach was simply to blacklist suspicious traffic, but if you can't separate between this good and bad traffic then you may be blacklisting the wrong traffic.

We use intelligence and analysis to make this distinction so you can continue supporting the good traffic.

WHICH RETAILERS DO YOU WORK WITH?

It is a mix between traditional retailers and platforms that people build on. Boots was a fairly early customer in the UK. In Europe, we have the likes of La Redoute and Daniel Wellington. We also work with Wayfair, Calvin Klein and Tommy Hilfiger. As well as traditional retailers we have online players like the Dollar Shave Club and Etsy. We also work with Shopify and Magento Cloud.


WHAT ARE YOUR PLANS FOR THE NEXT FIVE YEARS?

We're adding more features around integration with third parties and compliance with rules such as GDPR. We are also exploring security and edge computing.

There are other initiatives including increasing visibility

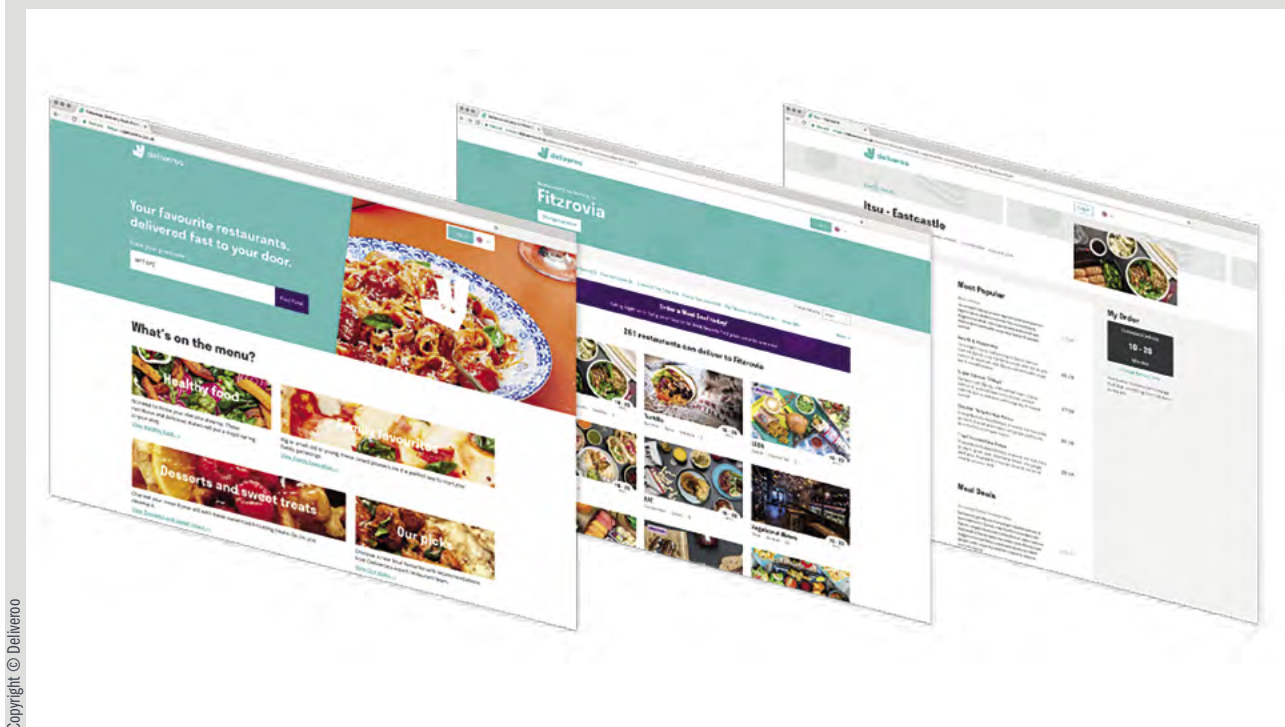
and observability. Basically anything that helps us with our mission to help the world's largest sites but also those that aspire to be.

GIVE US YOUR ONE-SENTENCE ELEVATOR PITCH.

For internet retailers we secure and protect them, help them grow and save them money – all while making the experience better for users. 

This Company Spotlight was produced by InternetRetailing and sponsored by Fastly. Funding articles in this way allows us to explore topics and present relevant services and information that we believe our readers will find of interest.

CASE STUDY: DELIVEROO



Customers all across the world rely on Deliveroo to find and order great food from their favourite restaurants. In a given area, there may be as many as 300 restaurants to choose from, and it's critical that Deliveroo not only provides these choices quickly but also has the power to swiftly and securely move customers through the ordering process.

Deliveroo needed to create redundancy to prepare for major spikes in demand as a result of restaurant promotions, or peak dining hours, but didn't want to maintain servers that would mostly sit idle. Fastly empowers Deliveroo to scale when necessary while also giving them the ability to tailor their CDN configuration based on what they needed – such as setting up custom headers to migrate their restaurant order managers from their previous setup.

The app's global user base is growing significantly, and they wanted the ability to meet demand no matter where requests originate. With Fastly, they're able to provide consistently fast experiences across the world.

Security was also important. Deliveroo handles personal information – such as

customer names, emails, and addresses – to ensure smooth online ordering and delivery and needs to protect their customers' privacy. With Fastly, Deliveroo can terminate Transport Layer Security (TLS) at the edge of the network, ensuring fast and secure dining experiences.

With Fastly's CDN, Deliveroo can create and deploy its own custom configurations. When Deliveroo was just getting started with Fastly, they found it easy to engage with support, who got them up and running quickly.

Deliveroo found that Fastly's CDN resulted in a 7% improvement in global load time (and in some areas as much as 50%), translating to a 1% increase in site conversion.

"Fastly has worked out great; being able to manage our own configuration plus having the support we needed to get going was amazing. The Fastly support team got us up and running quickly, building us custom configurations to make for a smooth and painless migration," says Martin Phee, senior software engineer at Deliveroo.

Sarah Assous

CMO at zoovu



WHAT DOES YOUR COMPANY DO?

zoovu provides a SaaS technology that enables retailers and brands to offer automated but human-friendly customer support on all digital channels. It removes barriers to conversion as it helps consumers make informed and confident purchase decisions.

With the rise of digital selling and the ability to deliver products and services at scale, consumers have more choice than ever before. Often they are expected to find what they want with no guidance or support which can be overwhelming – we call this choice paralysis.

Our AI-driven digital assistants know how to ask meaningful questions that help consumers find the right product or service based on their needs. This means less friction and a personalised experience that is much more fun for consumers and rewarding for brands and retailers. Many of our clients use zoovu to drive sales and conversions. Apart from that, they also receive invaluable analytics data and insights, which helps them understand their customers and the motivations behind buying decisions better.

Our clients see higher engagement, increased loyalty but also decreasing returns after integrating zoovu.

WHAT CHALLENGE ARE YOU SOLVING FOR MULTICHANNEL RETAILERS?

If we look at it and remove all layers, businesses want to sell more. Simple as that. They want to grow and increase their customer base. And to do this, they must ensure that all friction, everything that stands between a customer and a purchase, is removed.

We help them ensure that customers receive the consistent assistance they need and demand to make a confident purchase decision, whether they're surfing online, mobile or visiting the store.

They can deploy digital assistants on the web, mobile apps, on an in-store kiosk but also on chatbots and voice-enabled devices.

Each channel has its own distinctive characteristics and requirements and zoovu is able to manage this complexity without putting the burden on multichannel retailers.

Our clients usually deploy digital assistants for their product ranges and integrate additional seasonal

ZOOVU IN BRIEF

Headquarters: New York

Customers: 150 including Canon, Amazon, Philips, Holland & Barrett, Lidl, Miele, Coty

Employees: Over 200

Website: www.zoovu.com

Twitter: @zoovu

assistants, such as gift finders, to address seasonal demand by consumer personas that need a differentiated form of consultation and support. One of our clients increased the conversion rate by 500% with a digital assistant for gifts, which was quite impressive.

WHAT IS YOUR VISION?

We want to provide a digital customer experience similar to the one consumers receive in-store. We aim to be on every website and every store kiosk to offer convenience, immediacy and instant gratification.

Consumers are expecting frictionless experiences whether online or in store and the role of both retailers and brands has to evolve from merely offering products and facilitating transactions to providing personalised assistance that helps consumers easily identify the perfect products.

WHAT IS UNIQUE ABOUT YOUR OFFERING?

Our complete SaaS platform reduces complexity for marketers and allows them to see results much faster. It's intuitive and lets business users create digital assistants without the back-and-forth with IT and long development cycles.

zoovu also takes care of product data cleaning and preparation, which is usually a major issue for retailers. And instead of confusing shoppers with technical filters, business users can translate specs into a human-friendly language, which offers a more intuitive and conversational experience for shoppers and one that is closely aligned with the psychology of human decision-making.

Our digital assistants combine in-depth product category knowledge, learning algorithms, interaction patterns and unique question and answer knowledge for over 50

different categories. It is a self-service solution that's highly intuitive and allows companies to quickly and easily create, customise and integrate their digital assistants.


WHO ARE YOUR CUSTOMERS?

We have solutions for all sizes of retailers and brands ranging from one digital assistant for one product line to multiple digital assistants across multiple countries, multiple product lines and multiple channels. Our solution is simple: if you have a website, a store or are simply looking to provide a more personalised and interactive experience then we have a solution for you. Customers include consumer electronics brands such as Canon and Whirlpool, ecommerce giant Amazon but also health and beauty brands such as L'Oréal and Coty and UK favourite M&S.

WHAT PLANS DO YOU HAVE FOR THE FUTURE?

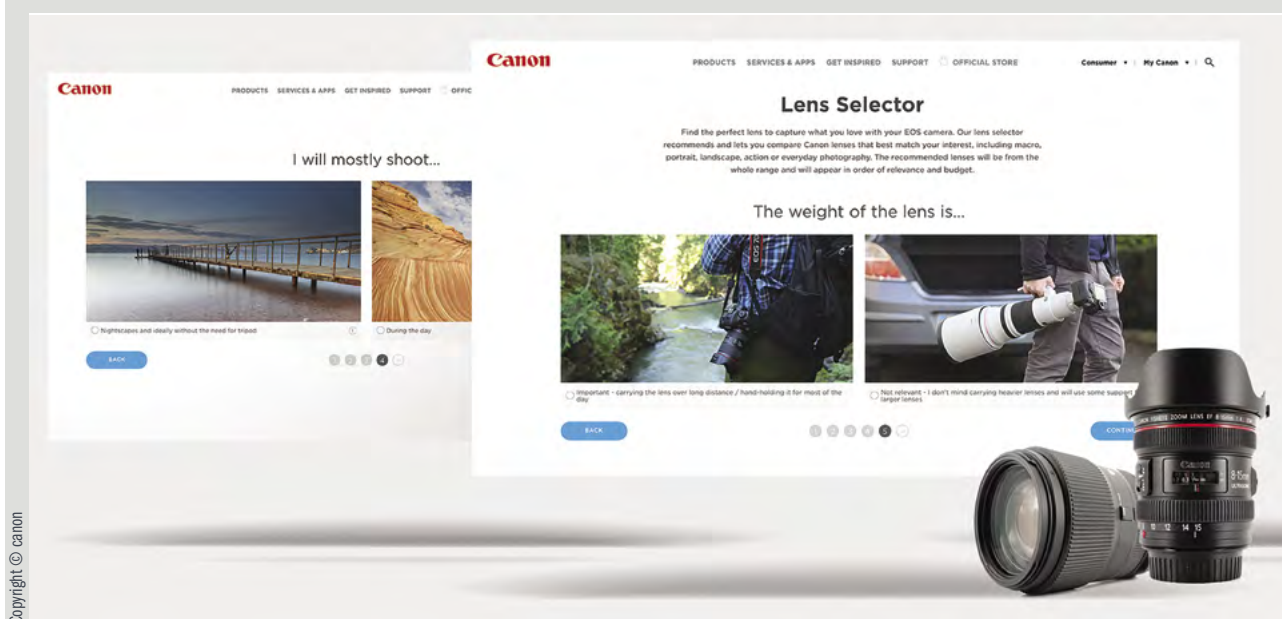
In 2019, we will increase investment in AI and behavioural analytics, as well as achieve further growth and expansion in APAC.

GIVE US YOUR ONE-SENTENCE ELEVATOR PITCH.

zoovu empowers brands and retailers to solve the 'I want' moment on all digital touchpoints and truly enhance their consumers' experience. 

This Company Spotlight was produced by InternetRetailing and sponsored by zoovu. Funding articles in this way allows us to explore topics and present relevant services and information that we believe our readers will find of interest.

CUSTOMER CASE STUDY



CANON

Canon Europe is the EMEA arm of Canon Inc. and strategic headquarters for Europe, the Middle East and Africa with operations in around 120 countries, contributing about a third of Canon's global revenues annually.

For years, consumer electronics manufacturers have competed primarily through innovation – expanding product ranges and adding more advanced features to products. This approach generally helps businesses reach new target audiences, boost market share, and increase profitability. However, as product ranges grow, and features become more complex, it's also becoming increasingly difficult for consumers to understand which product is right for them.

A lack of clarity in technical product specifications causes shoppers to often overlook distinctive features, making it harder for businesses to stand out, differentiate and build brand loyalty. This was the challenge facing Canon. The vast array of options risked overwhelming even the most loyal customers.

The company was looking for intuitive and engaging ways to educate and inspire shoppers early in their purchase journey, driving consideration and fostering greater brand loyalty in a crowded marketplace.

Canon deployed a range of conversational digital assistants in product categories

such as printers, scanners, cameras, and lenses on its brand websites in over 50 countries. Following a needs-based paradigm, digital sales assistants translate technical product specs into a user-friendly language.

Similar to a friendly sales assistant in a store, the AI digital sales assistants engage shoppers in a dynamic, intelligence-driven conversation and ask the right questions to understand what they truly want and need, before guiding them to the most suitable products.

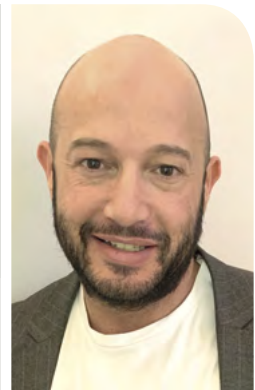
Rob Thomas, EMEA marketing strategy director, comments: "zoovu provides us with a powerful platform and lots of benefits out of the box. The dynamic decision engine was very easy to configure, enabling us to see results quickly. Thanks to the flexibility of the platform, we were able to translate the intelligent digital assistants into multiple languages and integrate them on over 50 of our country websites."

Thomas adds: "zoovu stood apart from the competition due to the easy implementation and speedy results. It was the technology of choice thanks to a flexible platform that can accommodate our individual business needs."

He concludes: "The digital assistants are proving to be both popular and engaging. 13% of our total web traffic is using the digital assistants, and 50% complete them to the last question. Better yet, 67% of visitors click through to a product detail page, and 70% access a retailer website to purchase."

Robin Seymour

CEO at SmartConsign



WHO ARE YOU AND WHAT DO YOU DO?

SmartConsign is the first true cloud SaaS multi-carrier delivery management solution – which means that there's nothing to install. Whether large or small, sellers can provide the best delivery experience for their customers using just a web browser on any PC or smart device.

With our seamless carrier management software, we aim to simplify shipping operations and create a collaborative approach to logistics. We put all necessary information in one place, providing a simple concise overview of your deliveries. Use our one system to manage, create, label, notify and track all your shipments across all your carriers.

Clients can use our software to analyse data and compare freight service levels between carriers to find the best one for their needs. We optimise shipping for everyone.

WHO ARE YOUR CUSTOMERS?

SmartConsign was initially designed, crafted and developed for 3PLs and fulfilment houses which distribute for retailers. This means the platform's functionality and usability exceed the market standard and can handle with ease any requirements from both retailers and third party logistics providers. The features are standard and ready for both client profiles.

We also cater for clients with their own delivery vehicles with simple rules so they can set criteria based on location or size. SmartConsign will automatically generate your own custom labels for your vehicles.

WHAT PROBLEMS DO YOU SOLVE?

You can book same day delivery or collection, get instant quotes for shipping and information such as mileage or congestion charges, vehicle sizes and optional call out charges. It is all automated, even payments.

Whether you use manual entry, file import, API, marketplace integrations or the rules engine, we will have a tool that decreases your logistics headaches.

We understand what it takes to exceed shopper delivery expectations in today's environment. Having the ability to quickly find and monitor the performance of carriers is a crucial part of protecting our clients' revenues.

SMARTCONSIGN IN BRIEF

Founder: Robin Seymour

When: Designed 2008, launched 2011

Headquarters: Manchester, UK

Website: www.smartconsign.co.uk

We're not just focused on solving the problems of today but delivering on the opportunities of tomorrow. Our solution continually evolves to help clients. Since the sector is mobile-first, the solutions need to fit in with customer working styles. With this in mind we've been busy over the past year building the SmartConsign mobile app offering all the features our clients love from desktop right from their smartphone. It's launching soon.

“ We understand what it takes to exceed shopper delivery expectations in today's environment. Having the ability to quickly find and monitor the performance of carriers is a crucial part of protecting our clients' revenues ”

WHAT FEATURES DOES YOUR PLATFORM HAVE?

As well as quick label creation and consignment generation, we have a detailed notification suite, a powerful rules engine, security management, and quick rerouting to other carriers if one lets you down. Our dashboard gives an overview of your shipments and rules. This is all accessible on any device and through a web-based app – meaning no installation.

WHICH CARRIERS DO YOU SUPPORT?

We support over 25 of the largest carriers and logistics



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companies in the UK for national and international shipments via one interface. Like many of the integrated carriers who use SmartConsign, we are focused on exceeding customer expectations and helping our users meet deadlines consistently. This means that carriers are not charged a fee to be integrated into the system, so any information on their performance is unbiased and independent.


WHICH INTEGRATIONS DO YOU SUPPORT?

SmartConsign is integrated with Linnworks, eBay, Amazon and Veeqo, all part of our mission to help make the shipping process clearer and easier for businesses to grow. SmartConsign receives the data feed from your eCommerce platform, and from there can produce your shipping labels, allocate a carrier and provide a centralised tracking system.

WHO PAYS FOR THE CARRIERS?

SmartConsign is a carrier-agnostic system. We don't have carrier accounts, so we don't have favourites. This means you can use SmartConsign with your own carrier accounts. Our own costs are completely transparent at £250 plus per label cost (label cost is based on volumes shipped – the more volume the lower the cost).

WHAT SHOULD I DO?

Schedule a demo to see for yourself how SmartConsign works and what it could do for your business, big or small. Visit smartconsign.co.uk. 

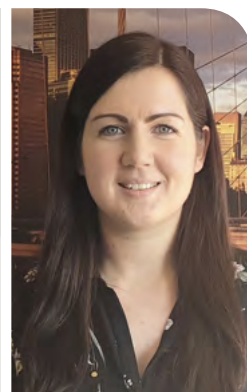
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Laura Palmer

Business Development Director Promotional Handling



YOUR
FULFILMENT
PARTNER



WHAT DOES YOUR COMPANY DO AND WHAT IS YOUR USP?

PHL is an owner-managed business that has over 15 years' experience in the ecommerce and order fulfilment industry. We provide first-class affordable warehousing, fulfilment and distribution services tailored to our client's needs and requirements.

Our USP is that we provide flexible, bespoke, tailor-made solutions that best fit your requirements and ethics, ensuring your consumers a positive customer experience.

HOW DO YOU DELIVER ON THIS USP?

We deliver on our USP firstly by using the latest in cutting-edge technology with our own in-house technical services team, allowing us to provide a bespoke and efficient service which always delivers. We also ensure that the account managers spend time understanding the client, their products and their requirements to provide a bespoke solution that best suits the client.

HOW WOULD YOU DESCRIBE YOUR VISION?

Our vision is to continue providing a trusted, flexible and bespoke service and to become one of the most well-known UK businesses for online fulfilment within the ecommerce industry.

WHICH RETAILERS DO YOU WORK WITH?

At PHL, we work with a wide variety of retailers, from small start-ups to multi-national corporations or wholesalers. We also work with clients who have single or multiple ecommerce platforms, shipping either within the UK or internationally.

We understand that no two clients are the same and their business strategy, values, operating processes, products and requirements are very different, therefore we work closely with our clients to achieve the bespoke solution needed.

If any of the above sounds like you, you could benefit from partnering with a fulfilment company that is passionate about getting it right and takes the time to understand your requirements, your brand and your customers.

HOW WOULD YOU DESCRIBE YOUR GROWTH?

We have seen a continued growth year on year, due to the

PROMOTIONAL HANDLING IN BRIEF

Founder: Alan Lewis (managing director)

Founding Date: 29th December 2003

HQ Location: Welshpool, Powys

No. of Employees: 50

Customers: A few examples are Gorgeous Shop, Ella's Kitchen, Dorset Tea, Carsons Optical, Three Sixty

Website: www.promotionalhandling.co.uk

success of our clients. We believe that by providing the necessary tools and support to enable our clients to grow ensures that they are successful and in turn that we are too.

To enable us to achieve growth and client satisfaction we have developed unique ways to work together, allowing our clients the flexibility to choose the services they want. We have a passionate, highly trained and experienced team to work directly with our clients and their customers, working in partnership with clients to ensure the consumer has a positive brand and customer experience.

WHAT CHALLENGES ARE YOU ADDRESSING FOR MULTICHANNEL RETAILERS WHO AIM TO MEET PEAK SEASON DEMANDS?

Increases in volume during peak season or growth periods are by far the biggest challenges our clients have to overcome. With our 15 years of experience, we are well placed to meet and overcome these challenges by implementing technological solutions and additional trained members of staff to successfully manage the high level of orders received.

Each of our clients have a dedicated account manager and picking team who are highly trained to understand their products and requirements. The account manager will monitor your order volume and will be in regular communication with you to understand your plans with regards to marketing, peak season etc. By doing so, we can plan accordingly when order volumes may increase during this activity and through unexpected (but welcomed) growth.

HOW ARE YOU USING EMERGING TECHNOLOGY TO SUPPORT THE RETAIL GROWTH?

By utilising the latest in barcode scanning technology we can provide an accurate pick and pack service which ensures

customers receive exactly what they have ordered.

Our services also include technological solutions that are able to integrate into virtually any platform currently available, whether you have one or multiple retail platforms. By integrating directly into your retail platform and the chosen courier platform, we can automatically receive, pick, pack and dispatch orders efficiently, with the status of the order and tracking details fed back to your platform for consumer communication.

We boast an in-house team of experienced technical service team members who are on hand 24/7 to find solutions and resolve challenges, as and when they arise.

WHAT DO YOU SEE AS CHALLENGES FOR THE RETAILERS AND SUPPLIERS OVER THE COMING YEARS? HOW ARE YOU PREPARED TO MEET THOSE CHALLENGES?

Conventional bricks and mortar stores are in decline as ecommerce continues to grow, with consumers moving to buy more and more online but still wanting the high level of service you receive in store.

Therefore we believe the challenge for many retailers will be service-related. As technology develops, so has the need for orders to be received as quickly as possible whilst providing the correct level of communication of the order and delivery status.


To meet this challenge, we work closely with our clients to understand their product, their requirements and their

customers. By doing so, we can then recommend and provide the services that ensure orders are delivered on time, with an easy and fast returns process and excellent customer service, to ensure exceptional consumer experience that keeps your customers coming back to your shop.

WHAT TARGETS ARE YOU AIMING TO ACHIEVE IN THE NEXT FIVE YEARS?

We have achieved and aim to continue maintaining a high level of accuracy and customer satisfaction. Our passion and focus is our clients and their success - we work tirelessly to achieve the KPIs and goals set by them.

GIVE US YOUR ONE SENTENCE ELEVATOR PITCH.

Clients of PHL benefit from a complete, cost effective solution for their order fulfilment needs including but not limited to; processing of daily orders, goods-in checking, returns management and customer service/aftercare. We also boast a wide variety of couriers delivering both UK and internationally, all of the above enables our Clients to focus on growing their business. 

This Company Spotlight was produced by eDelivery and sponsored by Promotional Handling. Funding articles in this way allows us to explore topics and present relevant services and information that we believe our readers will find of interest.

CUSTOMER CASE STUDY

Over 10 years ago, Gorgeous Shop was in a small unit with little to no room to expand. PHL organised for all stock to be moved and set up over the course of a weekend to ensure no 'down time' for consumer orders, with orders dispatched on Monday as usual. We helped to improve their systems and scalability during peak season, when order volumes can triple in size, to ensure each order placed before 3pm is dispatched the same day.

Since PHL began supporting Gorgeous Shop they have seen a 10% month on month growth which continued for a long period of time and enabled them to evolve from a .co.uk to a .com company, shipping orders worldwide. Over the last few years we have also managed their marketplace fulfilment, both Amazon and eBay, shipping orders direct to consumer as well as into the Amazon hubs.



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Personalising the site

Emma Herrod looks at how artificial intelligence is being made more human online.

Research shows that brands and retailers believe artificial intelligence (AI) will give rise to significant opportunities across retail, creating more meaningful relationships with customers.

While almost 60% of businesses would trust fully automated AI-driven marketing campaigns to deliver meaningful content to their customers, only 45% of customers believe personalised adverts displayed to them are relevant, according to a study by international law firm CMS, in partnership with Retail Economics.

Those same consumers are not convinced that retailers are able to handle their sensitive data either. In fact, retailers and brands are trusted only slightly more than social networks – a rather scathing indictment given recent scandals.

However, the study does show that most organisations acknowledge that AI ethics must be a focus for them – 66% of organisations surveyed believe they will require roles managing data ethics.

Once we start to look at more subtle areas of personalisation, such as site navigation, studies show that consumers don't realise that the content being shown to them is personalised.

The latest version of Apttus eSales merchandising solution, for example, has been optimised for the fashion industry so that its AI engine can understand nuances such as differences in colour – light blue is a two-word way of describing a shade of blue rather than showing a customer a mix of dresses and blue table lamps. It also knows that burgundy is a shade of red and that teal isn't just a type of duck. All of this is determined automatically through image analysis rather than tags. Sizes are optimised too rather than being a muddle of UK and international sizes.

ESales Fashion combines on-site search, category listings and recommendations which adapt in real time to deliver an experience that's relevant to each consumer. Each component in the single intelligent merchandising solution learns from and informs the others. The results from the search auto-complete, for example, are optimised by colour, size, availability, site rules etc. While the search results aren't personalised to the individual user, since this has been found to harm conversion, the AI engine does optimise for the site's rules. This results in less products being shown but they are more relevant and more likely to be what the customer is looking for, explains Apttus UK Country Manager Andrew Fowler.

The overall system is 'personalised' for the fashion vertical and much of the workings incorporate personalisation such as recommendations being based on past history or the first row of products returned.

For the retailer, the AI engine takes away a lot of the

manual labour and makes processes scalable, freeing up merchandisers' time as well as enabling the site to be optimised according to the business objective likely to deliver the best results whether that's conversion, revenue or profit. Predictive analytics inform likely outcomes.

One Swedish retailer switches to optimising its site for revenue for six days following pay day before changing it back to being optimised for conversion. This has proved to be a successful strategy according to Fowler but A/B testing could be used to see the different impact.

A further change with eSales Fashion is that the UX has been optimised to how consumers shop for fast fashion. The web component includes the best UX experience for the end consumer, explains Fowler. "We found that people were using our technology to get great intelligence back but

“ Almost 60% of businesses would trust fully automated AI-driven marketing campaigns to deliver meaningful content to their customers, only 45% of customers believe personalised adverts displayed to them are relevant ”

losing some of the benefit of using our AI by implementing the UX experience badly,” he says.

Apttus therefore has moved to combining a good UX interface along with AI intelligence, he explains. "We want to present the UX for fashion," says Fowler and bring in UX capability alongside the intelligence. "This delivers better results for the shopper and better results for the shop," he says. "And a better experience all round".

This is showing results for the first customers which includes Joe Browns. "We substantially overachieved Joe Browns' success criteria for their A/B test," says Fowler.

ASSESSING THE EFFECTIVENESS OF AI

Adobe is another company aiming to give shoppers a better experience on retail sites through AI. New innovations within the latest version of its Adobe Target solution enables marketers to deliver "more impactful, personalised experiences to their customers faster, and at a greater scale than ever before," the company says.

These capabilities include AI-powered personalised recommendations, AI-enhanced reporting, mobile



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app personalisation and what it says is an industry-first solution for single page applications increasing the speed and responsiveness of personalised areas making sites faster to load.

Building on last year's launch of personalisation insights reports, the new solution enables retailers to assess the effectiveness of any campaign seeing the actual relative lift that each offer or recommendation is delivering against the default page. Amongst the customers for its mobile app personalisation solution, which aims to enable retailers to improve app retention, engagement and conversion, is a pharmacy which is automating the ranked-order of the navigational icons in its app based on customer behaviour. Another example showcases how location-based personalisation is being used by a major hotel chain to trigger personalised screens with recommendations of amenities and upgrades.

Test and evaluation have been key for retailers in recent years so it's no surprise that systems based on AI are incorporating ways for the AI engine to be questioned and tested too. RichRelevance, for example, enables retailers to see easily how and why the strategies and models are working in a certain way and leverage their own models alongside the AI strategies to perform tests in real time.

Its latest release has also been enhanced with natural language processing so that the solution can understand unstructured data, auto discovery of behavioural shifts so that customers who change behaviour such as an increase in lifetime value can be handled differently. A visual component has been added allowing easier analysis of campaigns and interrogation of the AI element.

The company aims to push the boundaries of one-to-one personalisation further across all touchpoints including web (site search, navigation, products), mobile, email and contact centre turning every digital interaction into a personalised experience.

Carl Theobald, CEO of RichRelevance explains that having an open AI solution means that retailers can see easily how and why their strategies and models are working in a certain way and are able to leverage their own models alongside the AI strategies to test them in real-time.

As the Apptus solution makes searching for specific colours more natural, so the ability to understand natural language by RichRelevance's latest release shows how the industry is moving from algorithms and rules to a more human and natural experience. Information in

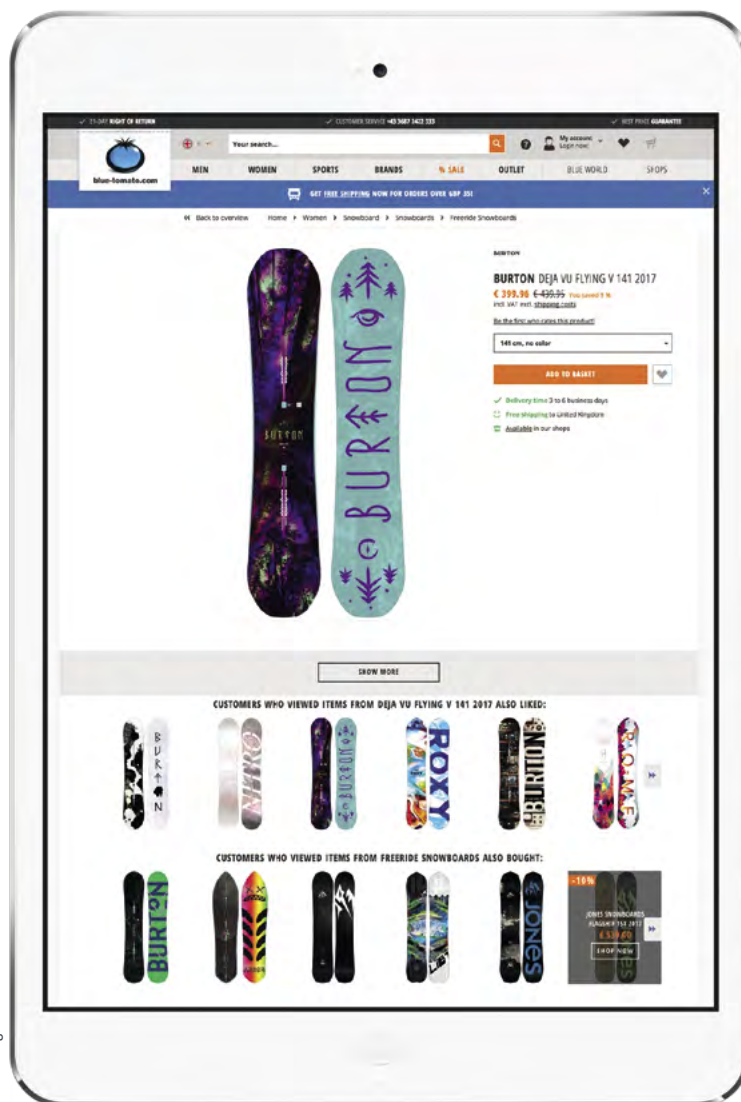


Image: Blue Tomato

▲ Blue Tomato achieves 3x revenue from orders containing product recommendations and a 20% increase in average shopping basket

unstructured data, such as ratings and reviews, can be used to help map products to customers, while an understanding of behavioural shifts means a marketing team can be better informed. New campaigns can be designed quickly and implemented with content optimised automatically.

AI is enabling one-to-one personalisation and merchandising in a way that human marketers would never be able to achieve and with a shift to greater trust being put on AI by retailers it is being humanised too. It can work out where customers are behaving in new ways so campaigns need to be created – by the human marketing team – and optimised by AI for what the retailer wants to achieve.

This may be revenue, conversion, profit or to increase engagement on the site to increase learning and understanding of certain customers. Whatever the rules, trust and transparency between system, retailer and customer is growing. 🇧🇪

Taking an integrated approach to social

Yuval Ben-Itzhak, CEO, Socialbakers, explains why retailers need to bring the marketing persona to the forefront.



The following guest article has been written for InternetRetailing by Yuval Ben-Itzhak, CEO of social media marketing company Socialbakers. The company is a trusted social media marketing partner to thousands of enterprise brands and SMBs, including over 100 companies on the Fortune Global 500. Leveraging the largest social media data-set in the industry and machine learning, Socialbakers' marketing suite of solutions helps brands ensure their investment in social media is delivering measurable business outcomes.

www.linkedin.com/in/yuval-ben-itzhak-51b2aa2/
[@socialbakers](http://www.socialbakers.com)

Retail brands are the acknowledged kings of driving sales through social media. They've polished campaign optimisation, built foolproof strategies to close sales, resolved abandoned carts, and become masters at running thousands of ad campaigns – that have generated positive ROI... But unfortunately, that's no longer enough.

In the modern-day landscape of digital marketing, retailers are facing a multitude of new challenges. While they have become pros at driving conversions, they are finding themselves overwhelmed with the amount of omnichannel data that is flowing in. Yet, while they have access to game-changing data and insights only 8% of retailers are using this intel to personalise their content marketing strategies, according to Jawing.

By taking a closer look at consumer behaviour, retailers can give their customers experiences, rather than bombarding them with a slew of unrelated ads for the sake of a short-term sale. Luckily, retailers don't need to look far to find that sweet spot.

Retail brands have demonstrated skill and confidence when it comes to driving sales at the bottom of the marketing funnel, but they're missing out on major growth because they're failing to attract the right audiences from the start. Instead, like in many other industries, retail brands go for low hanging fruit – but that strategy is neither sustainable nor will it help them to grow their revenue.

When it comes to top of the funnel marketing strategies, retail brands often fail to leverage their online data effectively. While they might be happy with their current conversion rates at the bottom of the funnel, the only way to improve results is by stepping back and focusing on the

awareness side, rather than the usual endless optimisation and iteration.

But, what does looking at the top of the funnel actually mean? It means approaching marketing with an audience-first mindset. This helps you attract and retain audiences that were previously invisible to you. Ask yourself if you're honestly bringing in the right audiences. If you are not, your competition will.

PERSONALISED CONTENT

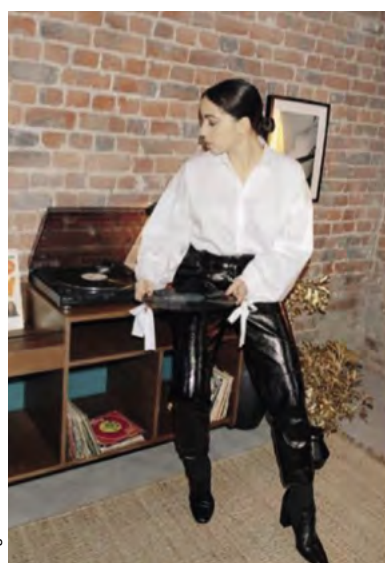
As you move into 2019, spend more time refining your tactics in the awareness stage – and by building the right community, you'll vastly increase your chances of converting further down the line.

“Creating tailored content for each segment is a necessity”

To really make an impact with your audiences you need to embrace the future of personalised marketing. According to research conducted by PWC, 94% of business executives believe that creating personalised content is critical. To top it off, research conducted by eMarketer found that 84% of marketing professionals believe the potential of personalised technology hasn't been actualised yet – but with the tech industry booming, that's now changing. When it comes to creating content for particular audience segments, there's lots of room for improvement.

Creating tailored content for each of your segments is no longer just a “nice-to-have” – it's a necessity. Just imagine how a shopper stumbling upon an ad that speaks to them can generate not only more sales – but more loyalty. In fact, Deloitte found that 42% of consumers who are interested in customised products or services would prefer to be “led by brands” choosing from a selection of options. This is great news for retailers as no one knows their products better than they do. The only problem? Selecting the right products for the right audience.

The answer to your personalised marketing troubles can be answered in two words: “Marketing personas”. Developing marketing personas was something you were



▲ La Redoute has increased its average engagement rate on social media by 74% and decreased cost-per-click by 23%

likely doing a decade ago. Yet somehow, in the digital age, we've forgotten this fundamental step, and it's easy to see why. With the number of channels and tools available to marketers, the goal has been to increase conversions by pumping out as many ads as possible. The result? We left the audience persona behind – not because we didn't think it was important, there just wasn't time for it.

MARKETING PERSONAS

Marketers used to rely on traditional audience research methods – intense brainstorming sessions and longitudinal studies. In the digital world, this system isn't scalable – and audiences can change at lightspeed.

As in other industries, retail brands face a challenge – an overwhelming number of customers that fit into endless segmentations. Developing personas for each of those segments is near impossible using traditional methods, but today it's actually easier than you may think – and it's a game-changer too. The evolution of AI and digital marketing technologies means this process can be automated so a project that required months of research can now be done in seconds.

Once you shift your marketing to an audience-first mindset, results can be amazing and retailers that already leverage customer profiles are seeing huge success. Women's retail brand Chico's has developed two customer personas which have helped unite their communication strategy across platforms. These customer personas are now an integral part of the company's overall marketing strategy across teams.

What the marketing team at Chico's did was bring their customers to life simply by creating buyer personas.

At the Email Insider Summit, Chico's SVP of Marketing, Shelagh Stoneham, explained: "Not only can I picture these two women and what their lives are like, but so can everyone in our marketing department." Stoneham

continued: "We know these women well enough that we can tell stories about them and share them with everyone in the company. We know them as well as we know some of our friends."

It's clear that by putting a face to their customer base, Chico's was able to create content that's not only enjoyable but relevant to the right audiences.

French retailer La Redoute has also built an audience-first strategy and seen amazing results. Utilising audience data and content intelligence it was able to create compelling content that rocketed its average engagement rate on social media by 74% and decreased cost-per-click by a massive 23%.

Cases like this show how access to instant marketing personas help unlock a whole new world of content marketing opportunities. Imagine having access to detailed audience insights across all of your websites or pages – and for any market segment, you want. Knowing your audiences' interests, their affinities, which influencers they follow can help create a tailored strategy that generates great results – as Chico's and La Redoute have shown.

To do this successfully, all data sources must be considered – from audience behaviour across the web to social media channels. The time to get serious about your marketing is now – break your digital silos and analyse your data holistically to get a full and balanced picture of who your customers really are.

Put marketing personas back into the heart of your digital strategy. An audience-first approach enables you to pull in the right audiences and create personalised content at every touchpoint of the customer journey.

Stop focusing only on bottom-of-funnel tactics – customer experience needs to be put front and centre from the start. You'll maximise conversions tenfold once you lay the groundwork and understand who you're targeting. After that? Well, the rest is easy. 🌈



Image: Argos

▲ Argos uses Google Assistant to enable customers to browse with voice search on smartphones and smart speakers

Search: the death of the keyboard

Emma Herrod investigates how voice and visual are changing search and whether they hail the future death of the keyboard.

From the first home PCs, to the Blackberry and Apple's series of iPhones we have become familiar with the keyboard. Regardless of how many fingers you use on the keyboard or whether you can talk, read and type simultaneously, there is one thing that we all do – use the keyboard to search online.

If we want to find the answer to a question, buy something or just browse, search has become second nature, and it's not that long ago that the keyboard was the main way to interact with a search engine.

Even Google Suggest, which autocompletes searches as we type, has made entering searches faster and meant that we don't even have to worry about spelling. Jump forward to 2016 and 20% of all searches in the Google

app were spoken and not typed. A year later, almost 70% of queries to Google Assistant on any device were made in natural language – that is, people speaking in full sentences as opposed to just using the key words as they would when typing into a search box, explains Alessandra Alari, Head of Search and Digital User Experiences, Google UK.

It's not surprising then to discover that consumer adoption of voice technology has been faster than any product since the smartphone and that ownership of smart speakers in the UK doubled from 5% to 10% between Q3 2017 and Q1 2018, according to YouGov. It found that 10% of homes own a device. The majority of people who own a voice-activated speaker say that it feels natural speaking to it.

Morrisons, Argos, Tesco and Ocado were amongst the first retailers in the UK to launch voice-activated shopping services to match the popularity of smart speaker ownership and the rise of voice searches on smartphones.

Morrisons, for example, launched an Alexa Skill at the end of 2017 so that customers could ask Alexa to add items to their shopping basket as they ran out. The app then suggests the right item based on previous purchases. Shoppers can also ask Alexa to edit their order, ask if their delivery is on time or check their basket to see if an item has been requested.

The Argos Voice Shop service takes things a step further though since it uses Google Assistant which can be accessed from any device such as a smartphone and not just a smart speaker.

A shopper can search for a product, check availability or find their nearest store simply by activating Google Assistant by saying “OK Google, talk to Argos” followed by the item they are searching for such as a kettle, or say “OK Google, ask Argos to find me a kettle”

This opens a dialogue with Argos’ Voice Shop which asks for further information such as “how much do you want to pay” or “which store do you want to collect from”. The search is then narrowed down until the shopper confirms that they want to reserve an item. A notification is sent to their phone. By opening the notification, the shopper can confirm their order.

Argos, Chief Executive John Rogers said at the time of the launch in September 2018 that voice technology has the potential to “revolutionise how we shop in the future”.

He continued: “Argos is a digitally-led business at the forefront of technology and it’s really exciting that we are harnessing the simplicity of voice ordering with the convenience and popularity of click and collect to make our customers’ lives easier. We predict that the Voice Shop service will be a big hit and we will develop and refine the offer further as we get feedback from our customers.”

Voice Shop is a great example of how voice search can lead to complex queries which require not only for natural language to be understood but also for the search engine to understand the context for follow-on questions.

STRUCTURED CONTENT

By working with Google Assistant it also highlights how voice is becoming increasingly important as an interface to wider applications when we are out and about. Most voice search queries are influenced by geography and time, according to Alari, meaning voice searches are often “Where is the closest XX?” or “What time does XX close/open. It doesn’t make sense then to restrict shoppers to only being able to talk to your brand via a fixed smart speaker.

It does mean though that retailers need to have content in a well-structured way so that the information is available in a format that a search engine can pick up in order to answer shoppers’ questions. “Retailers should be doing that anyway as it’s good SEO,” says Chris Atwell, CEO of Search Laboratory.

This is further complicated by the fact that searches are rarely done in isolation since an initial search will generate answers that provoke thoughts and often prompt further questions.

So, for example, if a shopper is looking to buy a set of speakers they may first search for the top 10 speakers and then follow this query by asking “which is the loudest”. This could then be followed by a further question around decibel output. Through a series of contextual questions, the querent is narrowing down their options to discover the right product. If shoppers are searching in this way using voice search they are typing searches in a similar way too.

These questions may be across devices too so “retailers need to be ready with strategies that allow them to provide answers on screen or through the voice of the assistant,” comments Alari, pointing out how searches via a smart speaker tend to give one result, so it’s important to answer specific questions a customer may have in order to be ‘the’ answer.

Retailers should be eying up the knowledge box – or position zero – at the top of the results on Google already, explains Atwell. It becomes increasingly important for smart speakers as this is the response which will be spoken back to the querent so the information needs to be on the retailer’s website in a readable format. Speakable on Schema.org, for example, shows how this can be structured and how a paragraph of text should be marked up so that it can be read out by a device, explains Malte Landwehr, VP Product, Searchmetrics.

“The difference between appearing as a result in a search screen and the result a smart speaker provides is significant. To achieve the best results retailers must use data intelligently, taking in contextual information of who, when, where and why a question has been asked, ensuring that their brand is the right result at the right time.

“Right now I’d say it’s more important to understand where your brand may be most useful and get these basic capabilities right than to answer every need in every scenario,” he adds. “The key to optimising for voice search is knowing what the questions are likely to be and why your product is the answer.”

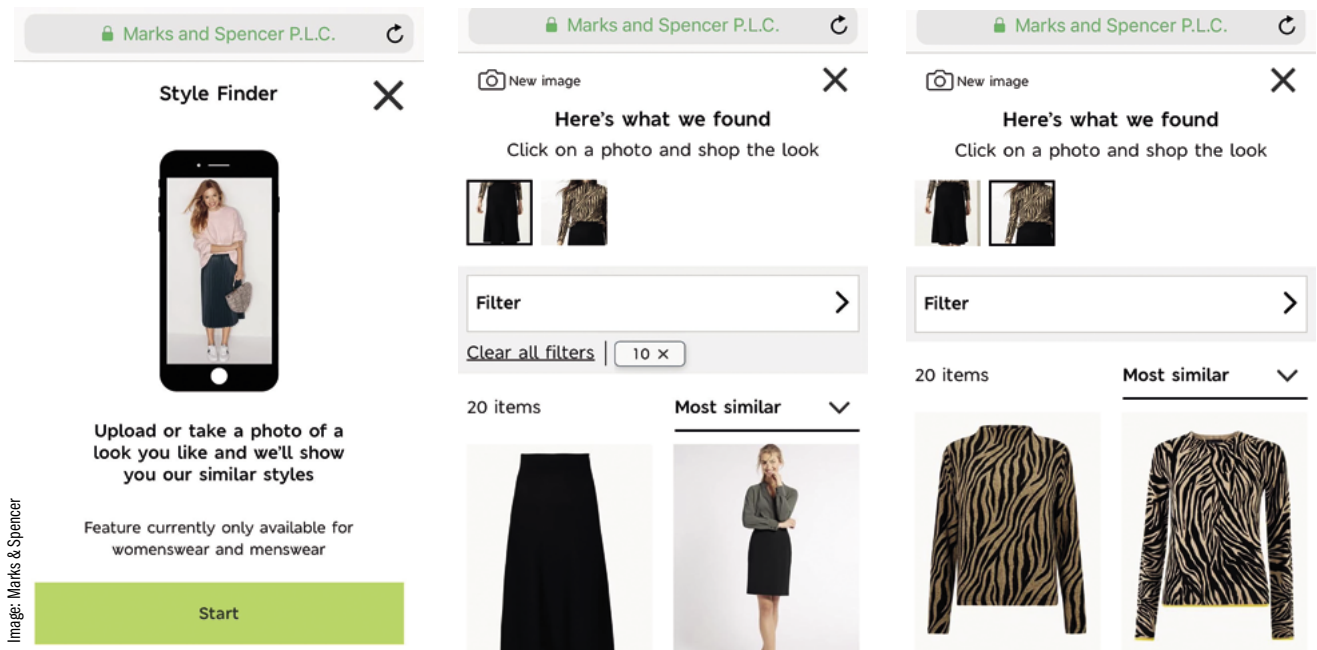
The use of natural language also means that more searches are unique – and this has been a big learning curve for chatbots and shopping assistants utilising artificial intelligence.

“For customer services and customer retention and the after-sales market, it’s interesting to have skills on all the important voice devices which in Europe right now are Google Actions and Alexa Skills,” says Landwehr.

But, when it comes to enabling a smart speaker to interact with a retailer via an Amazon Skill or Google Action, Landwehr explains that retailers will need to be wary of the voice which they record or choose to use since that will become associated with their brand.

PURCHASING

He does point out though that while smart speakers are proving useful for customer services applications such as



▲ M&S launched Style Finder visual search on its mobile site in January

queries around “where is my parcel,” they are not so good for purchases. Even being able to see which toothpaste is being added to a basket would be helpful to the customer as talking them through three different options and waiting for the shopper to make a choice would be arduous. Hence the move to smart speakers which combine voice with a screen – and the move by retailers to work with Google Assistant on smartphones.

Fashion company Asos is another retailer which has enabled customers to shop via Google Assistant on a smart speaker or via their phone. Enki, the Asos bot, helps customers to discover products and shop across 6 categories of men’s and womenswear. While the interaction is via voice or text, products can also be seen on the smartphone’s screen, thus breaking down one of the disadvantages levelled against smart speakers, the fact that the search results are not easy to browse.

As Alari concludes “Voice search is moving consumers from inspiration to action faster than ever before. For brands and retailers, the future is the removal of any friction along the way. Through being responsive and genuinely helpful, your marketing can be all ‘pull’ instead of ‘push’ – because you’re in the right place with the right offer, to the right person at the right time. In other words, you’ll be truly assistive – which is what today’s customers want, expect and value.”

PATTERN MATCHING

However, should retailers be thinking about the next steps combining voice search with visual not just via the search engines but also on their own sites? The market for voice commerce will be large – reaching over \$80bn

a year by 2023, according to Juniper Research – but this includes money transfer and the purchase of digital goods. “We expect the majority of voice commerce to be digital purchases, until digital assistants offer truly seamless cross-platform experiences” says research author James Moar. “Connected TVs and smart displays are vital here, as they can provide a visual context that is lacking in smart speakers.”

Marks & Spencer launched Style Finder on its mobile site in January allowing shoppers to upload a picture or take a new one and be shown similar outfits that are available across M&S men’s and womenswear. The Style Finder tool, which has been developed with visual search company Syte, uses artificial intelligence to display results which are the closest match by style or colour to the original picture. Customers can add additional filters to help them find the perfect product based on personal preferences, such as size, price and colour.

“We know our customers are busier than ever and are often most inspired when they’re out and about. Style Finder helps customers instantly find what they’re looking for, without the need to manually search and filter through our products. Enhancing the customer experience is central to our digital transformation journey. This is a brilliant example of how we’re becoming more relevant, more often, to our customers who are increasingly shopping online and in particular using mobile devices,” says Jim Cruickshank, Head of Digital Product and UX at M&S.

Some 75% of all M&S’s online visits are from mobile and tablet devices.

Farfetch is at it too, launching a visual search tool at the end of last year. And it’s not just retailers. The search

engines and social media platforms – Pinterest, Google Lens and Snapchat – have been turning to visual search too.

Snapchat's new visual search functionality allows users to Snap an item or barcode and then be given shopping options on Amazon.

Google's Style Match works with Lens allowing users to search via their camera. By pointing the camera of their smartphone at a certain object, users are provided with a series of results of similar items. "If you used Style Match when looking at a dress, you will be presented with a list of similar dresses (or, the actual dress itself) which are available to purchase directly if available through Google Shopping. This feature is designed to provide a quick and easy way to find items that you can't quite summarise into a search bar," says Alari.

Landwehr believes that "Pinterest has a lot of potential to become the visual search and visual decision-making engine for the whole funnel" since it can move visitors from investigating styles that they like right the way through to viewing individual items, such as lamps and clicking through to make a purchase. Pinterest has 250m visitors per month and everything on the site is based on images, inspiring visitors with everything from recipes to DIY and home design.

Its Co-founder Ben Silbermann told CNBC Closing Bell in April 2017 that computer vision technology is going to be "a big deal". The future of search "will be about pictures rather than keywords," he said.

It's something that Gen Z say they want and the majority say that how a retailer's website looks impacts their purchasing decisions.

However, everything again comes back to context; what is the person's intent with taking this picture? Do they want to see a similar dress to the one shown in the picture? If it's a picture of a room, are they looking for colour, furniture or information on the designer or who used to live in the house? Rather than bringing up an image of an item of food, should an app be returning recipe ideas, information on how and where the item is

GETTING DISCOVERED

Alessandra Alari, Head of Search and Digital User Experiences, Google UK, explains how retailers can best adapt their sites to be discoverable on voice and visual searches.

1. Think about your competition: how is your brand uniquely positioned to assist consumers via voice technology?
2. Understand your consumers' behaviour on voice: optimise content for how people use voice. Smart speakers give one answer at a time, so if you're not first, you're last.
3. Respond to consumers with answers related to your business: this includes prompts that are both informational ("What is the best brand of paper towel?") and action-based ("Order more paper towels.").
4. Ensure digital assistants have accurate, real-time information about consumers: powered by artificial intelligence and machine learning, these machines should be fed with multiple data sources so they can gain a complete view of the consumer.
5. Build a strategy for the entire customer journey, from discovery to action: how can your voice app be assistive throughout the entire customer journey and across both explicit and implicit prompts?
6. Test and learn: keep testing and iterating to ensure your voice strategy is driving business results. Encourage a culture of experimentation, because that's what will put you ahead of competitors.

grown – if it's an apple for example, or prices for buying said apples in the different supermarkets?

For the shopper it should be easier than typing into a search bar, scrolling, clicking and pinching of fingers to find the right information or perfect product.

There's no questioning that voice and visual search are growing, albeit the latter at a slower rate. Shoppers want convenience and if a search engine can understand me when I say I want a black dress like the one in the picture but in my size and with long sleeves I will be happy.

This is still the premise of the human personal shopper since they can understand multiple inputs, context, emotion and can use digital tools to see stock levels. The user experience is everything and customer expectations are continually changing; getting it right for complex searches is going to take a lot more than saying OK Google. 🇬🇧



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Omnichannel connections

Grant Coleman, VP and Market Director, UK, SC and MEA, Emarsys, examines why omnichannel marketing engagement is more than an e-receipt.



The following guest article has been written for InternetRetailing by Grant Coleman, VP & Market Director, UK, SC, MEA at Emarsys. The Emarsys marketing platform provides actionable intelligence to enterprises targeting their consumers, combining machine learning and data science with true personalisation and multichannel delivery to reach consumers most effectively, maximizing engagement and results. With more than 800 employees in 15 global office locations, Emarsys serves more than 2,300 clients in 140 countries.

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People tend to buy with their hearts and justify with their heads. This duality has become even more pronounced over the past decade as the ubiquity of technology has created the ‘always-on consumer’. This breed of shopper has essentially taken the upper-hand in the purchasing journey. They don’t just talk about their favourite brands – they text and tweet about them too. They demand an omnichannel presence, up-to-date information and in some cases, instant responses.

Both the volume and variety of customer interactions has undergone a stark rise in recent years. Smartphone penetration is said to have peaked with phones usurping laptops and TVs and predictions by Deloitte that by 2023, smartphone ownership across a significant portion of the world will surpass 90%. In addition, the proliferation of social media has given follower counts an element of purchasing power, since one in every four users follows the brands on social media from which they’re considering making a purchase. What’s more, even in spite of the growth of ecommerce, physical experiences reign supreme as the majority of shoppers still largely value their time in stores. Indeed, recent research from Emarsys shows that nearly half (40%) of purchases are made through a combination of offline and online behaviour.

The culmination of this shift in convention, alongside prevailing customer sentiment around physical, confirms that it’s in fact choice and not location that can dictate success or demise against the tide of omnichannel engagement.

BLENDING OFFLINE WITH ONLINE

The primary way that brands have been engaging with customers on this level has been to bring their online world offline through wide-spread digital transformation projects that go beyond seeking operational efficiency or

boosting one’s CSR score, but permeate through to the customer level.

By digitising key elements of the existing customer journey retailers can strengthen their retention by converting one-time customers into loyal shoppers. Improving and personalising the interactions customers receive from their preferred channels builds on existing credibility – especially when our study showed that 55% of online shoppers favour buying from retailers with a physical store, over an online-only retailer.

The recipe for executing this well is choosing the right channel to bring offline. It’s no use installing an Instagram-enabled photobooth when your customers are all devoted tweeters. When we look at recent analysis, email is still one of the most widely-used forms of digital verification. It’s personal, lends itself well to mobile, and doesn’t have any of the associated security concerns of the OAuth2 process aka ‘log in with Facebook’ which has suffered from a perception problem, following on from the social network’s recent breach disclosure. What’s more, the channel has continually been proven to deliver the most in terms of ROI when compared to other options.

Consider for a moment, the number of times customers provide an email address when making a purchase online. It essentially stands as a gateway to purchase, personalisation and now, an omnichannel experience. After Apple adopted e-receipts in 2005 as part of its effort to blend digital and in-store experiences, a wave of the world’s biggest retailers ranging from Tesco to Topshop began to follow suit. As they found, brands such as these, which take the customer experience and translate it across a hybrid of channels, stand to earn substantial rewards if they consolidate their online and offline interactions on this channel.

Aside from being used to consolidate a customer’s profile and provide proof of purchase, retailers have been using e-receipts as a viable marketing channel to highlight promotions, offers, run surveys and even competitions. An investigation in The Guardian newspaper found one prominent high street retailer to be using its e-receipts channel to include a request for survey participation, a partner promotion, all wrapped up with an invitation to download the brand’s mobile app.

FROM MOBILE TO MESSENGER

The newly implemented changes in data privacy regulations under GDPR, however, have somewhat moved the goalposts. Consumers have increasingly begun to question what retailers are actually using their data for



▲ Retailers are trying to unify online habits with offline interactions to drive in-store footfall

after consenting to e-receipts. Indeed, leading public body, the ICO, asserted in a blog post that, “Retailers must understand it’s not enough to assume that because a customer has given their email address to receive an e-receipt that they are happy for it to be used for other purposes.” As a result, brands have looked to diversify their channel strategy in order to retain customer engagement throughout the omnichannel experience.

HARNESSING ARTIFICIAL INTELLIGENCE

While methods for this vary between retailers with H&M employing chatbots via Facebook’s Messenger to Airbnb pivoting towards a focus on geo-location services, the unified next step is harnessing AI and making the most of mobile. Besides to giving way to an entirely new breed of ‘always-on’, digitally native consumers, the ubiquity of smartphones has supported a new age of data analysis seeking to use location tracking as a means to serve marketing messaging, unique offers and limited discounts.

There are two distinct approaches here: virtual browsing and context driven marketing. The former is presenting a nearby customer with offers and directions, the latter, goes a step further to match a user’s location with seasonal, localised, relevant recommendations and offers.


Retailers such as Sephora and Walgreens have successfully launched applications that seek to drive both online and offline sales through a series of interactive features. Aside from its potential to aid community-building impact and support the conversion of first-time buyers into brand-loyal advocates, these apps use a combination of beacon alerts with a marketing/service offering. This effectively unifies online habits with offline interactions driving in-store footfall.

These mobile-powered strategies don’t just seek to capitalise on new channels; their success lies in the

delivery method’s distinct suitability to personalised messaging. Today, most consumers prefer to receive offers from their favourite brands that are really tailored to their interests.

While the retail playbook for achieving omnichannel excellence may have somewhat changed since GDPR came into effect, the new regulations are enabling brands to build trust through their customers’ new favourite channels. By building this level of confidence, retailers can form truly longer lasting relationships with their customers that supersede a single purchase. Further to this, brands must not only improve how they deliver personalised content on a variety of channels, but they must also become more proactive in engaging customers and gaining their investment in the brand-storytelling process.

Right now, implementation is undoubtedly on the rise. But it’s far from industry-wide. According to a recent report from Forrester, only one-third of retailers have mastered the basics of delivering omnichannel shopping experiences. More than simple email resolution, retailers are trailing behind in their adoption of in-store pickup services, cross-channel inventory visibility and store-based fulfilment merchandising. But most stark is the reticence around AI implementation to connect the ‘dots of data’ shoppers unknowingly produce every day.

The multiple touch-points of omnichannel unify to create one single, holistic view of a customer. Whether it’s through email, SMS, push notification, product recommendation or personalised web content-driven experiences, using data-powered platforms can also aid in-store employees in delivering an overall better experience. An effective omnichannel approach will provide brands with a considerable competitive advantage in gaining the loyalty of today’s consumer. 



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Delivery matters

Click and collect offers convenience to customers and cost savings for retailers but what does the continuing rise of the service mean for the customer experience. *Emma Herrod* investigates.

The UK click and collect market is set to rise 45.8% over the next five years to reach £9.8bn by 2023, but growth will slow as the fulfilment method matures and services offered by retailers are optimised, according to analytics company GlobalData.

The company's latest report 'Click & Collect in the UK 2018 – 2023' reveals that clothing and footwear make up a significant proportion of click and collect orders, accounting for 59.9% of spend in 2018. Although the majority of key omnichannel retailers have finely tuned their proposition over recent years by extending order cut off times, increasing speed and minimising costs, service enhancements have plateaued as these elements have been optimised.

"Although 79.9% of click and collect users were satisfied with click and collect services in 2018, this is significantly lower than for home delivery, which stands at 89.5%," says Emily Salter, Retail Analyst, GlobalData.

"Retailers continue to introduce measures to meet rising consumer expectations for home delivery, such as offering same-day services – led by online pureplays such as Amazon and Asos. Next is one of the few omnichannel retailers currently offering a click and collect proposition to rival the speed and cost of home delivery through recently introducing free, one-hour collection in selected stores."

Additional purchases increase the importance of click and collect to retailers, as 39.2% of customers bought an additional item while collecting their last order, according to GlobalData. This varies quite substantially by sector though, with food and grocery items being the sector that more customers purchase an extra item from, due to the low prices and essential nature of many products, and presence in a range of stores.

However, as Salter explains, store closures will inhibit the growth of click and collect as will measures such as delivery saver schemes and same-day or one-hour home delivery.

FULFIL FROM STORE

While some retailers, including Schuh and Currys PC World, are able to fulfil click and collect orders from store, they are still in the minority. For others, orders are picked and packed and shipped from a distribution centre (DC) and then sent to the store chosen by the customer.

In many cases that stock could be on a shelf in the store which the customer is going to visit to collect their order. This is the case with over a third of the orders made online for collection in store by customers of health & wellness retailer Holland & Barrett. As Emma Mead, the company's Group Omnichannel Director, points out though, all of its

click and collect orders are picked, packed and shipped from a central DC and not from the stores.

"We could have picked [orders] from the store," she says. However, technology is holding the retailer back from being able to do so since it does not have enough confidence in the levels of stock and being able to show the information in real-time. "Therefore, having a single view of stock is on our roadmap this year," she told delegates at MetaPack's Delivery Conference.

And being able to do this is important. "If you have product in stores and you're not offering the ability to customers to go online and pick it up immediately, you're missing the single biggest differentiator you have against online retailers who can't make that happen," says Mike Richmond, Chief Commercial Officer, Duddle.

Some pureplays are starting to do something about this though especially on University campuses. Fashion retailer Asos has launched a same-day click and collect service that allows students and other customers to order a product and pick it up that evening from the student union at Leeds University. Asos Instant – On Campus allows customers to order items before 12pm on a weekday and then collect from 5pm to 7pm.

This follows the launch of Asos Instant in London, Manchester, Leeds and Birmingham. Using On the dot's machine learning algorithms, its 5,000-strong fleet of couriers and an open API to display timeslots, Asos customers are able to select delivery times to suit them.

This highlights how delivery is more than a cost efficiency and impacts on the customer experience as anyone knows who has said anything about how they need to deliver on the promises made to customers or has changed the order cut-off time during a busy period.

Holland & Barrett's Emma Mead found that adding lockers as a delivery option had a significant improvement on how customers viewed the services that the retailer offered, even though only a small number of customers used the lockers. "Just because not every customer wants that service you should look at what that service should be because it will move your overall NPS in a positive direction," she said.

The thing that really drove home to her the impact that delivery has not just on the customer experience but also on the bottom line was the week when there were payments issues on the site and a conveyor belt in the warehouse broke down. This led to next-day delivery being taken off the site and not offered to customers.

Mead focused on sorting out the payments issues thinking that they would be the "most important issue we



Image: Nike

▲ Nike by Melrose gives NikePlus members access to shop from the Nike app, tap reserve and pick up their product to try-on and purchase in-store

have on the site in terms of delivering a poor experience.” However upon analysing the impact of the two issues, she found that “the conversion rate impact of ripping next day delivery off the site was 3x higher than the payment issue problem. My focus was utterly on the wrong point,” she concedes, admitting that she never realised how important the next-day delivery service was.

“There are times when you’re busy and you bring the cut-off in but actually it makes a significant difference to our customers,” she adds.

And the customers who use next-day delivery a lot at Holland & Barrett are new customers. So, the focus on the payments issues instead of delivery not only effected the conversion rate but also acquisition.

“Delivery matters materially to your customers more so than I realised,” she said.

PEAK END RULE

Delivery, whether to the home or collection in a store, also has a major impact on the overall experience. Just think about how differently you feel after watching two different football matches, In the first one your team scores two minutes into the match but this is followed by ‘boring’ play for the remaining 88 minutes; in the second scenario, the goal comes in the last two minutes following 88 minutes of nil-nil play. Which one leaves you with the best feeling and is the most memorable? Mike Richards, Chief Commercial Officer of parcel shop network Doddle, believes it will be the second scenario.

This, he says citing Daniel Kahneman’s book ‘Thinking, fast and slow,’ is called the Peak End Rule. He explains it as “no matter how many touchpoints you have in a customer journey the only two points that really matter are the peak – where the emotion is at its most intense – and at the end point of the customer journey because, from a customer behaviour perspective, these are the only two points that we really remember.”

This is something that retailers can learn from if they want to give their customers a lasting good impression of their brand. “A good ending drives fond recollections, referrals and loyalty,” says Kahneman.


With ecommerce, the peak emotion is at the time of purchase. This is followed by a period of time before the order is delivered or collected, therefore retailers need to make the end memorable – the point of fulfilment if you will – in order to leave that lasting good impression.

Amongst the retailers which are trying to do this are the subscription services such as Dollar Shave Club which asks customers their interests when they sign up for the service. When their box arrives, it includes a personal magazine about what the customer has said they are interested in. Mr Porter adds a sticker with the customer name on every box while Wiggle includes a 10p bag of haribo with every order.

Retailers have thought about the packaging and the box which the customer opens, but has the same thought been put into click and collect, the experience from entering the store to finding the collection desk or interaction with the staff? Nike has.

Members of its NikePlus scheme can reserve trainers through the Nike app and have them delivered to a locker in store. Their NikePlus member pass unlocks the locker, they try on their order, scan the QR code on any pairs they are keeping and put the rest back into the locker. It’s simply click and collect but packaged in retail theatre.

A ‘drive-thru’ also lets customers of Nike by Melrose in Los Angeles text the store, drive to it and collect or return an order. The Nike app also lets customers checkout quickly, ask for items seen on mannequins in store to be taken to the fitting room or to be brought directly to them in the shop.

So, with click and collect use continuing to rise and pureplays trying different ways to speed up the time from a customer ordering online to having the product in their hands, is it time for omnichannel retailers to look at click and collect again? I think so. 

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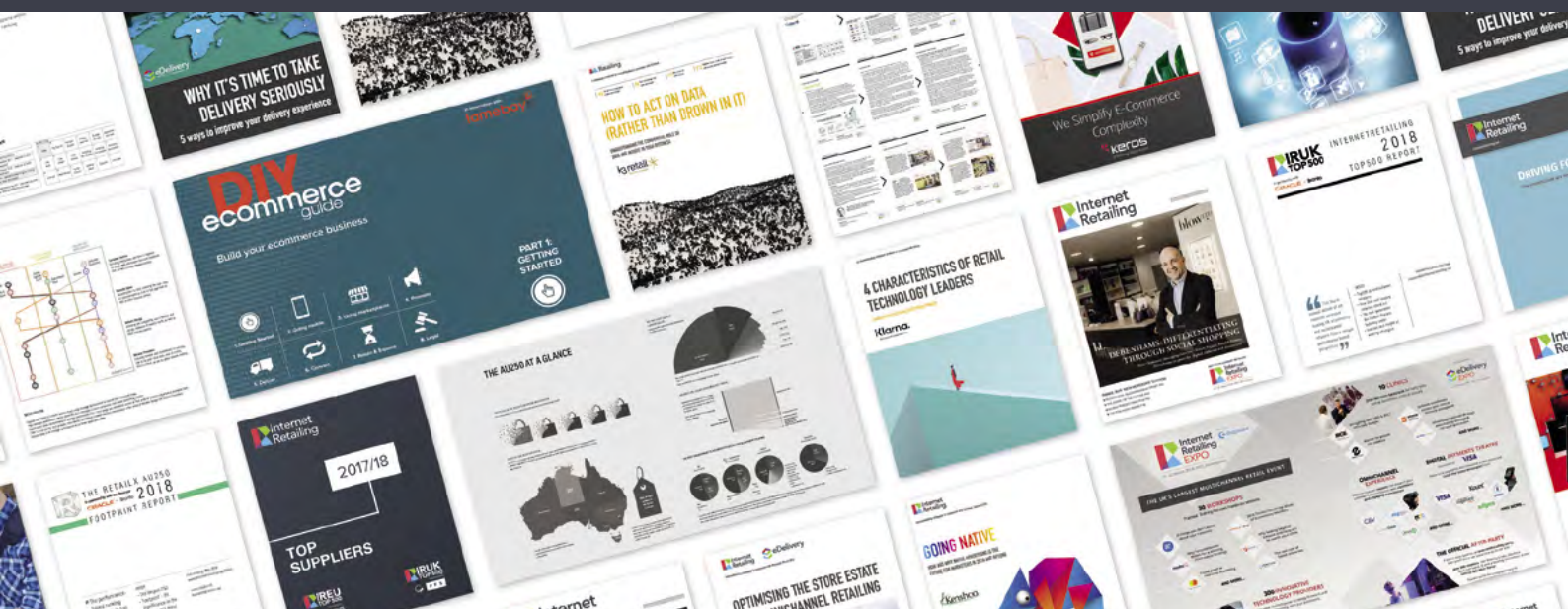
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Relationship status

Paul Skeldon, Mobile Editor, InternetRetailing, investigates how retailers need to live their life with consumers in order to really get to know them.

Breathe. That is what my phone keeps telling me to do: a mindfulness app downloaded in haste one over-stressed evening and now I am regularly being told, often at stress-inducing and rather inopportune moments, to stop and just breathe.

While a bit annoying now the novelty has worn off, this level of contact between app and me shows how far into my life this company has reached. What if this could be extended to marketing of actual consumables?

In truth, it already has. The relationship between brands and retailers has shifted massively, driven by shoppers' devotion to their smartphones and no longer ever being offline. The hyper-connected consumer is now looking for the brands they like and trust to be part of their lives, not just something that pushes things at them as and when a marketing campaign kicks off.

This move to 'in-life' marketing as opposed to 'life cycle' marketing is a fundamental one for retail marketers, but one that is littered with challenges.

“ Just 28% of retail marketers feel that they have the skills to deliver in-life marketing ”

According to research undertaken by InternetRetailing, in conjunction with Selligent Marketing Cloud for the white paper “From customer lifecycle to customer's life: changing perspectives in customer focus,” 91% of retail marketers see being 'in life' as vital or important to their strategy. Just 9% of retailers quizzed saying it wasn't. Yet, just 28% felt that they had the skills to deliver in-life marketing.

This is the challenge, how to balance delivering the kind of messaging that adds to consumer's lives at the moment they want it, rather than just telling them to breathe when they are in the middle of filming a video interview with an important client.

“We are reaching a paradigm shift in customer engagement, where the consumer comes first,” says Christopher Baldwin, Head of Marketing, Northern Europe, Selligent Marketing Cloud. “Instead of the communication channel or product being the start point of how marketers conceptualise campaigns or initiatives, marketers must use the individual customer as a starting point, in real-time.”



A whitepaper produced by InternetRetailing in association with Selligent Marketing Cloud

From 'Customer Lifecycle' to "Customer's Life"

Changing perspectives in customer focus



▲ 91% of retail marketers see being 'in life' as vital or important to their strategy

Luckily, the shift to being always-on, smartphone-obsessed shoppers, means that most consumers may be more demanding in what they want, but they are also spewing out vast amounts of data as they go – data that the intelligent and AI-enabled marketer can leverage to start to understand the life of the consumer and know better when to reach out to them and with what.

Baldwin continues: “Today's consumers are a tough act to follow, especially when it comes to assigning them definite stages in the customer lifecycle. The need to act on real-time, contextual data on preference and behaviour helps to create laser-focused messages that hit home.”

He adds: “So instead of applying cookie-cutter personas to segments with similar lifecycle status that are then spoon-fed the same standard messages, consumer-

first marketing relies on state-of-the-art customer intelligence powered by rich data.”

GEN Z IN THE DRIVING SEAT

The need to fully understand consumers – and their lives – is only set to become more of a priority as all shoppers – led by Generation Z shoppers – increasingly rely on digital.

In fact, according to an international study from The Center for Generational Kinetics, commissioned by WP Engine, when it comes to buying things, Gen Z are driven by mobile apps and digital presence. Yet, despite their eagerness to access the web using new methods and different devices, says they report, they still show a clear preference for a company’s website over a mobile app when making purchases.

“The hyper-connected consumer is now looking for the brands they like and trust to be part of their lives, not just something that pushes things at them as and when a marketing campaign kicks off”

But this fact holds true across all generations, with Baby Boomers leading the pack at 93%, followed by Gen X (89%), Millennials (71%), and Gen Z (69%).

However, as they come of age Gen Z are likely to become the dominant force is what drives digital marketing. According to the study, Gen Z continues to be the most internet-dependent generation – 61% of Gen Z can’t comfortably go more than four hours without the internet, while 13% of Baby Boomers can go a week or more. Gen Z, which has never known a world without the Internet, not only expects 24/7 digital access, but expects that within five years everything – clocks, refrigerators, vacuums, dishwashers and other appliances – will be connected online.

Gen Z has grown up in the hyper-personalised world of targeted advertisements and social platforms. As a result, they are willing to trade privacy for these personalised, in-life experiences. The study finds that 38% will provide their personal data to enable a more personalised experience over an anonymous one.

Additionally, 40% of Gen Z would stop visiting a website if it didn’t anticipate what they needed, liked, or wanted. These shoppers are the ones that are going to drive a shift to in-life marketing.

“Gen Z is empowered, connected, practical, empathetic self-starters who want to stand out and make a difference in the world,” explains Jason Dorsey, President at The Center for Generational Kinetics. “They merge the human

and digital experiences – it is all one combined reality for them. They are fuelled by technology engagement and value uniqueness, authenticity, creativity, share-ability and purpose. And they look for that from the world around them.”

“Gen Z is well on its way to becoming the largest generation of consumers by the year 2020,” adds Fabio Torlini, EMEA Managing Director at WP Engine. “For marketers and brands to effectively engage Gen Z, they must embrace new technologies, experiment with new forms of communication, and internalise the nuances in how Gen Z blends the analogue and digital worlds.”

SAVING THE HIGH STREET

Perhaps the most interesting upshot of this is that it may yet prove to be a boon for the High Street. While Gen Z is demanding this kind of in-life experience, they want to combine it with the real world.


Millennial and Gen Z shoppers are increasingly browsing and purchasing online while in-store, with 78% of younger generations shop both in-store and online simultaneously, and are 34% more likely than older customers to use a mobile device in a store, reveals retail research from Conversant.

According to Conversant’s Elliott Clayton, SVP of Media UK: “A few years ago, in-store Wi-Fi was seen as a basic marketing channel and time-waster for bored friends and partners waiting around. Today’s young, savvy customers will do price comparison on their mobiles, but they might also be ordering the right size or colour of an item from your store that isn’t available on the premises.”

The consumer journey is now non-linear and so marketing needs to adapt. Being part of the consumer’s life is going to be vital to tapping into this more convoluted and confusing purchase funnel.

“The fast-growing brick-and-mobile shopping trend benefits both the brand and the customer. Brands have multiple opportunities to market to consumers and capture a sale, while consumers themselves make more informed decisions when purchasing. It may seem like we’re bemoaning the closure of shops on the high-street but there’s good reason why former online-only retailers are opening physical stores – the key is syncing up offline and online,” says Clayton. “To seize the opportunity around brick-and-mobile engagements, brands need an online experience that enhances in-store device activity and a marketing strategy that also complements it.”

This means using the data they give you to fully understand not only what they look at and what they buy, but what they are doing in the wider world, why they like what they like and why they might be interested. Understanding their social media presence, as well as their wider habits is key to unlocking this in-life marketing concept.

Get that right and you can start to breathe easier. Breathe. 

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It's time to put the supply chain at the heart of the business

Craig Summers, UK Managing Director, Manhattan Associates, examines why the supply chain and customer experience are intrinsically linked.



The following guest article has been written for InternetRetailing by Craig Summers, UK Managing Director, Manhattan Associates. Manhattan Associates is a technology leader in supply chain and omnichannel commerce.

We unite information across the enterprise, converging front-end sales with back-end supply chain execution. Its software, platform technology and unmatched experience help drive both top-line growth and bottom-line profitability for its customers.

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Retailers are continuing to invest in the customer experience. From new stores and attractive websites to new product ranges and value-adding service concepts, the front-end has had its fair share of development over the years. Does this mean, retailers are now confidently providing an omnichannel experience? Not quite. It might come as a surprise that many are still struggling to get to grips with giving their customers a truly seamless omnichannel experience. And it's because they are not putting the supply chain at the heart of the business.

It's not just about the front-end; it's about the seamless back-end processes that retailers use to navigate inventory, customers and returns through the entire infrastructure. A true omnichannel experience begins in the supply chain and visibility is key in ensuring the customer receives a connected experience, regardless of whether they are shopping in store or online. A change in mindset is needed which sees retailers positioning the supply chain at the heart of the business. After all, if the supply chain is to drive real profitability and customer connections, it needs to be the backbone to not only stores and ecommerce, but also to the customer experience itself.

Retailers need to shift their thinking away from omnichannel, focusing on the customer experience as a whole and maintaining an agile supply chain. You cannot build a house to stand the test of time if the foundations are unstable; the customer experience should start in the supply chain to ensure survival.

IS OMNICHANNEL DAMAGING RETAIL?

After a decade of omnichannel retailing, it should not be news to retailers that customers are buying from a brand, not a channel. They expect their basket to be replicated across devices, they expect to receive relevant recommendations and they certainly expect prices to be the same both in store and online. Yet retailers are persisting with channel specific policies that are undermining the customer experience and jeopardising brand perception.

First and foremost, retailers need to accept that their customers are channel blind – they just want a good retail experience. If they have a positive experience, they won't leave feedback stating they just had 'a great omnichannel experience.' But retailers are continuously persisting with fragmented strategies that damage consumer experiences and harm loyalty.

How, for example, can any retailer justify an 'online only' price when it also has bricks and mortar stores? Just consider the experience endured by the customer who has seen a price online but prefers to pop into the nearest store, only to discover the price is 20% higher. The retailer generously offering to 'price match' its own website – only when the difference is pointed out by a somewhat miffed customer – is a clear example of the way omnichannel retail strategies are damaging customer perception and experience.

Fragmenting the retail experience has only one outcome: it devalues the experience and that retail brand for the customer. Without loyalty or respect, customers will simply escalate those behaviours that fundamentally undermine retail profitability. Buying only on discount and increasing returns is devastating retail performance – and, to an extent, it is retailers' inability to provide a consistent, end to end experience that is contributing to this behaviour. Customers may behave in an omnichannel fashion – checking prices via their mobile while standing in store, for example; but they don't think channel, and they certainly don't think omnichannel.

REDEFINING THE CUSTOMER EXPERIENCE

In today's retail environment, it's difficult to ignore the main drivers of change. Customer expectations have transformed the retail norm, particularly when it comes to delivery.



▲ Visibility is key in ensuring the customer receives a connected, omnichannel experience

Shoppers now expect next day delivery as the standard delivery offering. The ‘buy anywhere, deliver anywhere’ mentality that customers now have, is causing many retailers to chase their tails when it comes to executing the supply chain vision.

With the boom in online selling, there has been a dramatic rise in the volume of orders being fulfilled from the warehouse, meaning retailers have had to think fast in order to maintain efficiency. The issue is that the warehouse and its systems were designed primarily for wholesale and store replenishment. Warehouses are expensive and it’s simply not profitable to build separate warehouses with separate inventories for wholesale, store and ecommerce orders. They need to invest in systems that can effectively and efficiently process orders from multiple channels, all from the same warehouse.

Critically, retailers must design their supply chain processes in a way that creates a superior and consistent customer experience. Customers expect visibility of their order from the moment it leaves the warehouse to the time it’s delivered. They also want to be able to order items in store for home delivery or for a later collection if the goods aren’t currently in stock. These new expectations are driving a real need for effective order management, returns management, new store models and next generation point-of-sale (POS) systems. The supply chain should no longer be constrained by tradition and needs to be modernised and agile in order to keep up with the first mile, the last mile and everything in between.

INSIGHT FROM END TO END

Having access to valuable supply chain data shouldn’t be confined to the logistics planners and product marketers; developments in technology and connected devices now put information into the hands of every customer-

facing employee, assisting them in providing a joined-up experience. Store associates can access everything from purchase history to personalised offers, from lifetime value to interactions the consumer has had with the brand. This next generation of technology can tie up the loose ends of the supply chain, providing network-wide inventory visibility, deep insights into customer trends and preferences, and the ability for store associates to identify sales opportunities or make click and collect or home delivery orders straight from their POS devices.

Combining inventory accuracy with effective order management also ensures the customer can gain access to the product irrespective of location – whether ordered online, purchased in store, or ordered by a store associate for home delivery. In addition, this single source of information provides an essential platform for understanding the complete cost of a retail sale – rather than the channel specific costs that can be both inaccurate and misleading. With this transparency and deep insight, retailers can fine tune the overall offer to match both customer behaviour and expectation, at the same time as ensuring every sales transaction is a profitable one.

Retail will always be an ever-changing model and there will continuously be a challenge to overcome, be it a new disruptor or change in customer behaviour. Regardless of how retail evolves, the supply chain will continue to be a Boardroom issue and will always provide the backbone to the business. Retailers will constantly need to move goods from A to B, whether that involves shipping goods from a warehouse to fulfil a “buy-online-pick-up-in-store” order, or using store stock to fulfil a time-sensitive online order from a high-value customer. Those who invest in the supply chain now and truly embrace the technology available to them, won’t only stand the test of time, but will remain profitable against their competitors. 🌈

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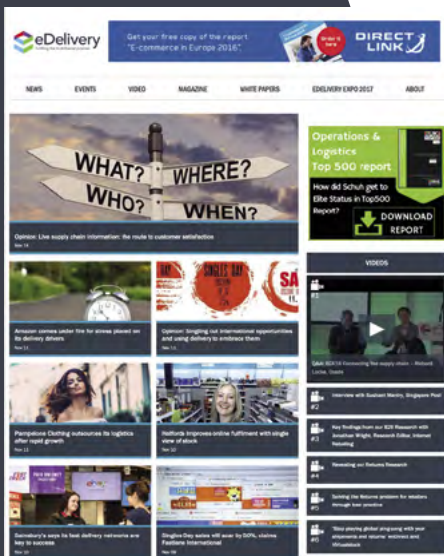
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AO: Delivering the goods

David Ashwell, MD of Logistics, AO World, spoke to Emma Herrod about how the company manages next-day delivery for its own retail operations and for third parties.

AO.com is well known for its retail operation selling white goods and technology but for the past twenty years it has also been operating 2-man deliveries for third parties. This it does through the use of its own 7.5 tonne and 3.5 tonne AO.com liveried trucks, white vans and vehicles branded with its 3PL operation Expert Logistics. “We make deliveries 7 days a week, 362 days a year,” explains David Ashwell, MD of Logistics, AO.com, and with a promise of next-day, 7am – 7pm delivery to its own customers AO delivers to 95% of UK postcodes, every day. Customers are able to choose the date and time slot for their delivery when they place an order.

AO.com operates a hub and spoke model with two National Distribution Centres (NDCs) in Crewe holding stock for the entire UK operation. From here, orders are trunked out to 17 outbases which are located across the UK from Dundee to Exeter. The company plans to have a further two outbases operational before the end of March.

No stock is held at the outbases since they operate as locations to move customer orders onto their final mile delivery vehicles. In fact, as Ashwell explains, items don’t even touch the ground anywhere between the NDC and the customer’s home since the company uses trailers with moving floors, walls and ceilings which move

the items from the lorry onto the final mile vehicle. The fleet also backhauls so that vehicles don’t return empty to an NDC.

Goods in, returns, rubbish and packaging such as polystyrene are all handled by the fleet, along with electrical items for recycling such as a customer’s old washing machine. AO operates its own AO Recycling plant in Telford which is compliant with the Waste Electrical & Electronics Equipment regulations.

In all, 5,500 skus are held for next-day delivery with products sold ranging from white goods to TVs and computers. Ashwell explains that a lot of the products which AO sells are susceptible to damage so the majority of the pick and pack process is undertaken manually. Narrow-aisle, man-up trucks from Toyota are used between racking so that every item is accessible. The company does have plans for some automation to be added in the future but this will only be a small amount.

The company has no plans to outsource any of the final mile side of the operation preferring to retain responsibility for the entire customer journey. A number of small parcels are delivered currently by DPD, but all 2-man operations are handled by AO’s fleet. “In order to deliver the amazing services we have to be in charge of the entire customer journey,” says Ashwell, adding that “no-one loves your customers as much as you do”.



Image: AO World

▲ David Ashwell, MD of Logistics, AO World

It also means AO has complete control and full visibility over the complete operation with certainty of the location of every item of stock and vehicle. If something goes wrong the company can act immediately, he explains. And, because it delivers everywhere next-day the customer won’t be waiting very long for a replacement item.

A central ‘Mission Control’ is on hand so if a vehicle breaks down the driver gets in touch and another can collect the load and take over the deliveries. AO will contact all of the customers to let them know of the delay. “Drivers can contact customers as well,” says Ashwell.

THIRD PARTY OPERATIONS

This love for the customer and understanding of how the logistics operation supports the retail proposition is what continues to help

Image: AO World



▲ Orders queuing to be put on the trucks for delivery

its third party logistics operation win business, he explains. Traditionally, Expert Logistics has been delivering customer orders for white goods manufacturers including Hoover and Electrolux but it has recently signed its first contract to deliver customer orders for furniture manufacturer The Cotswold Company.

For brands, such as Hoover, which are sold on the AO website, one lorry could be collecting stock direct from Hoover to replenish AO stock or to fulfil a customer order as well as carrying products which have been ordered from another retailer and will be delivered to the final customer as part of a contract with Expert Logistics.

Everything comes into Crewe and then customer orders are loaded between 6pm and 2am before being delivered to the outbases and onto the correct vehicle for the final mile delivery. A customer could order at 11.55pm and have their order delivered at 7am the next day, explains Ashwell.

The company offers installation services as well, which sees it able to deliver, install and remove products in one visit to a customer for any of the built-in products it sells.

AO is constantly looking for opportunities and overcoming challenges as it works within its motto of having the “happiest customers by striving to do things in a better way”.

Operating its own warehouse

management system and having IT programmers based at Crewe mean that it can constantly push the proposition, integrate into third party systems – whether as a brand to be sold on the AO site or as a logistics customer. “We can do things quickly,” says Ashwell.

Since AO operates in Germany as well, the entire hub and spoke operation is replicated there. 

Image: AO World



▲ AO operates its own fleet for full control over the customer experience



Read more of *Alex Sword's* insight into changes in the delivery market and keep up to date with the news between issues at www.edelivery.net

OCADO REPORTS TRANSFORMATIVE YEAR

EVEN BEFORE the latest news that Ocado is splitting its retail and technology businesses, selling half of its retail business to M&S and going into partnership with the company, it was undergoing a transformative year. (See the main news section for further details of the M&S deal.)

In the past year, Ocado has announced a one-hour delivery service as it reported a lift in sales but widening losses after what it describes as a “transformative year” for the business.

Ocado Zoom will enable the retailer to deliver a range of more than 10,000 lines, built on micro-centralised fulfilment, within 60 minutes. “We’ve built a test site that will launch to customers in March in West London and over the coming years we expect to mature this offering and make it a part of our offering to our international customers in order to enable them to offer more immediacy in their core markets,” said Ocado Chief Executive Tim Steiner at the retailer’s full-year results presentation.

During 2018, the online grocer and technology business signed partnerships with North American retailers Sobeys and Kroger, and with ICA in Sweden to use the Ocado Smart Platform along with robotic

infrastructure solutions. It is now committed to opening 23 CFCs for its retail customers in coming years. It also looks forward its work with Group Casino in France, whose first customer fulfilment centre is now under construction south of Paris, while Bon Preu has launched its online business in Catalonia, and its longest-standing customer Morrisons is now delivering from its latest, fourth, customer fulfilment centre at Erith, north London which, says Ocado, will be the largest automated grocery fulfilment centre in the world when it operates at its full £1.2bn capacity. So far it is processing more than 30,000 orders a week.

While its own grocery sales and income from services to other retailers grew, the costs of investing in customer fulfilment centres and technology both for its own retail business and those of its third-party retailer customers also grew, with the result that pre-tax losses widened to £44.4m from £8.3m a year earlier. It reported group revenue of £1.6bn in the year to December 2 2018. That was up by 12.3%.

However, the online grocer saw deliveries disrupted by a major warehouse fire at its Andover CFC in February.

AMAZON TRIALS AUTONOMOUS DELIVERY ROBOT

AMAZON CUSTOMERS in a US neighbourhood will be able to receive packages via autonomous delivery as part of a new trial. Six Amazon Scout devices will deliver packages in Snohomish County in Washington state. Customers in the area simply order as they normally would via the site or app.

The robots will deliver between Monday and Friday during daylight hours, autonomously following pre-set delivery routes. At the initial phase of the trial they will be accompanied by an Amazon employee.

Sean Scott, VP of Amazon Scout, wrote in a blog that the trial would provide learnings about the robots so that in future the marketplace could “provide even more sustainability and convenience to customer deliveries.”

Amazon developed Scout at its R&D lab in Seattle. The robots are about the size of a small cooler and travel at a walking pace, with the capacity to avoid obstacles.

Last November saw Amazon testing the potential of parcel delivery by drones at a new facility in Belgium.

MATALAN INTRODUCES SOFTWARE TO IMPROVE INVENTORY MANAGEMENT

UK-BASED clothing and homeware retailer Matalan has deployed a new inventory management solution to improve its visibility over stock.

The company will use two of Oracle’s Retail Cloud solutions to provide a single view of merchandise across its supply chain. Through the Oracle Retail Merchandise Financial Planning Cloud Service, Matalan will have a view into its sales history to allow it to plan what it needs to buy.

The Oracle Retail Assortment and Item Planning Cloud Service, meanwhile, uses technology such as automation to provide the retailer with visibility over product lines in its different locations.

Matalan already makes use of the Oracle Marketing Cloud to support its online and mobile campaigns.

Howard Reed, Chief Technology Officer at Matalan, said: “We continue to invest in innovative technology and tools that enable us to present our customers with a fantastic product range that is accessible where and when they choose to shop.”

WAITROSE ROLLS OUT SAME-DAY DELIVERY

WAITROSE has extended its same-day delivery service for food across London after “encouraging early sales”. The UK supermarket said it was extending its ‘Waitrose Rapid Delivery’ service from eight to 12 London postcodes.

Customers can choose up to 25 items for a single delivery from a range of 1,500 products. There is a £10 minimum spend and a £5 charge applies for using the service.

The products are hand-picked by Waitrose staff before being handed over to On the dot, which uses bikes and vans for deliveries. The service offers delivery within two hours or during a specified one-hour slot on the same day.

Waitrose said that sales had grown weekly by 20%

since the beginning of the trial in September.

Waitrose & Partners Concessions Manager, Kelly Gleeson, said: “Waitrose Rapid Delivery gives us even more flexibility in meeting our customers’ needs.”

Meanwhile, L’Occitane launched a same-day delivery service called Ship from Store in London, with plans to expand it across the rest of the UK. The company also worked with On the dot, allowing them to offer customers a two-hour delivery window between 11am and 6pm on any day of the week.

In November, online florist Bloom & Wild launched a same-day delivery service across London working with On the dot too. The move comes ahead of longer-term plans to launch a same-day delivery service across other UK and European cities.

FORD TRIALS WAREHOUSE ON WHEELS

FORD IS TRIALLING a “warehouse on wheels” service in London which will allow last mile deliveries to be more easily offloaded from trucks to bikes.

The concept involves vans picking up parcels from depots and then stopping at strategic locations. Foot or bicycle couriers then collect parcels from these points and carry them the last mile to the customer, coordinated by Ford’s software platform.

Ford estimates that a single van with four couriers on foot or bicycle could deliver the same number of parcels as five vans. The initiative aims to cut traffic, reduce emissions and improve delivery times.

Gnewt by Menzies Distribution will contribute electric vans to the project.

Tom Thompson, Project Lead, Ford Mobility, said: “Our goal is to keep larger vehicles like delivery vans operating in the high load, less congested environments in which they perform best. However, for the last mile of a journey into an urban area, where congestion and lack of parking can be a challenge, it makes sense to offload deliveries to more nimble, efficient and cost effective modes of transport.”

Michael Hurwitz, Director of Transport Innovation, Transport for London, said: “Freight and deliveries are central to supporting London’s economy, with half of the value of the capital’s household expenditure relying on it.

“However, congestion and poor air quality are some of the biggest challenges the city faces. More last mile deliveries made in this way, alongside the growth of microconsolidation centres, are essential to tackle the pollution problem and keeping the roads moving.”

ASOS LAUNCHES SAME-DAY SERVICE ON LEEDS CAMPUS

ASOS has launched a same-day click and collect service at a UK university that allows students and other customers to order a product and pick it up that evening.

Available to customers in the vicinity of Leeds University, Asos Instant – On Campus allows customers to order items before 12pm on a weekday and then collect them from 5pm to 7pm from the student union. Uncollected parcels are held for 10 days.

Asos partnered with CollectPlus and On the dot to offer the service, which is priced at £2.95 for standard customers and is free for subscribers to the Premier Delivery service.

Customers can also use the CollectPlusPoint to return unwanted items to Asos for free.

The launch follows Asos introducing its same-day delivery service Asos Instant to London, Manchester, Leeds and Birmingham. Using On the dot’s machine learning algorithms, its 5,000-strong fleet of couriers and an open API to display timeslots, Asos customers are able to select delivery times to suit them.

The UK click and collect market will grow 46% over the next five years despite the satisfaction rates lagging those of home delivery, according to a new study.

In a recent interview, CollectPlus CEO Neil Ashworth told eDelivery that although home delivery will continue to take the lion’s share of fulfilment for some time, CollectPlus believes third party click and collect networks will grow much faster than either home delivery or retailers’ own click and collect options.



Insight around the world



WILL MILLER, POLICY TEAM, BRITISH CHAMBER OF COMMERCE IN CHINA

China's slowing economic growth, underscored by recent GDP data, has been a significant concern for foreign businesses and investors. Annual GDP growth for 2018 stood at 6.6% according to official statistics, the slowest rate in almost three decades, while fourth-quarter growth dipped further, indicating a continuing downward economic trajectory going forward.

The slowdown has taken a toll on retail sales as overall consumer spending across China has slumped. Total retail sales growth, an important indicator of consumer spending, dipped 6.9% year-on-year in 2018, down from 9.1% in 2017.

In the face of gloomy economic forecasts, British businesses in China are overwhelmingly positive about their future operations in the world's second largest economy. In a study of more than 200 British businesses by BritCham China, 65% of respondents were optimistic about business prospects over the next two years. Correspondingly, more than two thirds of companies plan on increasing their investment over the coming year, highlighting the continued interest and confidence of firms in the China market.

Despite the optimism, businesses still face numerous market access barriers, the most pressing being cybersecurity and IT restrictions, intellectual property rights protection,

and issues around licensing and certification. The predominant concerns among retailers pertain to high tax rates, mandatory animal testing for cosmetics, and similarly intellectual property rights.

For British retailers, China's emerging middle class presents numerous opportunities for future growth. Among survey respondents, more than 75% of businesses in retail and consumer goods/services were optimistic about the future of the sector while more than 85% will be increasing investment.

As the country's economy shifts towards more consumer-oriented growth, ecommerce and retail is likely to play a much stronger role in driving China's economy forward, with future demand likely to be underpinned by growing consumption in third and fourth tier cities. British retailers in China certainly have cause to be cheerful.

A full copy of the study [pdf] can be found at <http://etail.li/o7d5c>.

ELENA GATTI, MANAGING DIRECTOR, DACH AZOYA INTERNATIONAL


Global ecommerce behemoth Amazon is rumoured to be merging its China business with Netease Kaola, China's second-largest cross-border ecommerce platform. After losing the world's largest ecommerce market to Alibaba nearly a decade ago, this partnership could pave Amazon's way back into the Chinese market. Kaola on the other hand would benefit from

Amazon's global network and trust from international brands.

China's cross-border ecommerce market has been plagued by incidents of fake products, and some consumers still turn to Amazon China for imported goods, e.g. milk powder and cosmetics. However, Amazon's business in China is small; according to research intelligence firm Analysys International it has a 6% share of the £43bn (\$56bn) cross-border ecommerce market. For Amazon, this partnership could be its way back into the China market. While it lacks in market share and its platform lacks a localised Chinese user experience, Amazon does have a strong global supply chain and an extensive global network of quality suppliers.

Though Netease Kaola has done well in the cross-border space, it has fallen behind as of Q4 2018 and now occupies a 24.5% share of the market, compared with Tmall Global's 31.7% market share. The purported merger therefore comes as Netease Kaola is ramping up its business in a bid to unseat Tmall Global as the market leader in cross-border ecommerce.

The two competitors have been going neck and neck throughout the past few years. Kaola's platform is a standalone website consisting of purely cross-border ecommerce goods, whereas Tmall Global operates as a subsection of Tmall and shares user traffic with domestic Chinese suppliers. Kaola is under pressure to



provide a wider variety of goods, which will drive traffic to its retail platform. The challenge: Kaola is relatively small compared to Alibaba as it has been a global company from day one, and its brand is much stronger in overseas markets. Global suppliers trust the Alibaba name, whereas Kaola is relatively unknown.

MARK STREET, HEAD OF CAMPAIGNS, ROYAL MAIL

In our latest report from the Delivery Matters series, Royal Mail has looked at online shopping trends in Australia. One of the key insights from the report is that Australians like shopping from overseas websites and 30% of online shoppers purchased from a UK site. Of these shoppers, the average spend on UK websites, across a three-month period, was £39 per month.

Australian online shoppers find UK items to be cheaper than buying locally and 80% of these shoppers trust items purchased from UK sites not to be fake. The key reasons that Australian shoppers cited for shopping on UK sites were availability and price. If a product is only available from the UK, Australian shoppers will use a UK retailer.

Just over three quarters (76%) buy products from the UK if they can't find them locally. Almost half (46%) seek out items that are only on sale in the UK and 59% do so because they love British brands.

Over one in ten (12%) Australian online shoppers has returned an

item purchased from a UK site. The research also found that almost three in four (74%) would be unlikely to shop with a retailer following a difficult return experience.

Australia is an attractive market for exporters. The country has high internet penetration, English as a main language and a high potential for international ecommerce sales. To help retailers, Royal Mail has developed a new tracked returns service in Australia to give customers confidence and provide peace of mind, alongside giving retailers greater visibility of their stock.

GARETH CLEEVELY, VP, HEAD OF PAID SEARCH, IPROSPECT

The five days between Thanksgiving and Cyber Monday, affectionately known as the "Turkey 5", continue to be key for US retailers. According to Adobe Analytics, 2018 Cyber Monday had a record \$7.9bn (£5.94bn) in online US sales, up 19% YoY, with Black Friday close behind at \$6.2bn (£4.66bn).

For the 2018 holiday season, we refined our holiday strategy for clients: start planning early, be decisive on promotions, and ensure there was adequate inventory. We also wanted to implement safeguards to prevent site outages and poor mobile experiences of holidays past.

So how did it turn out? We saw some clients' click-through-rates reach an all-time high across Amazon,

Google, and Bing. As brands continue to evolve their data, advertisers are targeting better and reaching their desired audience with more compelling, actionable ads. Layer in the latest advancements in ad formats and you've got a successful paid search holiday season.

Of course, advertisers battled the increase in cost-per-clicks. For iProspect clients, we found increases in competition, driving the cost-per-clicks when vying for top-shelf position, especially on Amazon. This caused some client investment to increase by 720%. Yet, despite the increased costs, many advertisers still paid more to drive people to their brand store. Similarly, competition increased on Google and Bing; even with increased adoption of advanced audience targeting and utilization of first-party data, brands were willing to pay more in order to reach their desired audiences.

While consumers will continue to shop heavily during "Turkey 5", the majority of sales are falling outside that window. December 2018 converted 20% better than November, yet spend was down 39% month-over-month. With less competition and budget, coupled with higher conversion rates, it appears that "Turkey 5" has been prioritized by brands, but this momentum is not continued or capitalized on into December. Keep this in mind when planning your 2019 holiday strategy. 



IRX

InternetRetailing EXPO

3 & 4 April 2019
NEC, Birmingham

Headline sponsor:



CoinPayments

Stay at the pulse of digital retail

IRX will ignite and excite the retail industry. Our programme boasts 100+ hours of free educational content on digital retail's hottest topics.



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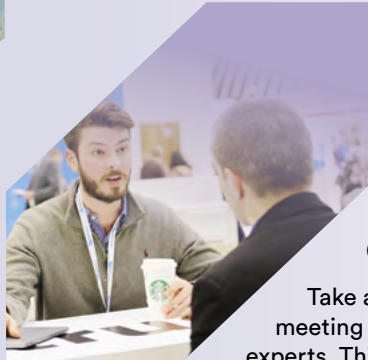
8 conference tracks

Celebrate success and learn from superstar speakers who inspire and disrupt the digital and tech industries.



8 one-to-one expert clinics

Take advantage of a free one-to-one meeting and get tailored advice from industry experts. This exclusive format enables you to get all your much-needed questions answered.



VIP lounge

Network with seasoned industry leaders and up-and-coming disruptors. The VIP lounge is open to both IR Top500 and Growth2000 companies.



Co-located with eDX

There's no eCommerce without delivery: IRX is once again co-located with eDX, Europe's largest fulfillment show for digital retail.



150+ innovative technology providers

Meet innovative technology companies that are disrupting retail through technology. See for yourself how these solution providers can transform the way you acquire customers, achieve sales and streamline your operations.



IRX Party

Let your hair down and cement your new connections at the digital retail party of the year! Join us on 3rd of April at the **Toute Suite** room at the NEC, from 5 PM until late. Everyone's welcome!



Flip me over to see the Expo highlights you can't miss

Co-located with:



Headline media sponsor:



The UK's largest FREE education

8 exciting conference tracks:

Wednesday 3 April

Marketing excellence

Featuring:



- Understanding how retailers can turn their **data** into **cash**
- Find out how AI and personalisation are driving a shift in **digital marketing**
- Turn **social media** from an overhead into a profit maker



International growth

Featuring:



- Integrate **Brexit** into your international growth strategies
- Find out which **international markets** offer the best opportunities
- Use **marketplaces** to kick-start your eCommerce growth



Customer obsession

Featuring:



- Designing **experiences** that grow customer loyalty
- Grow your customer loyalty through engaging **subscription models**
- How will a great **content strategy** look like by 2021?



Final Mile

Featuring:



- Case study: Drones and robots - delivering **hype** or **reality**?
- The impact of the **gig economy** on the future of your final mile
- Ensure your **same-day delivery** strategy delivers profitability and growth



Thursday 4 April

New technology

Featuring:



- Identify the **AI** opportunity and capitalise on it
- How will **cryptocurrencies** support growth in the eCommerce sector?
- What **voice technologies** mean for retailers and how to embrace them



B2B commerce

Featuring:



- Explore the **success factors** that drive growth in B2B eCommerce
- B2B marketplaces as a **secondary market** to offset operational costs of B2C
- **Outsourcing** overhead for growth: CAPEX to OPEX, SaaS, partnerships



Omnichannel innovation

Featuring:



- Ensure your **mobile experience** is customer-friendly and drives sales
- Case study – pureplays fulfilling **click & collect**
- Leverage the latest digital innovation to create a **smart store** that drives in-store and online sales



Operational excellence

Featuring:



- Operating for **peak trading**: enhance your operations to reduce **headaches**
- Your green delivery: be **environmentally-friendly** while delivering great customer experiences
- Meet high customer expectations with **returns** while maintaining your margins



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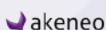
Hands on workshops:

Wednesday 3 April

Conversational commerce



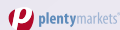
Build an excellent customer experience



Overcoming the pitfalls of cross-border selling



Generate your first Amazon sale in less than 8 hours



Kill off your email marketing list



Reach the empowered European consumer



Amazon, eBay, Shopify... VAT Problems



Case study: delivering a customer-first strategy



5 conversion tips to help you get ahead



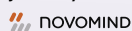
Improve your cross-channel personalisation



Workshop with Adyen



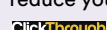
Personalise your customer journey



5 tips to increase your global online sales



Best-practice CRO's and reduce your Google CPC's



Automate your sales tax processing



Manage cross-border regulatory compliance in a post-Brexit world



The most cost-effective online marketing channel for SME's



The evolution of DTC buying journeys



Data-driven personalisation: connecting digital with physical



Increase your conversion rate through AI personalisation



Why you need a digital roadmap



Smart & sustainable packaging



Exceptional customer experience through fulfilment

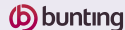


Thursday 4 April

10 tips to boost your revenue through site search



Harness influencer marketing & social shopping



Workshop with Vertex



5 ways to stay in control of your customer experience



Amazon, eBay, Shopify... VAT Problems



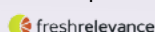
5 conversion tips to help you get ahead



Understand the psychology of the consumer



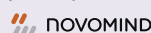
Improve your cross-channel personalisation



Why care about payments



Personalise your customer journey



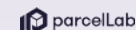
5 considerations for migrating your online store



Prevent fraud in online retail



Workshop with Parcel Lab



Leverage delivery data to exceed customer expectations



One-to-one expert clinics:

Peak trading management



Customer retention exposed



Breaking into global markets made easy



Improve your packaging and fulfilment



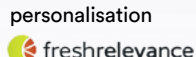
Leveraging user reviews



Search with a guaranteed conversion lift



A fresh look at cross-channel personalisation



Succeed in selling to global shoppers



Register for FREE at www.internetretailingexpo.com/IR





Image: InternetRetailing Events

InternetRetailing Expo: exploring the future of digital innovation

The InternetRetailing team previews April's InternetRetailing Expo which includes more than 100 speakers, 300 exhibitors and last year attracted more than 5,000 visitors.

InternetRetailing Expo (IRX) returns for the eighth time in 2019 with a renewed focus on online retail. The event, being held in association with headline sponsor CoinPayments on April 3 and 4 at Birmingham's NEC, will this year shift from a broad overview of multichannel retailing towards a more in-depth focus on growth and innovation in online retail.

As a result, the new-look IRX 2019 will put a greater emphasis on the ecommerce value chain, on customer acquisition and on customer loyalty. It's a change, say organisers, that reflects a natural convergence of ecommerce and marketing and the less siloed approach that fast-growing online retailers now take to their businesses.

“ This event shouldn't be missed because it gives a real broad basis for everything that's going on in ecommerce at the moment ”

Joe Payne, Senior Manager, Internal Audit, Selfridges

“2018 proved that retailers that get their online strategy right are reaping the benefits in sales growth and international expansion. This year, IRX will focus on growth and innovation across the ecommerce value chain

Image: InternetRetailing Events



– from customer acquisition through to customer loyalty – showcasing success stories that will inspire and excite retailers to enhance and improve their online offering, which will in turn improve their bottom line,” says Stuart Barker, Portfolio Director, InternetRetailing Events.

“ It’s fascinating. There’s so much information available – I’m being a sponge today ”

Anna Smith-James, eCommerce Executive, Wiggle

At this year’s IRX, speakers from a range of retailers will take part in eight conference streams over the course of the two days. On Wednesday April 3, the focus will be on Marketing Excellence, International Growth, Customer Obsession and, in the co-located eDelivery Expo (EDX) theatre, The Final Mile. On Thursday April 4, speakers will take part in streams on New Technology, B2B Commerce, Omnichannel Innovation and, in the EDX stream, Operational Excellence.

Amongst the speakers announced are Sue Harries, Director of Ecommerce for Screwfix. She’ll open one of the conference streams on the Thursday with a keynote presentation on ‘Evolving your mobile proposition to drive a seamless omnichannel customer journey’. This will be an

interesting presentation and give visitors more insight into how the building and DIY retailer puts its customers at the heart of the mobile design process. Screwfix is a Leading retailer in InternetRetailing’s UK Top500 research. It also performed strongly in the Mobile Dimension sharing product opinions through reviews and ratings and offering predictive search and a store finder on its mobile app.

Another speaker of note is Jason Perry, Senior Manager Ecommerce Strategy & Rollout, Food Digital, The Co-op. He’ll be presenting twice at the event. He’ll be discussing the hype and reality of drones and robots for delivery and how Co-op is trialling Starship robots for food delivery in Milton Keynes, and again in a panel discussion. The panel – again part of the eDelivery Expo – will be assessing what developments we’ll see in delivery tracking by 2021 to meet increasing customer expectations. Will drone deliveries be a reality by then?

Another keynote presenter is Bruce MacInnes, Chairman of BrandAlley UK. Opening the ‘Customer Obsession’ conference stream on Wednesday April 3, he’ll be highlighting the importance of the entire customer journey with a presentation on ‘Driving loyalty through delivering great ecommerce customer experiences before, during and after the sale’.

International growth will be examined too. This is an important topic, regardless of Brexit, as retailers look outside of the UK for new customers. International business development is an area in which Tony Preedy, Chief Commercial Officer, Fruugo, has spent the past decade so he’ll be sharing his expertise with visitors to



the International Growth stream. He's a retailer with over 25 years experience of direct and digital marketing at Shop Direct Group, Otto Group and multichannel kitchen retailer Lakeland. He's now at global marketplace Fruugo.com where he is responsible for generating incremental sales for retailers that use Fruugo's unique technology to reach consumers in over thirty countries worldwide. Preedy will be discussing how retailers can build a framework to assess which new international territories offer the best opportunities for growth and taking part in a panel discussion on future proofing international growth.

Also on the panel is entrepreneurial leader and CEO of Teespring Chris Lamontagne. Together, they'll be working with delegates to investigate what an international ecommerce strategy will look like in 2021 and what retailers should be doing today to prepare.

Another growth area for online retailing is B2B. It's also an area in which people expect an experience to match consumer sites. Elisabeth Thomazeau, EMEA Digital and E-Commerce Leader, 3M, will open a conference stream on B2B by presenting the keynote address 'Exploring the success factors that will drive growth in the B2B ecommerce space'.

Jeremy Howard, Chief Executive Officer, Cru World Wine, will present in the conference stream as well to give a perspective on how B2B marketplaces can be built as a secondary market to offset the operational costs of business-to-consumer.

In all, the InternetRetailing Expo combines more than 100 speakers in conference sessions across the two days with 300 exhibitors and last year attracted more than 5,000 visitors.

“ I really enjoy IRX and EDX and like the fact that you've got an eDelivery Expo that talks to the logistics part of me, but also it's mixed in with a load of other ecommerce providers and there's the chance to get round all of them in one or two days is really really useful ”

Chris Highton, Head of Logistics, Shop Direct Group

EXHIBITION

Away from the conference sessions, visitors will be able to get in-depth, hands on briefings at event workshops. IRX workshops will cover a broad range of subjects, from the product experience and marketplace selling, to the role of big data in email marketing, ways of reaching European consumers, personalising the customer journey and creating a digital roadmap.

Image: InternetRetailing Events



EDX workshops will cover topical issues from delivering customer service through fulfilment, managing cross-border sales and trade compliance in a post-Brexit world, through to sustainable packaging options.


“ It’s given me a chance to think about what to do next and where to focus next ”

Wouter Putman, eCommerce and Operations Manager, Angling Direct

Visitors will also be able to get one-to-one advice in expert clinics, while the VIP Lounge will be open to senior retailers at IRUK Top500 and Growth 2000 companies.

The Jiangsu Pavilion returns with its focus on the Chinese market. As one of the earliest opening-up provinces in China, Jiangsu has achieved the fastest economic development, making a 10% economic contribution to the national economy from its 1% share of China’s land area and 6% of the population. Jiangsu has long been in a leading position in China, in terms of inbound investment, and has been holding the second place in imports and exports. Jiangsu also leads the

country in outbound investment, service outsourcing development zone construction and overseas economic cooperation.

New for 2019 is a Crypto Currency Pavilion, run by event sponsor CoinPayments in partnership with Lode. 

To find out more and register for a free ticket visit InternetRetailingExpo.com.

TIME FOR RETAILERS TO START THINKING ABOUT CRYPTOCURRENCIES

Everyone has heard about Bitcoin – and some people even understand how blockchain works – but is the time now ripe for retailers to start looking at how to accept these cryptocurrencies? IRX 2019 Headline Sponsor CoinPayments certainly thinks so.

CoinPayments, a digital currency payment solution allowing merchants to accept Bitcoin and more than 750 altcoins in their store through easy to use plugins, APIs and POS interfaces, is not only putting its name to the show, but is also running a Crypto Pavilion, in conjunction with Lode and presenting in the conference, with the aim of showing retailers why and how to start to accept cryptocurrency payments.

While cryptocurrencies are still a bit of a niche interest and often associated with geeks and the dark web, they are increasingly becoming something that some shoppers want to use to pay for things online.

“Every online retailer knows that the more payment options on offer, the more likely people are to buy,” says Sean Mackay, Operations Lead at CoinPayments. “That is an important reason for retailers to think about adding cryptocurrencies to their sites. But there are many others.”

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*Temkin Group Insight Report, ROI of Customer Experience, August 2018.

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