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HOUSE OF FRASER: A NEW VISION

David Walmsley, Chief Customer Officer, House of Fraser on replatforming and a new company vision

INSIDE OUR 'PEAK' EDITION:

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Editor's comment



FOR THE SHOPPER in us all Christmas is the other side of the summer holidays but on the other side of the work-life balance is the retailer firming up plans for the peak season. This year, the Christmas shopping peak is predicted to hit earlier with the majority of online shopping carried out in November. Salmon predicts that £7bn will be spent online over the 7 days of Black Friday week this year. The digital commerce consultancy shares with InternetRetailing readers its checklist for peak and how retailers need to prepare for the changing Christmas season.

Other features in this issue of InternetRetailing magazine examine what retailers can learn from peak 2016 and how the industry is planning for peak 2017.

Many retailers begin to put plans in place as soon as the previous year's peak season has finished, while for some product planning starts more than 12 months in advance. In the warehouse, for example, major automation, systems and architecture can be three years in development from initial growth forecasts through to needing the extra capacity. In an interview with InternetRetailing, Paul Dunne, Supply Chain Director, Boots, gives a very interesting perspective on this side of retail and how the company plans for peak.

In a guest article, Paddy Earnshaw, Chief Customer Officer, Doddle, highlights key points to ensuring that customers receive a smooth click and collect experience in store during peak times. Mark Thomson, Director of Retail and Hospitality

EMEA, Zebra Technologies also looks at peak from an in-store perspective and explains how retailers could use technology in store in the lead up to the holiday season.

Paul Skeldon, Editor, M-retailing, investigates the mobile Christmas experience, while I investigate how personalisation can help during the busy peak trading period when loyal customers are buying outside of their usual purchasing patterns. Could machine learning be the answer?

Plans, plans, more plans, testing and communication seem to be the consensus of opinion on how best to prepare for peak and nowhere is this more true than in the final mile. Setting realistic, achievable options are also key to ensuring that retailers don't disappoint customers when it comes to home delivery, according to eDelivery.net Editor Liz Morrell. She examines how retailers – and carriers – ensure that they are ready for the peak period and deliver exactly what customers want.

The magazine also examines whether it's necessary to lock down for peak and whether it's actually possible. Simon Finch, Director of Distribution, Harrods believes that a degree of flexibility is required: "We spend a lot of time in change freeze either leading into or out of peak or delivering new products. We're planning for peak 2017 in 2016, looking at growth and where shortfalls are. I think you can never lock down.

"Business as usual demands us to do things all of the time. It might be reacting to stuff or new opportunities such as brands coming to Harrods and saying they want to offer click

and collect so we have to start working on it. This can happen in December in the same way that it can be at any time," he says.

The same can be true for code with Milan Kotecha, Director Retail & Commercial Markets Northern EMEA at Delphix, believing that not giving developers access to live code during peak stifles innovation and can impact a company's ability to put new products online, which means missing out on potential sales to those who can innovate faster.

Peak is not just a three-month run-up to Christmas. "Retailers now experience more significant peaks in traffic throughout the year and outside the traditional peaks at Christmas. If retailers continue to code freeze for every peak in traffic or shopping event then no changes or innovations will happen at all," says Kotecha.

And as I write this, Amazon is running its Prime Day which is becoming a peak day for the wider ecommerce industry too. Along with retailers selling more on the Amazon marketplace itself, retailers also went head-to-head with Amazon on their own sites emphasising the benefits that most effectively enable them to compete against the company. Argos, for example, emphasised its same-day delivery service, while PC World boasted a day of subscription-free deals with free delivery or fast click and collect from store.

Just like the Christmas peak though, Prime Day and other peaks need careful planning, testing and preparation – even by Amazon.

Emma Herrod
Editor

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

AMAZON ACQUIRES UK STORES

Amazon is to buy Whole Foods Market for \$13.7bn (£10.7bn), an acquisition that will give it a significant number of UK stores and gives it a base from which to challenge the dominance of supermarkets in this country. The US-based organic foods specialist has nine UK stores, including seven in London and one each in Cheltenham and Glasgow.

Amazon says Whole Foods Market will continue to do what it does best under its ownership. “Millions of people love Whole Foods Market because they offer the best natural and organic foods and they make it fun to eat healthy,” said Jeff Bezos, Amazon Founder and Chief Executive. “Whole Foods Market has been satisfying, delighting and nourishing customers for nearly four decades – they’re doing an amazing job and we want that to continue.”

John Mackey, Whole Foods’ Chief Executive and co-founder, said the tie-up would also improve the Whole Foods customer experience. “This partnership presents an opportunity to maximise value for Whole Foods Market’s shareholders, while

at the same time extending our mission and bringing the highest quality, experience, convenience and innovation to our customers,” he said.

The deal, which is subject to shareholder and regulatory approval, is expected to complete in the second half of 2017.

Commentators see a move by Amazon as a way of strengthening its position in the UK grocery sector. Rupal Karia, head of commercial, UK and Ireland, at Fujitsu, points to its recent Forgotten Shop Floor study in which it found that 75% of UK shoppers said they would go to Amazon if it had stores. “This move by Amazon to buy Whole Foods is just the latest in its ongoing diversification and strengthening of its plethora of services,” said Karia.

Meanwhile, US customers of Amazon Prime can now order goods to try before they buy through new Prime feature Amazon Wardrobe. The service, which is not yet available in the UK, gives shoppers seven days to try the clothes they order before returning any that they don’t want.

DIXONS CARPHONE REPORTS RISING SALES

Multichannel retailer Dixons Carphone has reported rising sales and profits in its latest financial year as it rationalises its store estate and invests in digital.

The retailer, whose range includes white goods and computing, and whose brands include Currys and PC World, both Leading retailers in IRUK Top500 research, reported group sales of £10.5bn in the year to April 29, 9% on the previous year. Headline pre-tax profits of £571m were up from £478m a year earlier, although bottom line pre-tax profits came in at £386m, 9% up from £263m last time, after one-off charges of £115m related to factors including business exits, merger and transformation costs and value write-downs.

The retailer is currently merging its PC World, Currys and Carphone Warehouse stores into 3-in-1 digitally-enabled brand stores as it looks to reduce its store portfolio by 134. It says that like-for-like revenue, had improved by about 3%, as sales transformed from stores that had closed. As it reduces store numbers, it has invested in digital, said Chief Executive Seb James.

“Over the last few years a great deal of work has been done to make the company stronger, lower risk and more resilient. We are seeing the upside of these efforts now as we declare record headline profits before tax of over half a billion pounds – up 10%,” said James. “More importantly, the improvement in our cost base, the strong leadership position that we have built, the investment that we have made in our digital business and, above all, the enormous shift in customer satisfaction and price competitiveness that we have driven leave us well positioned to flourish in the years ahead.”

BREXIT: THE RETAIL EFFECT ONE YEAR ON

A year on from the UK’s decision to leave the European Union, a study reports that Brexit is already having an effect on day-to-day online shopping and the British Retail Consortium is campaigning for a consumer-focused departure.

Postcode and data specialist PCA Predict has analysed ecommerce spending in the wake of the Brexit vote and sees a correlation between key events related to leaving the EU, from the referendum result to the General Election, and significant dips in online spending.

While UK retailers collectively took an average of 3.9m daily ecommerce orders over the course of 2016 and 2017, PCA Predict says its data shows that sales fell by up to 60% on those key dates.

On June 24 last year, the day the result was announced, online orders fell to 1.64m, while on general election day they fell to their lowest level yet, at 1.58m. On the day that the House of Commons voted to trigger Article 50, the mechanism by which the UK is to leave the EU, online purchases came to 1.95m, dipping to 1.69m on the day that Article 50 was triggered.

Meanwhile, shopping rose significantly, to 3.58m purchases, on the day the Supreme Court met to decide whether Parliament or the Prime Minister had the power to invoke Article 50. However, since this date was in early December (December 5 2016) it is likely that Christmas shopping was also a factor in this rise.

The British Retail Consortium is responding to current uncertainty in what Brexit will mean for the retail industry with a Fair Brexit for Consumers campaign – and argues that doing so will lead to the fairest settlement for the country as a whole.

BOOHOO.COM AND MISSGUIDED INVEST IN LOGISTICS

The importance to fast-fashion retailers of ensuring delivery and collection options meet the needs of their customers is underlined by recent announcements from Boohoo.com and Missguided.

Boohoo is working with InPost to offer locker collections, a service that the delivery company says fits well with the needs of its customers. "Research has revealed that our service holds strong appeal for millennials, making InPost a natural fit for boohoo's target demographic of fashion-conscious 16 to 24-year-olds," said Ian Caminsky, Chief Executive of InPost. "We look forward to helping boohoo further bolster its ecommerce offering at a time when the company has ambitious growth plans.

Andrew Thomson, Ecommerce Director at boohoo, said: "Our customers want fast-fashion delivered with speed and convenience, and InPost's proposition allows us to meet both of those needs. By offering next day, round-the-clock parcel collection that isn't confined to normal home delivery times or opening hours, we are able provide a service that fits seamlessly into the lifestyles of our customers."

Meanwhile, Missguided is putting the focus on returns, which it says provide an opportunity to improve customer loyalty. It is working with delivery experience Sorted to improve its international returns process in a way that will give customers in France, Spain, Poland and Germany the ability to return goods in a way that they recognise, using tracked solutions. In due course this will extend to the US and Australia.

Brett Young, Missguided Operations Director, said: "We can now control our return partners across key international markets, making rapid changes to our carriers, as well as having clear visibility of parcels when they are in-flight. The on-boarding process was exceptionally well managed, particularly given the complexities of working with both our warehousing partner and internal teams.

JD.COM AND FARFETCH STRIKE DEAL

JD.com and Farfetch have formed a strategic partnership that will create "the premier platform for luxury ecommerce across China," tapping into a market thought to be worth \$80bn.

The partnership, which sees leading Chinese retailer JD invest \$397m in London-based Farfetch, brings together JD's China-based logistics, technology and social media marketing resources, including a partnership with WeChat, with Farfetch's expertise in luxury retailing. Together they promise to create a "frictionless and seamless brand experience".

Farfetch already has operations in China, where it works with 200 luxury brands and more than 500 multi-brand retailers. JD's investment will make it one of Farfetch's largest shareholders, with JD.com Founder and Chief Executive Richard Liu joining the board.

The Farfetch community currently includes 700 brands and boutiques which, says Farfetch Founder, Co-chairman and Chief Executive José Neves, will now be better placed to sell into China's luxury market.

"China is the world's second largest luxury market, and we are delighted to have such a respected partner, known for its strict protection of IP, with whom to address Chinese luxury consumers," said Neves. "This partnership addresses the market's challenges by combining the Farfetch brand and curation with the scale and influence of the foremost Chinese ecommerce giant. This strategic partnership will provide brands a seamless, immediate access to the luxury consumer and Chinese luxury shoppers with access to the greatest selection of luxury in the omnichannel way of life they have already fully embraced."

New services that Farfetch will be able to offer customers include JD Luxury Express, a new white glove, same-day delivery service, while those with shops in the country will also be able to tap into click and collect and in-store returns services. Payments will be supported by JD Pay and microcredit service Baitiao, from JD Finance.

NEW LOOK REPORTS ONLINE GROWTH

New Look has reported a downturn in its overall sales despite healthy growth online as shoppers demand to "buy now, wear now".

The fast fashion retailer reported sales of £1.4bn in the year to March 25, 2.4% down on the same time last year. It said its own brand like-for-like sales were down by 6.6%, with UK like-for-like sales down by 6.8%. Online, own website sales grew by 14.3%, while sales made through third-party websites were 30.9% ahead. At the bottom line, pre-tax losses came in at £16.6m.

Multichannel highlights from its full-year figures include the launch of a members-only Delivery Pass in November 2016, giving online customers free annual delivery for a fixed fee. One-third of online orders are picked up from a store using click and collect, while two-thirds of online returns are made in a store.

The retailer is expanding in China, where it had 110 stores by the end of the year. It also launched dedicated local language

transactional websites in France and Germany.

Changing shopper behaviour has made the retail environment "more competitive than ever", according to New Look Chief Executive Anders Kristiansen. He said; "We have seen a growing shift in customer mindset during the year to a 'buy now, wear now' mentality, which challenges us to be even faster in identifying and responding to trends, buying with more conviction and becoming ever more agile." In response, he said, the retailer had worked towards a faster supply chain and strengthened both buying and design teams to focus on "a stronger product proposition".

However, he reports that the brand had kept its number one position in the market for women aged 35 and under, and that it was also number two in the womens' footwear market. The retailer now plans to expand its standalone menswear stores to 21 branches.



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.

DEBENHAMS REPORTS MOBILE-DRIVEN ONLINE SALES GROWTH

Debenhams has reported mobile-driven online sales growth as it updated investors on progress in its Debenhams Redesigned strategy to grow both through social shopping and through a 'Fix the Basics' plan.

The department store group, a Leading retailer in IRUK Top500 research, said that digital sales grew by 7.9% in the 15 weeks to June 17, and by 12.6% in the 41 weeks to the same date. Underpinning that growth, it said, was "rapid mobile growth", with m-commerce sales up by 47%, year-on-year, and conversion rates up by 12%.

At the same time, like-for-like sales across the group fell by 0.9% over the 15 weeks, and grew by 1.8% over 41 weeks.

The Debenhams Redesigned strategy was announced in April and envisages making shopping a "fun leisure activity centred around mobile interaction with our customers". So far it has set up a training programme for up to 2,000 staff who are moving to customer-facing roles.

It is also moving to a single warehouse management system and introducing direct-to-floor deliveries that it says will cut

replenishment times from eight days to two. Online, it has introduced a new payment page and it also started to sell on Amazon.de. Consultation has started on the closure of the Debenhams distribution centre in Northampton and 10 regional warehousing sites. Stock options are being reduced by 10% to "declutter stores".

Debenhams Chief Executive Sergio Bucher said: "We are making progress in implementing our exciting and ambitious new strategy which will make us the destination for social shopping. We have already started to deliver changes that will improve service for our customers and simplify and focus our operations".

UK MOBILE MARKETING TO SOAR

Some 37.2 million UK consumers have opted to use SMS and mobile communications as their preferred choice for receiving notifications from businesses, yet only 50% of businesses surveyed are currently using SMS as part of their marketing strategies.

So finds a white paper – 'The State of SMS' – by Textlocal, one of the UK's leading SMS marketing platforms, which predicts a sharp rise in mobile marketing as Britain boasts nearly 80 million active mobile phones in circulation for the first time.

The growing influence of the medium is highlighted by the fact that 98% of branded or business-related texts are opened by mobile users, with 90% being read within 3 minutes of receiving them. The report goes on to highlight that 23.5m people will respond to a business text message in 2017 and that 7bn texts will be sent this year alone.

Jason Palgrave-Jones, Managing Director of Textlocal, explains: "Britain is fast becoming a 'mobile first' society as mobile phones are often the first and last thing people engage with each day. By their very nature, mobile phones are to hand and provide an unrivalled platform for brands to communicate directly with their audiences. These are exciting times for those involved in the mobile industry as the benefits to businesses and consumers are realised."

Rachel Aldighieri, Managing Director of the Direct Marketing Association, adds: "It's clear that mobile marketing and SMS is set to rise as UK consumers remain intrinsically linked with their phones. The medium is already widely used for sending marketing messages, however as technologies grow we expect to see an exponential rise in its use amongst businesses and consumers."

To help manage the growth in mobile and SMS marketing, new General Data Protection Regulations (GDPR) are set to come into force in May 2018. This will ensure businesses looking to engage in SMS marketing are compliant and have appropriate platforms and permissions in place when doing so.

YOOX NET-A-PORTER TO DEVELOP MOBILE AND AI

The Yoox Net-A-Porter Group has announced the opening of a new Tech Hub in White City which it says shows its commitment both to London and to the UK.

Five hundred staff will initially be based at the online luxury fashion retailer's hub, with 100 more jobs to be created over the next two years. These staff will work closely with a 500-strong technology team based in the northern Italian city of Bologna.

The Tech Hub, whose building has been designed to give a future focused environment by British architects Grimshaw, will focus on bringing forward innovative and best-in-class technologies as the retail group looks to provide an "unparalleled customer experience" to shoppers buying from it and from the luxury fashion brands that it works with. It will develop artificial intelligence (AI) capabilities such as personalisation and image recognition, building on work that has been ongoing since 2015.

The centre will also be home to work on a new wave of mobile technologies that it says will keep it "in the vanguard of digital innovation" as it looks to move from mobile-first to mobile-only. Mobile accounts for 50% of group sales, and the company has found that mobile customers are 1.5 times more loyal, twice as engaged and spend three times more. The group has issued all office-based staff with iPhones equipped with apps designed with Apple and IBM in order to boost flexible working with a focus on improving the customer experience. Personal shoppers are among the first to use these, accessing inventory information on the go and being able to take card payments via mobile.



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House of Fraser: A new vision

House of Fraser is replatforming and undergoing a transformation, redefining its customer and itself. David Walmsley, Chief Customer Officer, House of Fraser, spoke to Emma Herrod about the department store's new vision.

HAVING LAUNCHED the House of Fraser website on a new platform in April, some may think that David Walmsley, the retailer's Chief Customer Officer, would be recovering from a bout of replatforming fatigue. As someone who has also worked at John Lewis, DSGI and Marks & Spencer, he has seen his measure of retail transformation. This includes taking M&S.com from a platform decision already made before he started at the company through build and launch to online accounting for 17% of M&S's total business and influencing a much greater proportion.

Now at House of Fraser, and heading a 200 strong team, Walmsley is following a new vision for the retailer and its customers. Not only is he responsible for the digital platform P&L, brand marketing, and data and insight but he says that how these three

functions come together to drive the customer experience and reflect the customer back into the business is going to be key. In effect, they hold a mirror up to the business and show what customers are saying, as well as their needs, wants, desires and fears. This knowledge is vital to how the business uses data and feedback, how the brand marketing feedback loops back into the business, how customers are responding to the marketing and advertising, and then how they are behaving and acting in the digital channels.

REPLATFORM

The retailer has moved from eCommera/Demandware (now Salesforce Commerce Cloud) to SAP Hybris; significantly, the build has seen it bringing engineering in house. Walmsley explains that the business moved from renting its platform to owning it with

a £25m investment to greatly enhance the customer online experience and significantly improve ecommerce margins. The retailer's latest financial report states that it will provide the necessary capacity to allow the group to double its online sales, which currently account for 21.8% of its total trade.

Comparing the platform upgrade to the compound interest rate on a savings account, Walmsley says that the faster new iterations, functions and features can be released, the greater 'hockey stick' effect on the accumulated benefit. That's why House of Fraser is spinning up its engineering and product management functions to really exploit that. It is also investing in the technology to get test automation in place and running test-led developments. In addition, Walmsley is focused on DevOps ensuring good communications and agile working between Development and IT Operations. He's also investing in better machinery and the engineering and frameworks back end. "That will be the thing that will make us go faster and release faster, and compound up the benefits faster," he adds.

Walmsley's team has also had to build capabilities and move from using integrators to "home-grown engineering and talent". So over the past 9 months, it has built its in-house engineering and product management capabilities to enable it to fully exploit the new platform. "It's only through the rapid exploitation you actually get the benefits of the investment in the platform," he says.

Walmsley is very happy with the new site and the technical progress and he says that conversion is "good". The bigger picture with any replatforming, he advises, is working out how to "use the machinery". He explains that no matter how much preparation is done before go live, the operational side needs to bring together in-house teams, third parties, different software vendors and infrastructure partners to work together to solve issues. Replatforming always comes with problems, Walmsley says, but what makes all the difference is how fast things can be fixed.

CUSTOMERS

Along with the new site, the retailer has also been focused on redefining the two core questions of "who is House of Fraser" and "who are its customers". It has gained a better understanding of the latter through research, analysis and focus groups. The team has taken six different CRM profiles – "which are great

“
Rather than shouting out how great we are, we'll whisper gently to our customers why we love them”

for the DM and CRM guys” – and distilled them into a single core customer, which Walmsley believes will help to simplify the business. "Who you are buying for, who you are talking to, the experiences you are creating, down to the menus in your restaurants have to be designed around one person," he says.

Rather than a mix of customers as used by other department stores, House of Fraser has just the one core customer who is fashion-focused and confident in what suits her. "We want to sell them nice things," says Walmsley, a desire that he says helps to create excitement and pride.

He adds: "For retailers to succeed today they need to be much prouder of what they do, proud of the excitement and theatre they can create and the experience they give, and be proud of selling something nice to a customer. Working with customers on what they want ▶

A NEW VISION FOR HOUSE OF FRASER

House of Fraser's new vision encompasses three strategic pillars: product, customer and infrastructure. These sit under an overarching objective, of transforming its relationship with customers from transactional to experiential, lifestyle-led.

Product: its commitment to offering customers premium products and services at competitive prices will be maintained as it continues to develop its brand offering across all categories and routes to market. House brands will be refreshed over the next 18 months with five under-performing ones being discontinued as it focuses on improving the quality and designs of those that are the most popular and best performing. The new house brand womenswear offer will be available in stores and online from the autumn/winter 2017 season.

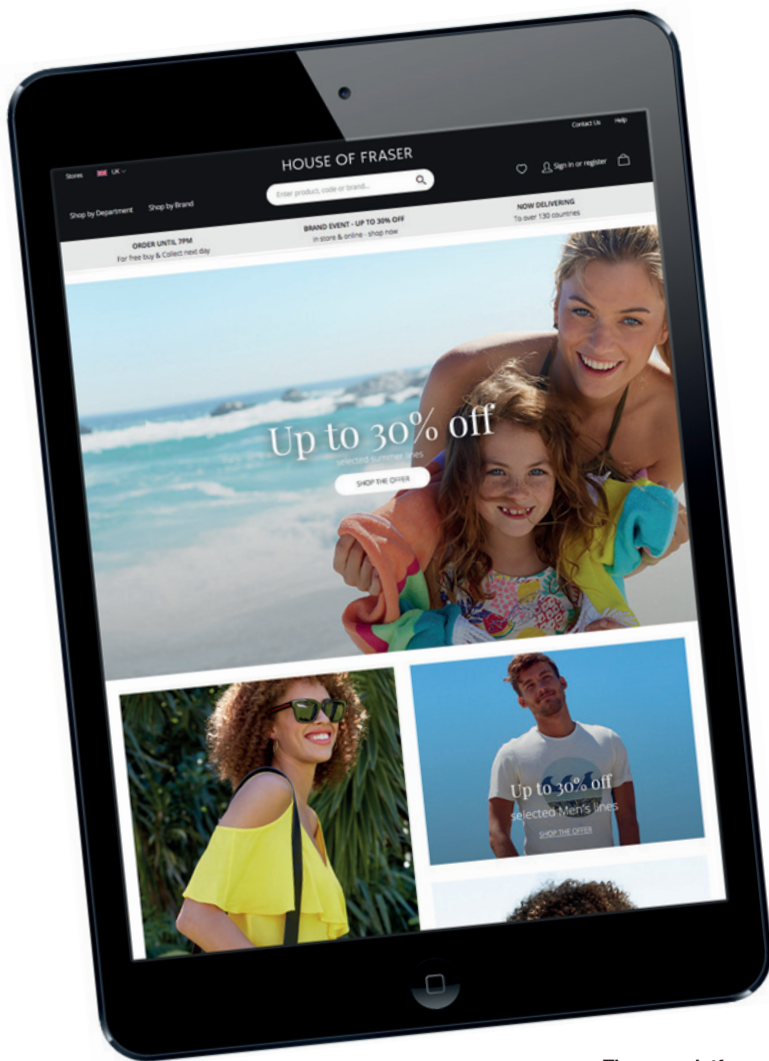
Customer: extensive research and analysis has been undertaken to strengthen and deepen House of Fraser's understanding of its core customer base and to develop a stronger brand identity to align it with customer needs and expectations. It has launched a number of strategic marketing initiatives that aim to considerably improve the customer experience, both in store and online, drive better engagement and increase retention.

Infrastructure: investment in the store portfolio continues with a further five major refurbishments finished in the 2017 financial year. It is also putting money into IT infrastructure and logistics operations. The new web platform launched in April 2017.

A thorough review of the warehouse operations and stock buying patterns has been undertaken to identify productivity and efficiency improvements. Significant changes to improve the performance of logistics and supply chain will be implemented over the coming 18 months.

"The retail environment is changing and we must continue to innovate, challenge and strive to be what our customers want us to be. The strengthened leadership team have meticulously reviewed every part of our business and have set out a clear vision for the future direction of the business," says Frank Slevin, Executive Chairman of House of Fraser.

"It is important that House of Fraser leads in providing the space and experience that attracts our customers to come and spend time in our stores, to make shopping with House of Fraser a lifestyle-led experience. With great teamwork, newly refurbished stores and a greatly improved web platform, I am confident that the group has the solid foundations to deliver long-term growth and sustainable profitability over the coming years."



The new platform provides the capacity for the group to double its online sales

from us has been the foundation stone on which we're building everything else."

This has led to the retailer being able to define the first of its core questions: who House of Fraser is as a business. "Recently, House of Fraser as a brand has been subsumed," says Walmsley, explaining how the department store has been caught between mass market and luxury retailers such as Selfridges. Effectively, it lost its way by being a blank container into which other brands poured themselves rather than shouting about the House of Fraser brand itself.

"We've had to correct that," he says. In fact, House of Fraser has a buccaneering and innovative history going back 167 years, which includes its days as Army & Navy Stores shipping parcels around the world in the pre-internet days.

The retailer is now positioning itself as a "genuinely sustainable premium retailer". Fashion will remain its core business but it is altering the mix of brands it sells to better

A clear vision of HoF's future direction has been set out following a review of every part of the business

reflect the core customer and adding new and emerging brands too. These will also add excitement and "challenge" the customer, with the winners quickly being identified. It is dropping 5 of its House of Fraser brands as it realigns its mix around the new core customer.

Everything the business does under the new model – the products it buys, the experience it creates and the proposition for its customers – will be filtered through three newly defined touchstones: wellbeing, social destination and a sense of discovery. These will highlight how it comes across to the customer and give shoppers a reason to spend more time with House of Fraser, whether in store or online. "It's more than just a customer strategy," says Walmsley.

Digitally, they will be expressed through editorial and social engagement, particularly through Facebook and performance marketing through Google.

DATA

Data and insight from all parts of the business will drive much of Walmsley's plans for the customer with machine learning used to exploit decision-making where possible rather than visualisation tools, spreadsheets and meetings in which people are expected to make decisions on daily trading. House of Fraser is awash with data from all parts of the business – including customer, brand, stock, loyalty, margins and returns – and it wants to make this information work for it. "Fundamentally, retail is simple, with one table with customers and one table with product, and you have to bring the two together," he says. "Every business wants to be better with data and the next level is machines and machine learning."

Walmsley believes that closed data models, where the decision-making happens in the machine, is the future. This use of machine learning is the next step on from retailers allowing machines to act on inputted rules such as today's bid management systems. He gives performance marketing and inventory management as two examples that could be enhanced. He believes that machine learning, though, needs to be combined with creative flair. "Somewhere along the line you have to decide what to do, but you use the machines in iteration and testing to optimise that."

Part of the data team's role is reflecting the customer back to the rest of the business so that not only are plans made around customers but once they have been carried out, such as at the



led,” he says. While the business is good at being “a transaction machine”, he believes it needs to be more than that; unlike other retailers, which ram home their marketing message, House of Fraser, should be more subtle. “Rather than shouting out how great we are, we’ll whisper gently to our customers why we love them”.

Walmsley explains that the digital platform creates the environment through which House of Fraser can have those conversations with customers. “At best,” he says, “marketing should be a love letter to our customers. The digital environment creates the space in which we can do that.”

The marketing strategy is premium, local and targeted, with premium explained as the brand journey, local as a key strategy and targeted showing customers how House of Fraser understands their wants and desires and surprising and delighting them. Email KPIs have changed from purely ROI and a last-click attribution model – which resulted in promotional offer messages – to more of a dialogue and editorial approach.

Emails will include greater personalisation. The retailer has already gone from six broadcast emails a week to 170 variants as it establishes a dialogue with shoppers.

Walmsley explains that emails can be fully crafted and creative, sometimes with personalised offers, in order to mix things up and still get the required result for the business. ▶

end of a season, it can assess the response to ensure that the business remains aligned. “Some people in head office are far removed from the customer, so we provide a playback loop into head office teams so they are not working in the dark,” explains Walmsley. “It’s about how we use data and insight and how customers are responding.” This reaches across digital to store navigation and what customers think as well as what the business can learn from the numbers.

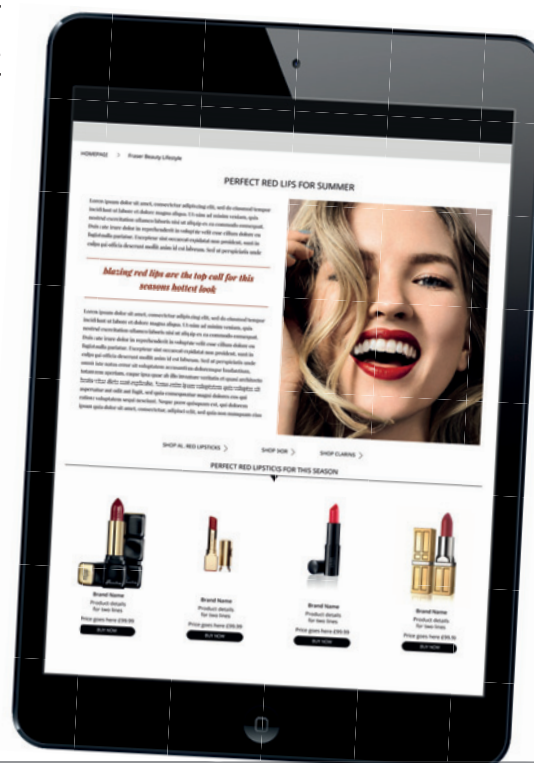
He says data and analytics are a “phenomenal part of the business”, but adds that retailers can’t lose sight of the customer or marketing basics: “It’s not just about the rise of the machine.”

The use of data will extend further into store with Walmsley seeing clienteling and assisted selling opportunities as well as giving staff devices to help on the operational side of things.

“The digital landscape in terms of the customer proposition is about creating reasons why people want to spend more time with us; that could be editorially or socially

Everything the retailer does will be focused on its confident, fashion-focused customer

Everything will be filtered through three newly defined touchstones – wellbeing, social destination, discovery



However, rather than having variants, it would be better if emails were truly personalised with targeted offers, something that House of Fraser is working towards. “We have a lot more to do in that space,” adds Walmsley.

Talking about onsite one-to-one personalisation, he explains that the team needs to get through the replatforming process first. He points out, though, that customers want retailers not to waste their time and to deliver functionality, such as showing their basket across all devices ahead of being shown just jeans that will suit them. Customers see these fundamental things as personal to them and House of Fraser has a number of these subtler functions to implement before it can roll out a true one-to-one personalised experience.

“There are a lot of things we can happily do to improve the customer experience and make us a more successful retailer,” says Walmsley. The targeting is more offsite in terms of CRM and offsite marketing. Onsite marketing and personalisation is a “lot of heavy lifting” and Walmsley would rather have the platform running stably and securely before he starts thinking about some of the smarter forms of personalisation. “There’s a lot of upside to the forms of optimisation work we are doing today,” he adds.

PREMIUM, TARGETED, LOCAL

One marketing approach is local targeting in the catchment areas of House of Fraser’s 59 department stores. This messaging will be premium and local and can be targeted individually, even down to single billboards



Local, premium messaging can be targeted to individual billboards

in postcode areas where House of Fraser has the highest customer density. “Building up the digital and physical media model is starting to pay dividends for us,” Walmsley says, generating higher rates of acquisition and an increase in frequency.

A local, editorially-led journal targeted at postcode level has been introduced as the marketing team reconnects with customers, many of whom have shopped at House of Fraser across the generations in towns in which it is the only department store. Receipt of the first issue prompted lapsed customers to return to the store with the publication asking to try on particular items it featured.

House of Fraser’s transformation programme has big ambitions which aim to correct prior underinvestment in its business infrastructure, from supply chain and the fabric and refurbishment of the stores to the digital platform.

The transformation in all its guises is a big piece of work in terms of upgrading the business and setting it up for the future. At the core, however, is a retailer seeking a business model that’s sustainable in the long term and that’s putting together a unique combination of elements and creating a distinct identity to differentiate itself from other retailers. Will putting customer data into the ‘hands’ of machine learning to enable marketers to concentrate on being creative with local targeting, while reducing costs and increasing flexibility through its in-house development team be the answer? As others have found, giving the customer a seamless omnichannel experience is possible but doing it profitably and sustainably isn’t as simple. By focusing on the quality of the House of Fraser DNA and pitching itself in a premium position between mass market and the luxury of Selfridges, it may well succeed. 🇬🇧





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AI Pioneers:



See now, buy now

Kurt Salmon examines how retailers are being challenged to meet 'See Now, Buy Now' consumer expectations.

A STUDY WHICH explored the shopping habits of 2,000 UK consumers when it comes to fashion buying and engagement with fashion brands, conducted by Kurt Salmon, part of Accenture Strategy, reveals considerable growth in a 'see now, buy now, wear now' attitude towards purchasing.

"Managing consumer expectations around 'fast fashion' is creating a fresh challenge for retailers, particularly around selling to younger customers who buy online and through a variety of social channels," says Helen Mountney, Managing Director, Kurt Salmon, part of Accenture Strategy.

"These shoppers want the latest fashion, but are also conscious about value and quality. It is no longer enough to add new fashion items when the seasons change. Shoppers expect to see catwalk styles for sale on their local high street within days. Likewise, they immediately want to buy the latest styles worn by celebrities

– not only to wear, but to pose for a selfie which they will share with their friends and followers on Instagram, Snapchat or Facebook. This gives rise to another challenge: constant newness.

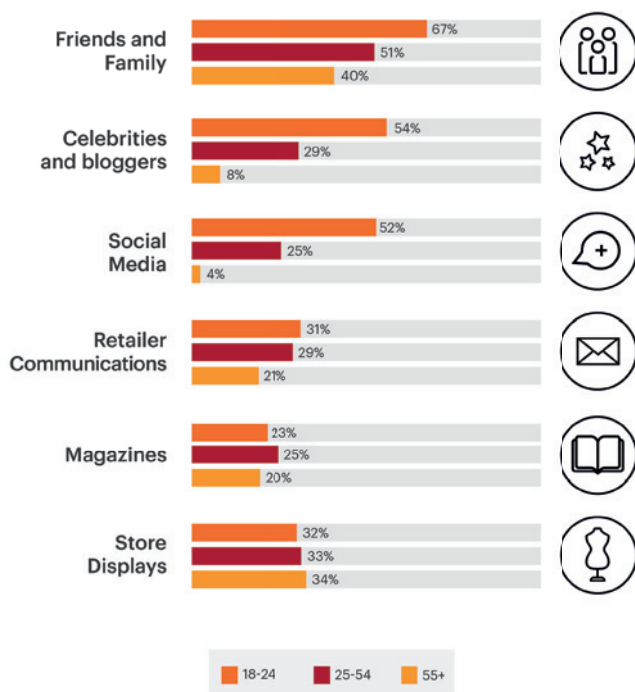
"Retailers are being challenged to deliver more product, and faster, to meet the needs of the 'see now, buy now, wear now' consumer. While the retail fashion leaders have a customer-led culture, with a focus on ownership and rapid decision making, many of the retail fashion followers are struggling to transform from the traditional model."

While young consumers also expect retailers to advise and inform them of trends, their friends and family currently remain the main source of style inspiration. According to the Kurt Salmon survey, a hefty 52% of 18-24 year-olds use social media to inform their decision making on what to buy and wear.

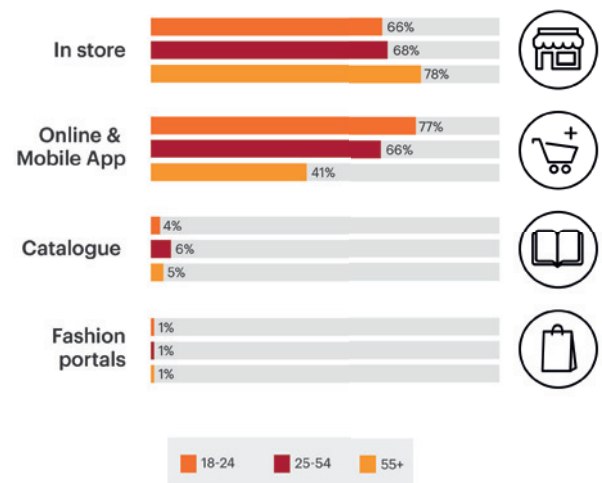
When it comes to preferred shopping location, two-thirds of 18-24 year-olds choose to buy online, and nearly half prefer to shop with pureplay fashion retailers. The over 55s still prefer to shop on the high street, while 25-54 year-olds prefer to shop online or via mobile.

While the store is still the most popular place to shop for all consumers, change is

STYLE INSPIRATION



PREFERRED SHOPPING LOCATIONS



in the air. “We expect to see more older consumers following the trend the under 25 year-olds are setting by purchasing more online and via mobile, which presents new opportunities for brands focusing on this demographic,” adds Mountney.

Speed of fulfilment is also a key battleground for retailers. While lead-times can be trimmed by faster decision making and near-shoring production for ‘see now, buy now’ shoppers, the final time challenge often comes in delivery of online orders.

Impatience is a characteristic of the youngest post-millennials. The Generation Z (18-20s) shopper typically has a mindset of “I want it and I want it now”; up to one in five would opt for same-day delivery with a further 13% wanting delivery in less than half a day. Older millennials (21-37 year olds) are slightly more relaxed with almost a third happy for their orders to arrive the next day.

Rapid fulfilment is a challenge for the high street where click and collect orders are often only available next day. Almost two-thirds of senior managers surveyed expect their cost-to-serve to increase as customers demand faster fulfilment. More than half of them (58%) also believe that shoppers are reluctant to pay the full economic cost of home delivery.

Some 80% of under 34 year-olds tend to over order to claim free delivery. This results in a higher percentage of purchases being returned by the younger generation. The survey found that 18-24 year-olds return 17% of orders compared to only 7% for over 55s.


With new garment technologies available, retailers can sell clothing relatively cheaply and this has engendered a disposable attitude

“While the store is still the most popular place to shop for all consumers, change is in the air”

among customers with a prerogative to only wear an item a few times. However, with an eye on sustainability, the younger generation want to do the right thing. Around 60% take unwanted clothes to a charity shop, but only 1% admitted to shopping in charity shops. Only 7% said that an ethical brand was important, while 82% stated prices are most important to buying consideration.

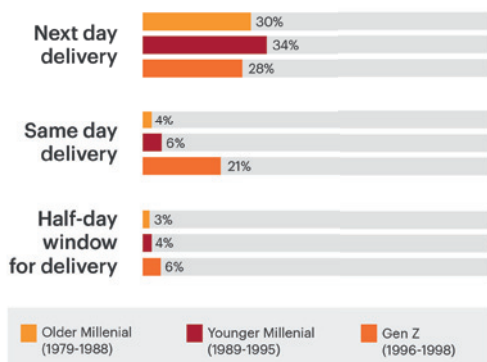
While retailers know that becoming customer-centric is key, they are still exploring how to best engage with their customers. The survey revealed under 34 year-olds want more interaction with brands online and through social media, and would like more information on trends and products. Around 50% of over 55 year-olds are more interested in offers.

“Understanding a customer’s preferred social media activity is the easiest way to increase engagement, gain insights into developing trends, encourage brand advocacy and drive revenue growth,” says Mountney.

“As the rate of change is unlikely to slow, the future fashion retailing model needs to be all about agility to remain responsive through listening to the customer, understanding needs and expectations, providing excellent customer engagement and a presence in as many channels as the target customer chooses to visit.” 

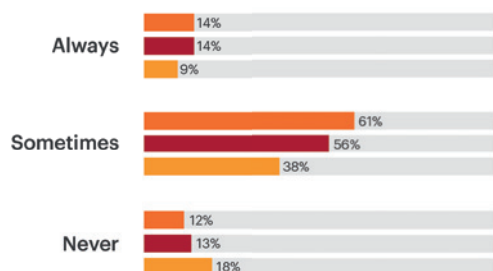
SPEED OF FULFILLMENT

MOST IMPORTANT DELIVERY OPTIONS

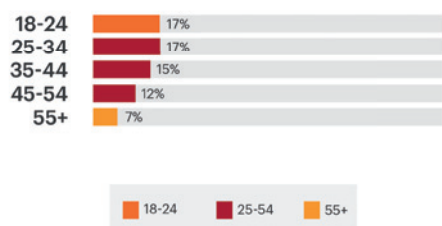


RETURNS CHALLENGES

TENDENCY TO OVER ORDER FOR FREE DELIVERY



PROPORTION OF ORDER RETURNED



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DEMAND MORE FROM COMMERCE



Amazon's long shadow hints at the future of retail

With the release of the 2017 IREU Top500, *Ian Jindal* ponders the factors that make Amazon the universal competitor in our sector.

THE SECOND edition of our IREU Top500 is a performance-based ranking of Europe's multichannel retailers, ecommerce pure plays and brands selling direct. There are 6 Elite retailers who stand above all others – two US global brands, two Swedish retailers and Zara and Boots. The elephant not in the room is Amazon. This is odd since – at every single board meeting I've attended – the word on every retailer's lips is "Amazon". How can Amazon have such an impact, yet not head our rankings?

We focus our research on the 'RetailCraft' of multichannel: online traffic, share of search, revenue and store numbers are combined to create a 'footprint' – a measure of the presence of a retailer in the consumer's experience. This raw ranking is modified based on the retailer's capabilities in managing stores, operations, logistics, merchandising, brand and engagement, and strategy – the techniques of connecting repeatedly, at scale and at profit with the customer's needs and wallet.

Our focus is upon assessing the three main retail perspectives – product, customer and operations. Amazon's prodigious product offering is supported by manufacturers and marketplace sellers, and while their operational capabilities are the envy of the industry, they don't (yet) have a broad store portfolio, especially across Europe. This of course will change with their recent acquisitions and store experiments, but it would be wrong to consider that Amazon is 'catching up' with 'old retail' – rather it's inventing a new retail.

We believe that the 'real-world' operations, store and staff interactions set retail apart from pure plays. This insight, however, is an obvious one – with the main pure plays actively learning about retail in preparation to exploit opportunities and add to their own skills. Furthermore, we see the growth in brands selling direct to consumers and they too are learning and appropriating 'retail skills' to great effect.

More fundamentally, Amazon exhibits behaviours and values that are orthogonal to retail's honed metrics. Indeed, Amazon behaves more like a brand with a magic logistics and data wand than it does a retailer.

We have identified three areas in which Amazon's behaviours set it apart from retailers and which will allow it to overleap them in our rankings...

■ **Invention.** While retailers innovate, improve and optimise, there is little creation of something new from nothing. Brands invent (Nike and the waffle iron; Rolex and the waterproof watch). Amazon's been busy with Alexa, Echo, Kindle, drone deliveries, lockers, Prime, House of Cards... Jeff Bezos' letter to shareholders hailed Amazon as 'the best place to fail' in the market, exhorting talent to join the company so that they can create tomorrow's experiences. What have retailers invented in the last decade? We have *used* technology well and adapted, but not necessarily invented...

■ **Investment.** Investment fuels both invention and scale-dominance. The ability to lose money while building a delivery network, buy a freight airline, pick up Whole Foods... While retailers invest in stock for a given season, we find it hard to find and commit

'losable' funds for the medium term. Some retailers (Tesco, J Labs, M&S Labs) are adopting stand-alone, rapid prototyping 'labs' run on VC principles, but this is not yet the norm in our cash-optimised industry.

■ **Integrity (or individuality).** This is function of authentic, consistent behaviour at all levels of the organisation and in all activities. "We are what we repeatedly do: excellence is not an act, but a habit" (perhaps Aristotle was musing upon his ideal next-day delivery service?). Amazon's excellence is currently a mix of operational service and video series commissioning, but products won't be far behind, and their customer engagement is improving from bought-this-buy-that basics to voice-powered, family-watching engagement. Brands also have an advantage over retailers in this area and as the 'millennial mindset' gains greater prevalence a consistent, characterful and authentic cross-channel experience will be more important than a local store in the customer's mind.

Taken together, Amazon's brand-like behaviours – when added to a growing capability in 'traditional retail' – create a heady cocktail of capability. This is the new high-water for retail – blending retail operations with brand integrity and invention and a bold investment and innovation approach. No wonder they feature in every Board conversation and cast such a long shadow.

Are there other reasons for Amazon's impact on retail? Let ian@internetretailing.net know your thoughts. The 2017 IREU report is available via www.internetretailing.net/ireu

The following guest article has been written for InternetRetailing by Saima Alibhai, Managing Principal Consultant EMEA at Oracle + Bronto. Oracle + Bronto provides a cloud-based commerce marketing automation platform to mid-market and enterprise organisations worldwide.

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Personalisation: The Online Revenue Secret Weapon

Saima Alibhai, Managing Principal Consultant EMEA, Oracle + Bronto

FOR MANY years, retailers have been attempting to tackle the “problem” of online shoppers abandoning before they buy. It can happen when a shopper departs after looking around a retailer’s website or further along in the process when they have moved a few items to their basket.

One way retailers deal with the problem is to spend money chasing their customers all over the web with retargeting ads. While these ads have a purpose, we believe there is a more personalised way to approach the issue – one that can turn abandonment into the start of a long-term relationship.

I have seen numerous retailers use abandonment communication strategies to understand their customers better, target them more effectively and provide the hyper-personalisation that entices consumers to stay loyal to a specific brand.

Last year was a watershed year for basket abandonment e-mails. Most of our customers found their recovery e-mails to be their most lucrative communications. They stopped spending money trying to avoid cart abandonment, instead treating an abandoned basket as the start of a selling cycle.

As an example, kitchenware brand Joseph Joseph added an abandoned basket campaign that has a 60.5 per cent open rate, and click-through and conversion rates of 24 per cent. The

company’s digital marketing manager noted that it was one of the company’s most successful campaigns – although the e-mails did not include a discount.

The next step is augmenting basket recovery efforts with browser abandonment approaches. By focusing on the point that the customer abandons browsing, you shift the focus earlier in the purchasing cycle. The philosophy is similar to basket recovery – treat an abandoned shopping session as the first step in a sales opportunity. After a customer finishes browsing without purchasing or even adding to the basket, you will send a reminder e-mail.

To be effective, browser recovery must consider many more variables than just the pages a customer views; it needs automatically to recognise each consumer and understand their deeper intentions. That means drawing on data from multiple shopping sessions, purchase history, ratings, location and other personal attributes.

As an example, if a customer typically buys around £150-worth of products, you can now send e-mails after that person abandons the shopping process, highlighting relevant product offers that hit the customer’s “sweet spot” of £150. To

encourage a larger expenditure, the e-mail might include an incentive for purchases above £150.

What comes next? With an understanding of who the customer is, the next step of hyper-personalisation is geo-targeting. Geo-targeting recognises where a consumer is physically located and reacts accordingly. It could be as simple as publishing local store hours in an e-mail or as complicated as sending a real-time SMS coupon as the customer nears the store.

The final step in personalisation is to recommend the right product at the right time. Product recommendations do not happen in a vacuum. Stores need more than the conventional “people who bought product X like...” A good recommendations engine takes all the available data into account – shopping preferences, purchase history, the date, physical location and more.

I have seen many times that sending targeted personalised e-mails after abandonment works well. Sales increase along with customer engagement and brand loyalty. Retailers of all sizes are using the technology to get ahead of their rivals and secure the spending of online customers long into the future.

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“Our abandoned basket campaign has seen really good results with a 60.5% open rate.”

Sophie Turnbull

Digital Marketing Manager

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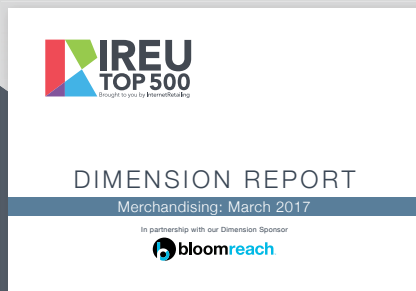
"I ordered small postal boxes from Kite Packaging. Product was very affordable and better than expected on arrival. The delivery was extremely quick, coming 24 hours from ordering when I didn't expect it until the end of the week! Great service!"

Stephen - Trustpilot

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IREU Top500: Operations & Logistics

InternetRetailing's latest IREU Top500 Performance Dimension Report focuses on operations and logistics. *Emma Herrod* reports on the findings.

THE LATEST in InternetRetailing's series of IREU Top500 Performance Dimension Reports focuses on Operations & Logistics. This is an area that in recent years has moved firmly to the forefront of customers' consciousness. How fast shoppers can take delivery of their internet orders is now an important factor when they decide how to buy, and where to buy. Leading retailers are extending strategies that have served them well in domestic markets as they sell further afield around Europe.

This adds complexity, but nonetheless is an area in which leading retailers in this Dimension are investing. It makes sense they should do so since it's an approach that enables bigger companies to compete more effectively against local retailers, offering delivery that is swift and convenient, no matter where the shopper lives. Competitive services win over new customers in the short term, and persuade customers to stay with retailers in the long term.

In this report, the InternetRetailing research team has looked at how retailers are setting out their strategies for delivery, returns and cross-channel services such as click and collect as they sell across borders within the European Economic Area, plus Switzerland. They've considered how retailers export the approaches that have served them well in home markets, and looked to identify practical examples and approaches that other retailers may well want to emulate in their own strategies.

Otto, for example, has been using machine-learning to streamline its supply chain and cut delivery times. This technology is considered in a feature focusing on emerging practice. Automation has been key also to enabling retailers to offer new and faster services and this trend is set to continue as is the human factor. The rise of the gig economy, where workers such as couriers are self-employed or working on flexible contracts, looks likely to be at least partly checked by changes in legislation. Think of this in the context of a case in the European Court of Justice that may see Uber treated as a transport

“Otto is using machine-learning to streamline its supply chain and cut delivery times”

company rather than an internet company.


Elsewhere in this Dimension Report, the researchers look in detail at how well leading European retailers are performing within operations and logistics and compare and contrast how the delivery and returns options available to consumers compare – and contrast – across different European territories.

In the lead interview, Schuh talks about how the company is meeting its customers' demands for fast and convenient deliveries and returns, and the place of operations and logistics in its European expansion. As Rob Bridle, Schuh's Logistics Director comments: “Fashion, and particularly fashion footwear, tends to be an area where there can be a real feel-good factor, and a need to fulfil a desire, associated with making a purchase so customers are much more likely to want it quickly”. He adds: “I think our customers therefore expect to be able to have plenty of choice when it comes to delivery options.”

Currently, Schuh offers UK customers relatively fast standard delivery along with next and nominated-day delivery as well as collection from its own stores and parcel shops.

Other retailers included as case studies in the IREU Top500 Operations & Logistics Dimension Report include Asos, H&M, Carrefour and Deichmann.

The knowledge-sharing aspect of the InternetRetailing Dimension Reports is important: by sharing data-driven insights into what works for IREU Top500 retailers, the research team hopes to inspire and suggest as today's innovations become tomorrow's accepted practice.

They'll continue to do this in coming years, considering the key questions that face the leaders of Europe's leading ecommerce and multichannel businesses, while also looking at emerging ideas and technologies. Throughout, they'll be focused on their task of putting the hard data of InternetRetailing research into a wider and practical context. As always, they are interested to hear from our readers about how you think they should judge and understand retail strategies. Do get in touch with your thoughts. 

Mobile and Cross-channel

The latest IRUK Top500 Performance Dimension Report focuses on the fast growth areas of mobile and cross-channel. *Emma Herrod* shares some of the findings.



THE LATEST IRUK Top500 Mobile and Cross-channel Performance Dimension Report, as sponsored by Akamai, comes at a time when shoppers who used to browse and research their purchase decisions via mobile now find the experience so improved and trustworthy that they are happy to complete the transaction online.

Mobile is proving a useful tool for wider shopping journeys: by checking store locations and stock, shoppers can ensure that no trip to the shop is a wasted one. This has taken off so well because, from the customer point of view, m-retailing is quite simply convenient. It fits in with the rest of the day: this is the device that's to hand on the journey to work, and one that consumers can use to catch up with their digital task

list, whether that's finding a present for an upcoming birthday party or completing the week's grocery shopping.

As the smartphone experience improves still further it's likely that we'll see shoppers making still more of their purchases, asking customer service questions and tracking the progress of their delivery along the way. We'll also, no doubt, see retailers redesign the multichannel experience more effectively, putting mobile to the service of the shopper's aims. Already many are turning to mobile-first design, and a few are introducing some highly useful innovations to their mobile experience, from artificial intelligence and machine-learning to the use of interesting merchandising measures to showcase the most relevant wares on the small screen of the mobile phone. But, as the report shows, the average performance is still far from sophisticated.

That must, and no doubt will, change as shoppers change their habits to embrace and enable the most user-friendly customer experiences to thrive. For it's only by satisfying the needs of shoppers that retailers of all sizes will ultimately benefit as they should from the fast move towards mobile and cross-channel shopping.

Highlighting some of the recent advances in the area of mobile by retailers, the report includes case studies on John Lewis, Next, Tesco and House of Fraser, which in 2014 became one of the first major UK retailers to unveil a mobile-first website. It came at a time when m-commerce accounted for 27% of online sales, according to figures from IMRG. But at House of Fraser, smartphones and tablets were already used in more than half of visits to the website.

Since House of Fraser took the decision to develop a responsive website it has been followed by many others. Among the most recent, The Body Shop announced its move to a mobile-first ecommerce platform in February, reflecting the fact that 52% of its online traffic is now via smartphone and 11% via tablet computers. The retailer is aiming to see 20% of sales come from ecommerce, after a year in which its global ecommerce sales grew by 19%.

Domino's Pizza Group is another notable exponent of mobile commerce: some 73% of its online sales were made via mobile in the year to 25 December 2016. Online sales themselves accounted for 72% of all its delivered sales during that time. By the end of the year, 14.9m people had downloaded the Domino's iPhone, iPad and Android apps.

Now Google has joined these retailers in deciding that it's time to put mobile first. It's working to prioritise search via mobile devices in its search index to reflect the fact that most people searching on its site are now doing so via a mobile device. Google is the dominant search engine in the UK, where it has 85.74% of the search engine market, according to 2017 figures from Statista.com. That makes this shift, which swung into action last autumn and is still underway, highly significant for retailers.

TOWARDS MOBILE-FIRST SEARCH

In practical terms, the Google change means that it will prioritise mobile when it indexes website content. Writing on the Google Webmasters blog, product manager Doantam Phan said: "Although our search index will continue to be a single index of websites and apps, our algorithms will eventually primarily use the mobile version of a site's content to rank pages from that site, to understand structured data, and to show snippets from those pages in our results."

Rowan Merewood, senior developer at Google, speaking to InternetRetailing at IRX 2017, says that it is important to focus on performance. "Speed and performance is really important, especially on the mobile web," he said. "As an industry we've been guilty of creating some bad experiences on the mobile web either through poor performance, the need to get something out there or by overloading pages with widgets and so on."

PayPal UK's mobile commerce director Rob Harper, concurs. "Speed is an important factor in any shopping experience but when it comes to mobile shopping, it's vital," he said on publication of The Mobile Mandate report. "Retailers can reduce the time it takes to browse and select a purchase, but if it takes too long to pay, they may lose that sale." Speed will continue to be a critical factor, he says, as mobile shopping continues to develop. "The next evolution of mobile shopping will reduce the consumer journey even further. Contextual commerce will enable consumers to buy things at the point

“The Google change means that it will prioritise mobile when it indexes website content”


of discovery, whether that's in an email, on a Pinterest page or in a messenger app – rather than needing to click through to an online shop. Mobile technology is determining the future of ecommerce and retailers need to act now to prepare themselves accordingly."

Domino's Pizza Group is one retailer that's moving quickly towards that future, having launched a Facebook Messenger chatbot in August 2016 to handle customer service enquiries.

Nick Wilsdon, SEO lead for global channel optimisation at Vodafone, says his company reached one key mobile tipping point when more than 50% of SEO traffic came from the devices in December 2016. By March 2017, 43% of Vodafone customers used data, and video accounted for a third of traffic. "Everyone is on their phone all the time," he said, speaking at IRX 2017. "That's where we're spending our time and it's why the mobile search query is increasing all the time."

He says that retailers' SEO teams will play an important role in preparing for mobile first. Moving to responsive ecommerce platforms will be key to this. He also advises that retailers think about the different journeys that users are taking, and optimise them to be mobile-first. He says this is something that Domino's Pizza Group did very effectively with its mobile app. "They understand they need to be where their customers are," says Wilsdon, "and they understand their customers are ordering pizzas on the way home, on the train. Cut out as many unnecessary steps as you can from the experience. Then you will succeed."

Looking to the future, Wilsdon says the move towards mobile-first is bringing huge opportunities. "The web is being rewritten now from the ground up. Mobile-first will require significant changes across our infrastructure. Everything is up for grabs. With that impact you have opportunity – and this is the time to come and grab that first."

This Mobile and Cross-channel Performance Dimension Report flows from IRUK Top500 2017 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 we've 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. 



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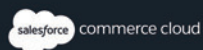
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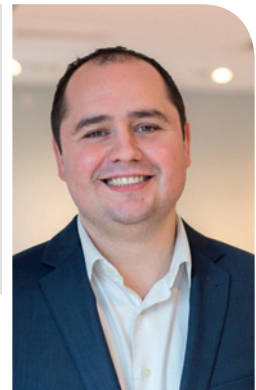
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Brandon Wilkins

General Manager Europe



ORACLE® + Bronto

WHAT DOES YOUR COMPANY DO AND WHAT IS YOUR USP?

Oracle + Bronto provides a cloud-based marketing automation platform to mid-market and enterprise retailers and many of the world's leading brands. Its focus is purely on commerce with all developments and enhancements geared towards the needs of retailers – helping with customer acquisition, conversion and retention, driving revenue through email, mobile and social marketing, and creating efficiencies as the marketing automation platform enables marketers to do more in less time.

It also employs marketing strategists, many of whom have been on the client side of commerce marketing, to provide strategic guidance to retail clients.

WHAT IS THE LATEST VERSION OF YOUR SYSTEM AND WHAT NEW FUNCTIONALITY DOES IT GIVE TO RETAILERS?

Over the last year, the Bronto platform has undergone a number of enhancements around cart and browser recovery enabling clients to target shoppers before and after items have been placed in the shopping cart. It has also rolled out product recommendations.

“ Things don't have to be complex in order to be sophisticated ”

Money has been invested into expanding the company too. Offices were opened in Toronto and Singapore to enable further expansion into Asia Pacific.

WHAT CHALLENGES ARE RETAILERS FACING OVER THE COMING YEAR?

Retailers have moved on from the challenge of collecting data, but with information on customers stored in different solutions such as ecommerce systems, CRM and POS from the high street, the issue now is around how to connect data and make best use of it to get the best results from any investment.

Personalisation is the big focus this year with retailers tackling how to utilise customer data to enable shoppers to

ORACLE + BRONTO IN BRIEF

Company founded: 2002

Global reach: Durham (NC), London, New York, Los Angeles, Toronto, Sydney and Singapore

UK launch: 2012

Listing: Wholly-owned subsidiary of Oracle (Nasdaq: ORCL)

Customers: 1,400 brands, including notonthehighstreet.com, Vivienne Westwood, Björn Borg, Joseph Joseph, Vince Camuto, Theory, Euro Car Parts and Oak Furniture Land.

Number of employees: 350

For more information about Bronto, please visit www.bronto.com, email europe@bronto.com or telephone 0203 640 2040. @BrontoEurope.

have a unique, seamless experience across multiple devices and channels. However, many are struggling with where to start on the journey.

Bronto recommends starting with email since it's the most profitable channel and it gives an easy way to step into highly personalised content. Brooks Sports, for example, is using email for a personalised browse recovery campaign targeting shoppers who have moved from its blog to the ecommerce site and left without adding anything to their basket thus interacting with them at the start of the shopping journey. From these automated emails, which were highly personalised based on what the person was browsing the previous day, Brooks Sports achieved an open rate of more than 61%, 24% click-through rate and 7% conversion rate.

Apparel retailer Björn Borg wanted to focus on customer engagement so demographic data, product data and order history from different locations was imported into Bronto to send out highly targeted messages. The company saw an increase in revenue of more than 60%.

WHAT DO YOU SEE AS THE CHALLENGES FOR SUPPLIERS AND TECHNOLOGY PROVIDERS AND HOW ARE YOU MEETING THESE CHALLENGES?

Technology providers have to continually evolve to meet the rising needs and demands of consumers and retailers. It's one of the fastest growing markets and retail is not 9 to 5 so there are demands from a technology standpoint as well as in providing support around the clock and across the world.

Bronto provides 24/7 support from its East and West Coast USA sites, London and Sydney and is a nine-time winner of the Stevie Award for Best Customer Service Department.

WHO ARE YOUR CUSTOMERS IN THE UK AND KEY CUSTOMERS ELSEWHERE?

Bronto works with over 1,400 brands worldwide with customers in the UK including notonthehighstreet.com, Vivienne Westwood, Euro Car Parts, Oak Furniture Land and Poundland.

WHAT PLANS DO YOU HAVE FOR THE FUTURE?

Bronto’s roadmap sees it continuing to push the envelope in terms of ways we can give the customer a

great shopping experience across the board whether that’s at the beginning of the purchase journey, via email, in store or wherever the touchpoints are that the consumers could be influenced or impacted by or have a good brand experience. Those are top of mind for Oracle + Bronto as we work to continue to make the customer experience better.

This Company Spotlight was produced by InternetRetailing and paid for by Oracle + Bronto. 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

US Running shoe and apparel brand Brooks Sports turned to browse recovery and segmentation in order to increase online revenue and brand awareness, expand the use of triggered messages and incorporate past purchase data into its marketing messages.

By creating automated reminders for shoe buyers based on how many miles they run, building segments based on popular web products and deploying browse recovery to increase personalisation, the company grew email-generated revenue 60% in the past year.

Brooks Sports learned the true value of email as a marketing tool with its product-loyal customers when it decided to retire a particular running shoe. The marketing team segmented the email list to include just customers who had bought the shoes in the past and alerted them about the impending retirement, thinking that the loyalists could stock up. The email was so successful – a 43% open rate and a per-email return of 40 times the average for the period – the company relaunched the shoe initially as a web-only product and then re-introduced it in stores.

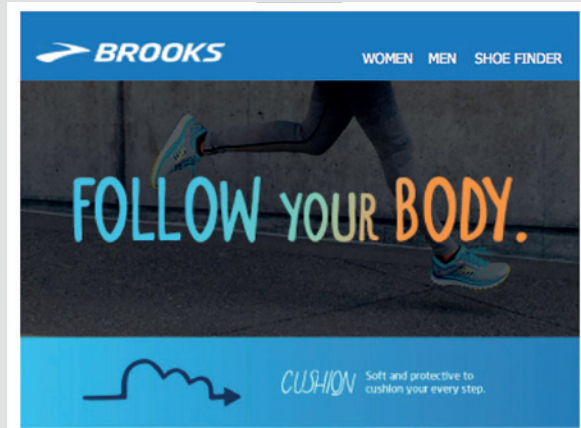
Since then, the company regularly studies past-purchase data to boost email-generated revenue, help grow brand awareness and improve relationships with brick-and-mortar retailers.

“We want to make our emails relevant so people are excited to see Brooks in their inbox,” says Stephanie Hileman, the ecommerce digital marketing specialist. Brooks’ email-generated revenue has increased consistently since it started using Bronto four years ago.

Consumers aren’t always in buying mode though. They might not need a new pair of shoes, but they would like to know about the 5K run a local store is sponsoring. “We like to stay top of mind, grow affinity, prompt re-purchasing and educate people about new products,” Hileman says.

These goals prompted Brooks to add Browse Recovery to its marketing arsenal. The Bronto app automatically sends an email to a subscriber who browses on a product and includes an image of the browsed item. Results: A 61% open rate, 24% click rate and 7% conversion rate with revenue of \$1.44 (£1.11) per email.

Abandoned cart messaging is also being tied in to the overall messaging with a 3-day weather forecast based on the shopper’s location automatically sent to them. Automated messages are also being driven, in part, by an optional preference centre which gathers information such as gender and birthday, and also asks shoppers



Cushion Every Step With Brooks Run Signature

From the sleek, supportive Adrenaline GTS 16 to the protective comfort of the Glycerin 14, if you are looking for a soft, cushioned ride, we have the shoe for you.

questions about the number of miles they run each week. Once a person hits the 400-mile point, an automated reminder email goes out suggesting they purchase new shoes. The 400-mile email has an open rate of 38.7% with a 23.4% click through rate and a 5.8% conversion rate.

Automated messages are also sent to runners just before they become a lapsed customer at 13 months since their last purchase. The email includes a 25% off coupon and a survey about how they like to buy running shoes. If they don’t like to buy them online, the survey sends them to an online store locator. If they aren’t running anymore, the survey sends them to a content piece that encourages people to run. The survey, powered by Bronto partner Movable Ink, has a 26.5% click rate and a 4.8% conversion rate. Both figures are much higher than average for editorial content emails.

Michael Jais

CEO, Launchmetrics



LAUNCHMETRICS

WHAT DOES YOUR COMPANY DO?

When a brand or retailer builds its launch-to-market plan, it takes multi-team coordination, intricate processes and complex planning to ensure the new launch, campaign, or collection is a success. The “buzz” of digital has now tasked Marketing & Communications professionals with separating the gimmick from the game changer. For over a decade, we have been helping multichannel retailers, brands and agencies identify these game changers.

We provide the technology, data insights and tools that retailers and ecommerce companies need to accelerate their business and build lasting exposure. We offer software and data tools to help our clients manage critical stages of their launch plan, including sample management, event management, influencer marketing, digital asset distribution and most importantly, the data to help measure the success of those activities.

WHAT IS YOUR USP?

We're the only technology and data analytics provider in the B2B space specialised for retailers, brands and ecommerce companies in the fashion, luxury and cosmetics

“Connecting real-time data with real-time experiences to provide efficiency, visibility and exposure when launching products or campaigns to the market”

industries. We help companies connect real-time data with real-time experiences to provide efficiency, visibility and exposure when they are launching their products or campaigns to the market.

Using our proprietary technology tools and data resources our clients are able to understand their audience, connect to activate their community and benchmark their success. In addition to the data our systems allow a business to understand about their company;

LAUNCHMETRICS IN BRIEF

Founded: In 2015, Augure, an influencer marketing software and data company, and Fashion GPS, the premier technology provider for the fashion industry, merged to become Launchmetrics.

Global reach: The company is headquartered in New York with offices in London, Paris, Madrid, Milan and Tokyo.

Customers: More than 1,700 retailers, brands and agencies globally use Launchmetrics to power their business.

Contact: For more information visit www.launchmetrics.com, email info@launchmetrics.com or call 020 7434 4381.

Launchmetrics' customers have access to data from the 1.8 million websites we track daily, 100,000 key influencers we monitor, historic advertising and editorial benchmarking data of over 3,000 companies over the last 10 years, among other critical information needed to make informed business decisions.

Whilst there are some companies who could be considered competitors with some of our individual software products there actually isn't any other provider in the B2B space that provides brands and retailers with a 360 degree programme such as ours.

WHO ARE YOUR CUSTOMERS?

Today we work with more than 1,700 brands worldwide. Some A-list clients include Burberry, Christian Louboutin, NET-A-PORTER, Shiseido as well as Fenwick's, Levi's, Adidas, Topshop and Uniqlo. We work with fashion, luxury and cosmetics brands & multichannel retailers – everything from high street labels and luxury designers to boutique vendors and larger retailers.

WHAT ARE YOU DOING IN THE ECOMMERCE/MULTICHANNEL MARKET?

Our biggest success when working with ecommerce and multichannel brands is our ability to reduce the time it takes them to get their products to the market so that they have a longer on-sale period at full price. Our sample management tool, employed by some of the leading companies in the industry, means that brands can track the individual location of each item to reduce the time spent looking for products as well as cut loss by 95%.

We recently deployed our sample management tool with a global retailer based in Italy. After implementing this new system, the company was able to see cost savings of £250,000 annually, between the number of products pulled out of inventory for Marketing/PR purposes, Product & Sample loss as well as the reduction in human resource time wasted on these activities.

WHAT INTERESTING NEW FUNCTIONALITY ARE YOU PROVIDING RETAILERS?

In addition to the technology we are providing our retail clients to streamline how they manage their inventory and samples, we are now working closer than ever with the Marketing & CRM teams to help our customers understand their customers better. One of our most exciting new data projects allows us to help retailers identify influencers within their customer base. Working with the CRM team we were able to build digital profiles of their customers

and understand who these people were, what they were interested in and if/who they were engaging with. As companies are spending more and more budget on these activities, it is our aim with this service to allow them to activate those influencers who already have an affinity with their brand, but perhaps are unknown to them. Our findings help the client understand that they actually had a lot of influential people in their database that they didn't even know were customers. Harnessing this information, we found that when working with these influencers, it yielded a result that was four times more powerful than a traditional Marketing & PR campaign.

This Company Spotlight was produced by InternetRetailing and paid for by Launchmetrics. 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

Kate Spade & Company has been a Launchmetrics Samples client since 2014. The company designs and markets accessories and apparel principally under two global, multichannel lifestyle brands: Kate Spade New York and Jack Spade. With collections spanning demographics, genders and geographies, the brands are intended to accent customers' interesting lives and inspire adventure.

Kate Spade's main challenges were found in ensuring that all sample trafficking records were centralised in one convenient system that would ensure the ever-growing demand for samples was being met in the most efficient way possible. Kate Spade simply had an outdated system that did not allow for an extensively detailed paper trail. With the old system, sometimes samples would go missing, which was costly for the business: "Each sample is unique and it doesn't just belong to one team. If one thing goes missing, it affects all aspects of the business," says Grace Adams, PR Manager, Kate Spade.

There was a need to digitalise PR efforts and streamline data into a meaningful and useful information system. Launchmetrics Samples met all the needs, including seamless migration of Kate Spade data into the Samples platform. Since thousands of samples are being produced and archived by Kate Spade every year, it was essential to have a reliable and powerful system. As samples are always moving between departments, as well as to-and-from external parties, Kate Spade needed a system that would allow them to track the location and name of the person with the sample at any time.

Launchmetrics provides a system that produces unique barcodes to track down each individual sample, rather than one that produces one barcode per style number. The reporting features in Samples provided Kate Spade with pertinent metrics, such as the ability to view the most requested samples per season, available inventory, etc.



The most significant result was seen in Kate Spade's costs. These have been significantly reduced since implementing Samples. With the help of the system, it quickly became more difficult for unique samples to go missing. Samples can now be located more efficiently and easily, allowing them to move faster between departments and accelerating the process from Design to Sales. Using the tracking capabilities of Samples allows for a higher number of sample requests to be fulfilled, increasing the potential for PR opportunities – Kate Spade can now easily analyse which samples are in high demand for both internal and external opportunities, essentially allowing them to optimise their seasonal strategies. Furthermore, employees no longer have to rely on stacks of paper, hundreds of emails, or numerous Google docs in order to track samples, increasing productivity and team collaboration.

"It's simpler and more reliable to track samples through Launchmetrics Samples rather than solely relying on human information. Having a concrete paper trail and sample trafficking history streamlines the sample process in many ways. When sharing a limited sample set between departments, the more detailed information you have, the better," says Adams.

Sample tracking is just one of the many solutions Launchmetrics provides for its clients. To find the right solution for your business, please contact: info@launchmetrics.com.

Matthew Pendlebury

Head of Consultancy Services



P F S

HOW BIG AN OPPORTUNITY IS PEAK 2017?

The Christmas period is a huge opportunity for retailers and there's nothing to suggest this year's peak season will be any less so. In fact, the amount spent online is generally 5% higher than predictions and with online growth at 16% it gets bigger every year.

Predictions for 2017 are already suggesting that shoppers in the UK will do the majority of their Christmas shopping in November when £20bn will be spent online. What used to be Black Friday and Cyber Monday will transform into a Black Friday week as retailers try to spread out the impact of the event on their sales and fulfilment networks. A staggering £7bn is expected to be spent online during Black Friday week this year.

WHAT ARE THE CHALLENGES FOR RETAILERS AROUND PEAK?

Peak season continues to move away from desktop devices to mobile with mobile accounting for 80% of the traffic. Rather than people sitting at home and doing their Christmas shopping on a desktop or tablet device, between 60% and 70% of traffic to retail sites is from smartphones.

This mobility is also driving click and collect which has seen 100% growth in the past 2 years as people want the certainty of items being available when they get to a store or the ease of being able to collect them on their way home.

The experience that retailers are giving to customers using mobile devices is going to be key, especially during peak times. A lot of retailers have included mobile as part of their ecommerce experience, supporting it primarily through cloud-based services which could be impacted by the levels of traffic seen at peak. Retailers need to think about what is critically required for a great customer experience, so that what a customer sees and does on their mobile device is as quick and easy as possible.

Predicting the amount of traffic is another key challenge for retailers. A combination of

PFS IN BRIEF

Date launched: Established in the US in 1994. Launched in Europe in 1999 and the UK in 2014.

Global reach: PFS has a global reach working from 15 locations in the US, Europe and India.

Turnover: \$334.6m (£259m) in FY2016.

Customers: Over 170 world-class brands including P&G, Diageo, L'Oréal and Pandora.

Employees: ~2,600

Partners: PFS is a solution-agnostic provider working globally with the leading enterprise platforms including Salesforce Commerce Cloud, Salesforce Marketing Cloud, SAP, Magento, IBM and Oracle ATG. In the UK market, the company also partners with Qubit, Amplitude, Monetate, Tealium, Adyen, InRiver, Bazaarvoice, Rackspace and Mirakl.

Contact: For further information contact PFS at marketing-europe@pfsweb.com, www.pfsweb.com or telephone 020 3475 4000.

analytics and the large amount of data which retailers hold can lead to a certain level of surety for the following year. However, it's very easy to become overwhelmed in the minutiae of data when analysing such large amounts rather than stepping back and looking holistically at the bigger picture. Analytics is great but sifting through the large amount of data that's available and trying to extrapolate a pattern for 2017 is difficult.

Retailers need to understand their ecommerce systems and their architecture, to work with their systems integrator on what they are trying to achieve and understand where bottlenecks could arise. These may not be noticeable in normal day-to-day trading but a millisecond delay in sending information to the back-end fulfilment system, for example, will be magnified exponentially when traffic volumes increase significantly.

There are other non-technology areas that need to be considered too such as the increase in temporary staff to support the growth in sales. Questions such as how they use systems and whether training is in place to assist them to quickly become effective and not slow down processes need to be addressed.

WHAT LESSONS CAN BE DRAWN FROM PEAK 2016?

Peak season in 2016 showed that retailers have to focus on the data and trends, what it's showing them without it overwhelming them. Some PFS customers, for example, found the weight of data in certain areas of database tables were impacting on systems performance. This is just one area that doesn't show up until peak volumes start, even if performance tests and dry runs take place in an effort to mitigate such issues. Therefore, integrations and third party systems need to be looked at closely. The more users, the more rules, the more calculations and checks, the slower the systems will be. If something isn't necessary at peak, consider turning it off.

Many lessons were learnt from fulfilment last year too with improvements made to the supply chain and despatch chain as well as the experience of getting click and collect orders into stores. Retailers need to ensure that the fulfilment process is in place to be able to fulfil the customer experience as well as actually delivering the parcel. This extends to communication so that the customer is kept informed right the way through the process from order to delivery and, if required, into the return and refund process.

If a retailer isn't delivering on their promises, promised timescales and they do not communicate with the customer throughout the fulfilment process they will simply go somewhere else. The communication deepens the relationship, if a retailer keeps to their word and is transparent should any issues arise, the customer will return rather than shopping elsewhere.

Any information that can be gathered from the peak season can be fed back into the different areas of the business and learnt from.

WHAT IS INVOLVED IN PLANNING FOR PEAK?

Preparation for peak season is key and retailers cannot start early enough. Once the sales, returns and feedback from the previous year have been collated and analysed, the plans for the following year can be put in place.

Information to be collated includes footfall as well as bottlenecks online. Why did the bottlenecks occur? Was the problem technical, memory or infrastructure or something more fundamental such as custom code – or something that would normally be a good experience for customers being detrimental to the overall website experience?

Retailers need to consider traffic profiles as well and how they cater for the perceived growth this year. Is the team ready? The commerce support team, the stores team, IT partner, hosting partner

and commerce partner? Have they been notified of marketing ahead of time so they know about TV advertisements and when messaging will drive people to the website? Keeping everyone in the loop is vital.

The ability to scale across the whole business – technology, people and processes. All these need to be working in harmony.

WHAT AND WHEN SHOULD RETAILERS LOCK DOWN PLANS

Lock down time is close to peak season with many aiming for the end of August so there's time for systems and partners to prepare. By September, most retailers are ready but plans start in January with full momentum by May or June and lock down by the end of the summer or early September. It's very rare now for retailers to not be fully ready by October.

Processes, people and marketing plans all need to be locked down including ramp up plans for staff and the distribution chain. Partners need to be kept aware of expectations such as increased deliveries and options for the customer need to

“With 80% of peak traffic coming from mobile devices, the experience that retailers give to mobile customers at busy times will be key”

be decided upon; do delivery options need to be reduced, for example, such as no longer promising same-day delivery before 12 rather than standard next day delivery?

HOW DO YOU BUILD IN FLEXIBILITY AND AGILITY INTO THE PLAN AND IS IT POSSIBLE?

Customers never act exactly as expected so a certain amount of flexibility has to be built into the plans. With so many people in the process, both within the business and externally, it comes down to relationships. How is a retailer's relationship with their SI and hosting partner? These relationships are key to having flexibility in the plans. If the relationship is there then the flexibility and capability to help is greatly increased.

This Company Spotlight was produced by InternetRetailing and paid for by PFS. 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.

Lucinda Duncalfe

CEO, Monetate



WHAT DOES YOUR COMPANY DO AND WHAT IS YOUR USP?

Monetate works with large brands and retailers enabling them to personalise their customers' experiences online, in store and in marketing communications. Our platform functionality ranges from A/B testing and segment-based personalisation to ensure that a brand provides the best experience possible to their customers. For example, Monetate can present different experiences to new or returning customers or customers who have shown a past preference for certain product categories. And, we can even make individual decisions about what the best experience is for each individual customer, based upon the information that the retailer and platform knows about them. This one-to-one personalisation approach is unique and drives remarkable results for our customers.

The company's USP is based on one-to-one personalisation. We enable this unique capability, and we do so with an intuitive user interface that enables marketers to use the platform without having to revert

“Empowering brands to interact uniquely with each customer at scale, delivering engaging experiences that drive great business results”

back to the IT department. With the scale to serve more IR500 brands than any other personalisation platform and process more than 2.1 billion personalised pages over the Black Friday 'Cyber Weekend' alone, Monetate offers peace of mind that we deliver real-time personalisation at scale.

WHAT DO YOU SEE AS THE CHALLENGES BEING FACED BY RETAILERS?

Retail is facing a number of challenges, one of which is Amazon. The retail behemoth has set the bar in terms of price, product availability and delivery in its drive towards commoditisation. It is making it increasingly difficult for retailers to differentiate themselves unless they have proprietary products.

MONETATE IN BRIEF

Date launched: 2008

Global reach: USA (New York, Conshohocken, Palo Alto), United Kingdom (London)

Date launched in the UK: 2012

Customers: Over 300 clients globally, including; John Lewis, Waitrose, Helly Hansen, Jack Wills, Boden, Eurostar with others in the US including QVC, North Face and Patagonia.

Contact: For further information visit www.monetate.com or contact us via Twitter: @monetate or Telephone: 020 3750 0376

Personalisation offers a powerful tool and doesn't require retailers to have budgets as deep as Amazon. Through use of personalisation, a brand can show via their interactions that they know and understand their customers, thus building a deeper and more loyal relationship with them.

Data often offers a difficult challenge for brands because data about each customer may be held in disparate systems. To help with this, Monetate's platform brings together whatever data the retailer has, pulling it from different sources and linking it so that it doesn't have to be held in one data source or be requested from different sources by an IT department.

And the ability to scale is critical to being able to keep up with Amazon, which is why Artificial Intelligence (AI) is a necessary piece of delivering one-to-one interactions for every customer.

HOW DO NEW DEVELOPMENTS OF THE MONETATE ENGINE HELP RETAILERS MEET THOSE CHALLENGES?

The Monetate Intelligent Personalization Engine, or the Engine for short, knows in the moment a customer lands on a retailer's site, where the customer has come from, the device and browser they are using, and the behaviour they have shown in the past on the retailer's website. Monetate can also draw on data held about customers in other systems the retailer has, such as ecommerce or CRM systems. In real time, the Engine decides on the best experience for each individual customer in order to maximize the success against the predefined outcome set by the marketing team. This outcome could be related to conversion or increased order value, for example. The Engine makes this decision and actions upon it, on the web

or to a partner system such as an email provider or in-store clientelling option. The AI-driven Engine learns from the resulting outcome how best to interact with that particular customer and with others in the future.

HOW WOULD YOU DESCRIBE YOUR VISION?

Monetate's vision is to help our clients build meaningful relationships, one experience at a time and we do this by empowering brands to interact uniquely with each customer at scale, delivering engaging experiences that drive great business results.

Personalisation within the retail industry is only on the first rung of the ladder. Monetate will continue to grow the product through one-to-one product recommendations – which is already planned and expansion across channels. The company itself is expanding into further verticals as adoption from financial services and travel and hospitality grows.

WHEN AND WHY DID YOU ENTER THE UK MARKET?

Monetate set up a presence in the UK in 2012 following years of exceptional growth in the US and a number of client wins in the UK. At that time, the UK retail market

was seen as ready for personalisation and testing and the company won an additional six retail clients within the first year of opening an office in London as it focused on the UK retail market.

WHO ARE YOUR CUSTOMERS IN THE UK?

Monetate works with many retailers to help them focus on growth, increasing conversion rates, acquisition, retention and driving a better customer experience. The company also works with telcos, publishing, automotive and B2B companies. With over one hundred customers in the UK, retail clients include John Lewis, Waitrose, Helly Hansen, Jack Wills, Boden, Boohoo, Office Depot/Viking, Dreams, JD Williams/N Brown Group, Country Attire, Radley and Eurostar with many others in the US including QVC, North Face and Patagonia.

This Company Spotlight was produced by InternetRetailing and paid for by Monetate. 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

Supermarket chain Waitrose is a perfect example of how the Monetate platform can be used to bring a unique customer experience to online and drive both every day sales and sales during the essential peak shopping times.

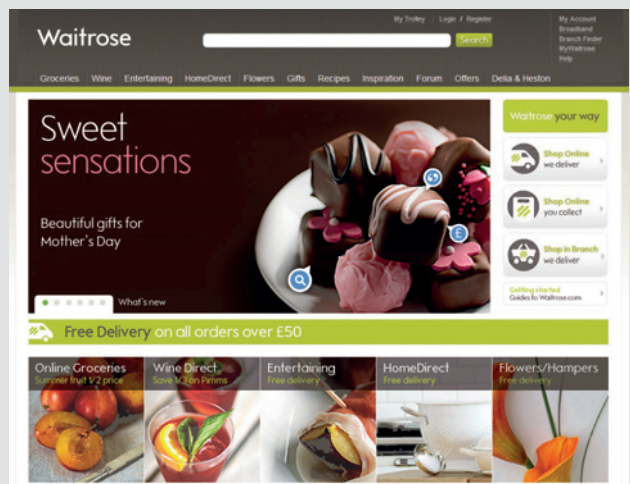
Having identified that customers who have shopped at least five times online are more likely to be retained in the long term, Waitrose implemented a marketing campaign offering an £80 discount spread across five online shops.

The Monetate platform enabled the brand to offer customers a unique incentive code by assessing how many times they had placed an order. Visitors to the site were targeted based on how many times they had placed an order with the brand online and presented with a unique incentive code based on this.

Each customer was grouped by the number of previously placed online orders, which was used by the Monetate platform to target an individual once logged in and recognised. Shoppers were originally targeted via their email address and once they had placed their first order they were emailed a code for their next shop. Overall, the campaign helped drive new customer conversion by over 30%.

Throughout the 2015 Christmas period, Waitrose used Monetate's ability to ingest external data from 'MyWaitrose' loyalty cards, into its data layer to target previous turkey buyers who had not yet purchased in 2015, with a targeted offer. The result? A 20% uplift in conversion against the control group.

Waitrose's personalisation strategy highlights how relevant and individual content with customers can deliver an uplift in online orders;



Waitrose increased online orders by up to 24% for new and early stage shoppers and over 30% for new customer conversion. It also saw a 20% uplift in conversion by using Returning Visitor Targeting.

"The website is a growing part of the Waitrose brand and we want the customer online experience to be consistent with the quality of experience you get in one of our stores. We've seen great benefits from using the Monetate personalisation platform – it has allowed us to work more efficiently and target our customer base more effectively. We also have greater business agility with the ability to react and respond to changing market needs in minutes," says Jane Godfrey, Digital Optimisation Manager, Waitrose.

The following article has been written for InternetRetailing by James Webster, Head of Managed Services, Salmon. Salmon is a global digital commerce consultancy that defines and delivers ecommerce solutions and customer journeys for businesses across the world. Founded in 1989, with operations in London, Amsterdam, New Delhi, Beijing and Melbourne, Salmon has over 700 experts in multichannel commerce, shaping client platforms across retail, CPG, FMCG, B2B, Direct-to-Consumer and financial services. For more information on preparing for peak, please see Salmon's Peak Trading Ecommerce Operations Playbook.

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Preparing for peak

James Webster, Head of Managed Services, Salmon examines the checklist for peak and how retailers need to prepare for the changing Christmas season.

IN RECENT years, peak trading has changed dramatically. Where December and the week running up to Christmas (21 - 27 December) were once the pinnacle of peak shopping for retailers, the emergence of US shopping phenomenon Black Friday has caused a notable shift, veering the peak season towards November.

Although 2016 was not the end of Christmas shopping, it was clear that the Black Friday period has taken the hearts of consumers in the UK. At Salmon we saw more traffic, more orders and more conversion occurring over Black Friday week, demonstrating how consumers are embracing the smorgasbord of deals that November offers, leaving Christmas deals trailing in its wake. In fact, in our own Peak Operations Centre, where we monitor some of the UK's largest online operations across UK retail, we saw the Black Friday period (22 - 28 November) was significantly busier than peak trading at Christmas, with 28% more orders taken than during the festive period.

What we also saw at Salmon was that consumers are twice as likely to convert sales on Black Friday day as they are on Boxing Day. The latter of which is arguably the most famous and traditional sales day for millions across the UK, but is now being overtaken

by Black Friday. For the Black Friday period overall, conversion rate was 35% higher than the Christmas period.

So, what does this all mean for retailers and their operations for peak planning in 2017?

MORE THAN ONE DAY

The majority of retailers now participate in Black Friday sales well before the actual event. Last year we labelled it 'Black FiveDay', as most of the traffic and orders appeared from Thursday 24 November - Monday 28 November. In fact, this year we predict that the majority of festive shopping will occur in November, where we predict an estimated £20bn will be generated in online sales. The spread of promotions across a longer period last year has evidently had an impact on operations. No longer is it the case that on the stroke of midnight on Black Friday, a company's website will be inundated with consumers looking for the deal as soon as it goes live.

From a retailer's systems perspective this is most certainly a good thing, as traffic loads are more balanced out across a 24 or 48 hour period. However, what this does bring about is a need for a retailer's operations team to be on duty for longer periods – so personnel planning needs to be factored in with shift patterns in place.

It is essential that retailers are able to react rapidly to situations. For example, these could be tactical issues such as the need to launch earlier

KEEPING OPERATIONS IN CHECK

Salmon offers six operational tips retailers can follow in order to help keep operations in check when getting closer to peak trading.

- 1. Implement and rehearse plans for such aspects as how you are going to get your product, pricing and promotional content loaded onto the website with time contingency so as not to run over a pre-advertised start time.**
- 2. When stress-testing systems to see what they're capable of doing, make sure they are being tested in their totality – everything from back-end including fulfilment systems and services they connect to, right up to the front-end with payment transaction and search fluidity.**
- 3. Examine all aspects of potential system failure and plan ahead with your providers' support teams. If the payment provider's service slows down with heavy loads, ensure there is the ability to fix or switch provider if it is impacting the customer experience.**
- 4. Proactively look at the data you're working with, so as to head off any problems before they occur. Implement an operations dashboard in advance so that you can proactively respond to issues before they're escalated.**
- 5. Check to see if there are safeguards in place to stop overselling and make sure the back-end systems can keep the front-end up to date with stock levels.**
- 6. Ensure there is a plan in place for international buyers and how that might impact the timing of your operations.**

than expected in reaction to a competitor launch, or if there are any unforeseen operational issues arising during Black Friday peak itself. All the right skills, including operations, front and back-end developers, DBAs and technical architects need to be on hand to achieve a timely solution.

BREAKING DOWN INTERNATIONAL BORDERS

In 2016, we saw a number of retailers see a significant increase in international sales, which could have been as a result of Brexit and the depreciated value of the pound against international currencies. In today's market it's now more economical for overseas shoppers to buy from UK retailers.

Over the Black Friday period there were increases in international traffic at peak hours across Europe, the US and even as far as China. As a result, this had implications for back-end processes that retailers potentially hadn't planned for, with strong order numbers entering the system at off-peak times. It also emphasises the requirement for global brands to have robust international online and fulfilment capabilities.

Retailers in recent years have certainly become far better at dealing with the 'peaks' phenomenon. They are collecting ever increasing amounts of information from data centres, and cloud computing has allowed them to scale systems to a point where they can deal with extremely heavy loads. That said, this does not mean that stress testing needs to be de-prioritised in 2017.

Stress-testing and advanced planning can help prepare for important contingency measures, which will shore up performance during peak. Content caching is an excellent option for times of high traffic. Non-transactional and personalised content, such as product images and descriptions, may be cached using content delivery networks (CDNs), taking load off the transactional servers at peak times.

Likewise, limiting functionality on the site during peak period is advisable, as this then shifts the focus from functionality and shopping experience, to performance. Kill switches may be introduced to enable non-essential elements to be turned off during periods of high activity. This ensures that external sites and services, for example, can't negatively impact performance such as payment platforms.

Moreover, retailers with cloud-based platforms need to check their cloud service provision, as many cloud-based services are



28% more orders were taken during 2016's Black Friday period than in the run up to Christmas.


likely to be shared between many different businesses, making services vulnerable to being flooded by requests and crashing.

SYSTEM INTERCONNECTIVITY

In 2016, most front-end web experience operated well; it was the back-end where most issues occurred. The interconnectivity of systems for order capture, payments, communications and fulfilment needs to be improved across the industry.

Thanks to heightened consumer expectations and the desire for same-day/next-day delivery, it has put enormous stresses on retailers' fulfilment and operations systems. Consequently inventory now has to be ready to be dispatched almost immediately after purchase. It's therefore critical that back-end systems are heavily interconnected. Ecommerce systems now incorporate myriad platforms from warehouse management, payment transactions (for example, with PayPal), credit card clearers, a search service and a content service.

All of these platforms need to work collectively and equally quickly for retailers to survive heavy loads during peak periods. If one platform lags, this could decelerate the whole process; the payment transaction service might be quick, but if the search service is clunky, the customer might not even make it to the payment screen, and result in a loss of a sale and customer for the retailer.

Retailers need to begin planning for peak trading now. It's a time when retailers can make excellent gains, but the stakes are high too. A poor online offering during November and the weeks surrounding Black Friday can seriously damage a retailer's reputation, both in the media and with customers. Planning in advance and extensive stress testing will avert any disasters and ensure the retailer is ready to take advantage of the November sales. 

“The majority of 2017's Christmas shopping will be done in November when £20bn is predicted to be spent online”

The following guest article has been written for InternetRetailing by Milan Kotecha, Director Retail & Commercial Markets Northern EMEA at Delphix. Delphix is fundamentally changing the dynamics of how companies manage and consume data. Over a third of the Fortune 100 now use Delphix, including four out of the top 10 retailers. Data is becoming the next wave in transformation and Delphix is seeing unprecedented demands for a dynamic data platform to address time-to-market challenges. With offices around the world, Delphix is comprised of some of the brightest minds in tech, each of whom believe in the power of data to help accelerate the pace of discovery and better the way we live.



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Melting the code freeze

Milan Kotecha, Director Retail & Commercial Markets Northern EMEA at Delphix examines whether it's still necessary to lock down code for Christmas.

HISTORICALLY, THE last three months of the year have been seen as the 'golden quarter' for retailers. The run up to Christmas is when the industry makes most of its profit. During this period, customers' online activity tends to be more predictable and retailers know when their site will be hit with peaks in traffic. In the past, most retailers have managed to cope with demand during the Christmas season by implementing a code freeze during these busy times to protect the site from unwanted downtime.

However, today's constantly connected customers have different expectations. Shopping behaviour has changed and now online spending has frequent peaks throughout the year. Regardless of whether it's New Year sales, finding a last minute Valentine's present or buying a new summer wardrobe, customers are demanding a 24/7 service 365 days of the year from retailers. This means a smooth experience, with no barriers to purchase. If their expectations of a seamless experience are not met, they will simply abandon a purchase and go elsewhere.

WHY DO RETAILERS FREEZE?

As online traffic picks up, online retailers put a freeze on any new code being introduced

during busy times to protect themselves from the risk of bugs that could cause disruption to their ecommerce platforms. Over the years, we've seen countless examples of sites knocked offline as traffic spikes. For example, Sainsbury's, John Lewis and Argos have all suffered significant website crashes during time of peak traffic.

However, retailers now experience more significant peaks in traffic throughout the year and outside the traditional peaks at Christmas. If retailers continue to code freeze for every peak in traffic or shopping event then no changes or innovations will happen at all.

New product launches, back-to-school, Easter and even good weather can cause a surge in sales so retailers need the agility to make the most of it. Loyalty is dead as consumers seek out the best price and easiest route to purchase – caring less and less about which shop they are purchasing from. For retailers, this mindset is creating new challenges. To stand a chance of survival, all brands need to be able to keep their sites updated with the latest deals and new products, and deliver exceptional, simple service at all times or risk losing out to competitors very quickly.

INNOVATION

Innovation therefore needs to be considered throughout the year alongside predicted peaks in traffic. Change should not be considered a risk, but remaining static should be.

If we take a look at some of the most successful companies in the retail space, such as Amazon, these are brands that are making incremental changes all the time and monitoring their effects so they can continually change and fine tune their marketplace. This means that customers are always met with competitive prices and purchasing is easy.

New technologies, such as virtual assistants, are also starting to change the way customers shop and will be the next step on from online or mobile. Retailers should be developing ways to make the most out of these technologies, developing apps and breaking down the barriers between customers and purchases. Again, Amazon is a big threat in this market, so businesses need to ensure they have the data, innovation and drive to make the most out of this new space before they are left out in the cold.

The key to constant, quality innovation is for retailers' IT teams to be able to use



real, up to date data that can move at the speed of business. Retailers are slowly becoming software developers - building and developing applications that consumers interact with.

Technologies, such as virtual machines, allow retailers to develop updates using live customer data that sits in non-production environments so they can test and innovate with new features without risking the customer experience. Adopting this approach means updates and new applications can be lined up and ready to go as soon as a code freeze is lifted.


However, moving towards a new mentality relies on developing an organisation's ability to embrace new technologies and processes that support the consistent availability, quality and security of their data and allow easy movement around the business. Modern data platforms are able to deliver unlimited complete copies of secure business data in minutes, not weeks or months. With data no longer a constraint, projects are not only accelerated but run in parallel. This means that applications can be built and tested with real world, relevant data. Reducing the risks of bugs so retailers can be confident that

Code freezing can impact a company's ability to put new products online

“The key to constant, quality innovation is for retailers' IT teams to be able to use real, up to date data that can move at the speed of business”

their new developments will run as intended, first time.

Ultimately, code freezing can impact a company's ability to put new products online, which means missing out on potential sales to those who can innovate faster. Ensuring data is not a bottleneck to innovation is one way to melt the code freeze. Yet, this vision is only possible if data is democratised and made more agile so that delivery time can be reduced and data can be put in the hands of those who need it, when they need it.

Companies that have deployed dynamic data platforms to streamline data delivery have seen phenomenal results. By unifying data operations across an enterprise they can provide users with self-service access to the data they need. In other sectors companies have halved the length of their software projects, reducing 90% of storage costs and increasing testing by 100 times. Retailers need to catch-up and ensure innovation is constant so they can stay ahead in this increasingly technical market. 

Delphix has written a primer on dynamic data platforms which readers can view online at www.internetretailing.net

“

Greenlight were totally professional and dedicated to our project timescale. I would describe their performance as exceptional.”



- TONY PERKS, FORMER GROUP CIO/CTO, BHS INTERNATIONAL

WHO ARE WE?

We are a specialist SAP Hybris & Salesforce commerce solutions provider, with an absolute focus on client growth. Tightly integrated with our full services digital marketing agency, our unique analytical capabilities enable us to deliver integrated digital solutions for brands around the world.

WHAT WE OFFER?

- ECOMMERCE CONSULTANCY
- FULL-SERVICE AGENCY
- DESIGN & BUILD
- PROJECT DELIVERY & SUPPORT





How to not deliver disappointment this peak

Planning, forecasting and setting realistic, achievable options are the key ways that you can ensure you don't disappoint over this peak period when it comes to home delivery, says *Liz Morrell*.

THE CHRISTMAS peak has always been a tough challenge for retailers but with the additional influence of newer peaks such as Black Friday and Cyber Monday planning for the increased demand – and ensuring home delivery networks are set up to adequately cope – has become even tougher.

At UPS the company delivered a record 36 million packages on a single day on 22 December last year – more than twice its normal average. “This substantial uplift in deliveries can place a strain on even the most resilient logistics set-up,” says Stephanie Dexter, Director of Operations, UPS.

So how do retailers – and their carriers – ensure that they are ready for the peak period and deliver exactly what their customers want when it comes to home delivery? “Preparation is key, evaluating what happened in the previous year, and looking at what needs to be done to improve,” says Matt Robertson, Co-founder and CEO of NetDespatch. “Home delivery is about convenience, but it's no use if the recipient isn't in. Retailers and carriers need to work to bring this cost down by providing consumers an accurate timeline for their delivery, enabling them to plan around it, or alternatively providing more convenient options that work around their busy lives,” he says.

Couriers have been working hard to provide more options and reliability for their retail customers – from hiring additional seasonal help to investing in infrastructure, however time and time again it's working closely with retailers that really counts. “Perhaps most important of all is collaborating closely with retailers to ensure that the customer journey is a positive experience,” says Dexter. “We

start working with our customers as early as possible to help them plan for the peak season, map any challenges that lie ahead and ensure their customers' needs are met,” she says.

At toy retailer the Entertainer, the company's Head of Online Rob Wood says he has already submitted peak trading plans to the company's fulfilment partners after working hard on forecasting the types of products he believes he will be selling this year. “We don't quite know what the big products will be yet and that can make a difference,” he says.

At Mothercare the company's logistics teams agrees, “Plan as best as you can. Forecasting is critical but agility to deal with the unexpected is also critical. The ability to recruit and put on more trained staff, and the ability to work with couriers to handle the demand is important,” says a spokesperson for the retailer.

“With the fulfilment side you need to talk to your couriers upfront to secure the right volumes for peak,” says Wood. And the couriers themselves are getting better at pushing for such information, he says. “Over the last two years the couriers have been putting more pressure on us to provide accurate forecasts which means that they have coped an awful lot better with the volumes we have given them,” he says.

Chris Hoskin, Head of Marketing at MetaPack says retailers should reduce risk by ensuring they don't rely on a single carrier strategy for each delivery service. “It doesn't matter whether its two-to-three days, express, premium or PUDO, they all need multiple options. With large retailers and brands, it is rare to see single carrier strategies during peak anymore. Peak is not the time to be taking risks, there's simply too much at stake – revenue and reputation being key,” he says.

PLANNING, RESPONSE & TRANSPARENCY

Responsiveness – as well as planning – is therefore crucial. “Retailers must be both ►

“UPS delivered a record 36 million packages on a single day on 22 December last year”

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Tamebay reaches out to readers via a daily news digest and social media. Tamebay's editors Chris Dawson and Dan Wilson are also well-known faces at small business events and ecommerce meet-ups all over Britain and further afield.

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Aside from daily news and practical help content Tamebay also produces an annual guide that showcases the myriad of services and tools available in the industry. This comprehensive and focussed guide offers an unparalleled resource for savvy online SMEs. Find out more at tamebayguide.com

prepared beforehand and flexible during peak trading and mustn't underestimate the level of planning and stress testing that is needed," says Patrick Munden, Head of Retail at Salmon.

Laura Morroll, Managing Consultant at LCP Consulting, says it's important that both sides understand each other. "Retailers and carriers need to better understand operational and physical capacity levels. They also need to undertake cross functional planning as far ahead as possible with sight of promotions, expected volumes, product details and desired service levels – so that the business requirements (and capacity impacts) are fully understood and the supply chain can prepare," she says.

"Retailers and brands will already be looking at their historical peak data to model what happened last year and forecast the peak period ahead," says MetaPack's Hoskin. "Promotions and the fall of key dates will also be applied to the forecasts. The latest possible cut-off dates should be applied, where there is 100% certainty that a delivery promise can be made," he says.

Most retailers and carrier companies believe that transparency and openness is key with honesty being the best policy. In-flight communications is changing expectations quickly. Tim Jones, DPD's Director of Marketing, says that last year the company sent over 50 million advanced Predict notifications during the peak period that gave customers their exact one-hour delivery slot.

"The real-time responses our drivers received from recipients meant that before they even attempted a delivery, they already knew who was in or out and what they wanted us to do with their parcel, which saves a huge amount of time," he says. "More 'right first time' deliveries for us means hardly any parcels going back out on the van the next day for redelivery. When you multiply that by the millions of parcels in the network every day during peak, it is an enormous efficiency saving," says Jones.

But retailers and their partners also need to be honest when things go wrong. "Even the best laid plans can go awry" says Patrick Gallagher, CEO of On the dot. "It is almost impossible for any retailer or carrier to protect against unexpected disruptions, from bad weather to traffic congestion or technology hiccups.

"It is essential that carriers advise clients at the earliest opportunity not to rely on last minute shopping windows and to be realistic

TOP TIPS FOR MANAGING HOME DELIVERY AT PEAK

- Forecast accurately and continuously;
- Work closely with your carriers to let them know demand and update accordingly;
- Be honest and open with customers with top-notch communications;
- Try to encourage customers to spread purchases e.g. introducing longer Black Friday periods to balance out demand;
- Don't rely on a single carrier strategy;
- If services are stretched and you can't deliver (e.g. next-day) then take them off your site as an option.

about what's achievable by adjusting booking cut-offs and delivery timeframe," he says.

NetDespatch's Robertson says fluidity is key. "If you're not able to offer a particular delivery service suddenly, your website or marketplace needs to reflect it," he says.

Many retailers – including Mothercare – adopt an strategy of under promise over deliver to avoid delivery disappointment and LCP's Morroll says this is good practice. "The most prudent retailers will continue to respond by down-playing their service offer to customers – such as the removal of next day/same day propositions. The key factor is that whatever proposition is offered, that communication to the customer is clear as to the progress of their order. If it is going to be late, it is better to communicate that to manage the dissatisfaction," she says.

Besides which it seems customers are getting more patient on peak delivery so long as they know they have secured their item, according to Mothercare. "We are seeing some customers are willing to wait an extra day or so more than normal for a delivery if they are getting a great deal," says the spokesperson.

Alex MacPherson, Solution Consultant Manager at Manhattan Associates says retailers shouldn't be afraid to try such a strategy. "Now retailers understand what is going to happen during peak and how to best accommodate that by offering smaller lines with longer delivery times. Most consumers will still be happy to buy from you if the delivery options are slightly longer than normal, as long as you can relay this in advance," he says.

But John Boulter, MD retail, UK&I for DHL Supply Chain, says that with the right planning in place under promising doesn't have to be necessary when it comes to home delivery at peak. "A critical review of operational capabilities, analysis of historic data on peak performance and being well planned with a flexible solution will mean that retailers can deliver to the standards consumers have come to expect year-round," he says. 

“ Couriers and retailers need to collaborate closely to ensure that the customer journey is a positive experience ”

The following guest article has been written for InternetRetailing by Paddy Earnshaw, Chief Customer Officer, Doddle. Doddle has a growing network of click & collect locations around the UK and has partnered with over 100 retail brands to offer consumers convenient ways to collect and return their online shopping. Doddle also powers the in-store click & collect technology for retailers with its proprietary technology solution, Powered by Doddle, giving retailers the flexibility to serve customers anywhere, anytime.



www.linkedin.com/company/doddle-parcels
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The real summit is the customer journey

Paddy Earnshaw, Chief Customer Officer, Doddle highlights key points to ensuring that customers receive a smooth click and collect experience in store during peak times.

CLICK AND collect has undoubtedly been the fastest growing delivery channel over the last few years, with established retailers like John Lewis reporting that 52% of online orders were collected via click & collect during Christmas 2016. In Doddle's own network of stores we saw year-on-year growth in collections of 121%, with a customer collecting a parcel from a Doddle store every 2.4 seconds between 6pm-7pm on 19 December 2016, our busiest day pre-Christmas.

Customers are trusting click & collect right up until the eleventh hour with their Christmas deliveries, meaning retailers now need to make sure their own click & collect options are up to scratch to be able to serve more customers, later and faster than they ever have before.

We've pulled together a check list for assessing your click & collect offering to make sure it's peak and summit ready.

KNOW YOUR LIMITS

One of the biggest challenges of managing click & collect at "peak" is the sheer scale of the volume increase. We've experienced the same challenges in our own stores, where volume can

increase threefold in the weeks leading up to Christmas compared to a "normal" week.

Understanding how your operation performs during an average day and understanding what its limits are will enable you to plan accordingly. For instance the questions you should be able to answer are:

- How long does it take to locate an order in the storage area?
- How long does it take to serve a customer?
- How many customers can you serve at once?
- What's the maximum number of orders you can fit in the storage area?

Knowing the limits of your existing service gives retailers better sight of when the operation will start to feel pain and when the decision should be made to promote alternative click & collect locations such as one of the 35,000 third party UK PUDO options, over and above the in-store option.

While many retailers are protective of click & collect footfall, the benefits of a click & collect customer having a good experience in someone else's environment far outweigh the consequences of them having a bad experience in your own environment. This was highlighted by JDA research that found 73% of click and collect customers would change retailers if they had a bad in-store click & collect experience.

When planning how to manage the limitations of an existing click & collect operation, retailers have a choice to make. Increase reliance on outsourced click & collect with established PUDO networks; invest in specialist technology for greater control of the customer experience in their own environment; or cover all bases and do both!

CAN YOU COPE WITH THE QUEUES?

It might be an English tradition, but queues don't fly with customers when it comes to click & collect. The biggest contributing factors to this are a) the volume of customers arriving at any one point in time; b) how staff locate and hand over orders to customers.

Reducing the manual processing for click & collect orders is one area that will impact how quickly you can process customer collections and in turn, manage queues. In research Doddle conducted with over 17 UK retailers, the average time it took a large retailer to locate a parcel was 5.17 minutes. Amongst some of the worst performers it could take as long as 18 minutes, and this was in July, not even at peak!

Removing as many of the manual steps in the process as possible will go a long way to busting your in-store click & collect queues. Things to look out for are:

- Do your staff write down the receipt and collection of all parcels? If so, it's time to make that a digital process to save time and increase accuracy.
- Are orders in your storage area sorted alphabetically? If so, it's time to get technical and barcode those holding bays and scrap the alphabet of boxes.
- Do customers have to wait until they have arrived at a service desk to begin the collection process? If so, it's time to go mobile.

GO MOBILE

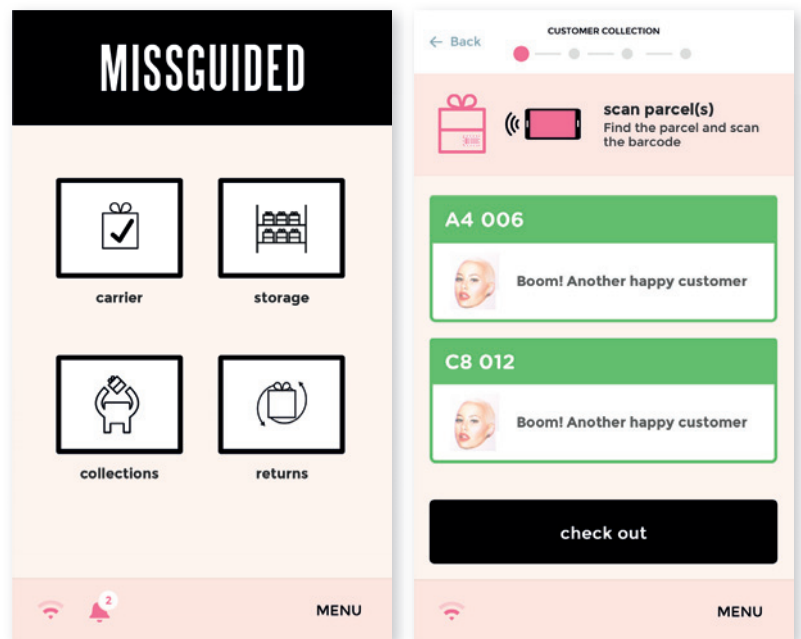
A mobile-enabled click & collect system gives your staff the flexibility to queue bust by moving through crowds to begin the customer transaction much earlier during busy periods. House of Fraser deployed this technique in its King William Street Store, one of its busiest for click & collect, last peak. This enhances the customer experience but also maximises the efficiency of the team by not being anchored to a service desk.

It's why we've designed the Duddle system to run off handheld devices, to give us the flexibility to open collection points if we need to manage excessively high volumes, or increase the number of customers we can serve by putting on another member of staff with an additional handheld.

IS YOUR PARCEL STORAGE FIT FOR PURPOSE?

Optimising click & collect storage is a key element to running a slick service and ensuring the storage space used for click & collect is fit for purpose and can be moved or reconfigured if needed is essential during peak.

Take for example barcoded locations. A system driven barcode storage system means you can be flexible with storage locations and move parcels around without having to remember these movements. An example of this might be in the days just before Christmas when fitting rooms aren't being used as much but the click & collect service requires more storage space. Using a barcode system means you can convert the underutilized changing room space into additional click & collect points that will automatically sync with the system as a newly barcoded area. Saving store teams time by not having to check multiple storage locations to see if a parcel is



“It takes a large retailer 5.17 minutes on average to locate a C&C parcel. The worst performers take as long as 18 minutes”

there. Debenhams is an example of a retailer that uses this style of system well, saving them precious time on every click & collect transaction, helping to make click & collect much more manageable at peak.

ALWAYS ON, EVEN WHEN YOU'RE OFF(LINE)?

The key to helping store teams serve click & collect customers quickly and efficiently lies in the technology that is powering your in-store system. As mentioned earlier, relying on a hand-written log of orders slows down store teams by creating cumbersome processes to log the receipt of orders but it also slows down the speed of service when a customer comes to collect their order. On the flipside, running a tech-enabled system that goes down when the wifi goes out, doesn't do much for the customer experience either! We've found after visiting hundreds of retailers in the last few years that wifi still appears to hamper retail operations; however, a sophisticated click & collect system should be able to run offline and sync with the cloud when connectivity is resumed.

With peak 2017 now in plain sight, we can see from our own growth that click & collect penetration won't be softening. For retailers who get it right, there's a huge upside in terms of customer loyalty, average basket size and purchase frequency. Given that retail is a game of fine margins and any advantage can make a huge difference, ensuring your customers have a smooth click and collect ride could be the ingredient needed for retail outperformance this peak. 

The following guest article has been written for InternetRetailing by Mark Thomson, Director of Retail and Hospitality EMEA, Zebra Technologies. With the unparalleled operational visibility Zebra provides, enterprises become as smart and connected as the world we live in. Real-time information – gleaned from visionary solutions including hardware, software and services – give organisations the competitive edge they need to simplify operations, know more about their businesses and customers and empower their mobile workers to succeed in today's data-centric world.



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It's never too early for Christmas shopping

Mark Thomson, Director of Retail and Hospitality EMEA, Zebra Technologies looks at how retailers should use technology in store in the lead up to the holiday season.

CHRISTMAS MAY not be for another 6 months, but 1 in 7 Brits have already started their Christmas shopping, according to a survey by American Express. This is happening for numerous reasons: People in the UK not only want to save money by stretching their Christmas shopping out over a long period of time, but they want to avoid the December rush. Brits are worried the items they want will sell out, and they'd rather buy them early to save themselves from the stress of last-minute shopping.

Brits may be shopping early, but it's because shopping is easier today than in years past. Through the rise of ecommerce and omnichannel offerings, retailers can now offer shoppers a quick, easy way to get a head start on the busiest shopping season.

With the advancements of in-store and online retailing, shopper demands are increasing and shopper loyalty is extremely difficult to retain. Shoppers no longer tolerate waiting. If a competing retailer can provide them with better

service faster, they will have no qualms about switching instantly. Therefore, early engagement is essential to snag early Christmas shoppers. Retailers need to create loyalty early on and then come peak-Christmas time, shoppers will already have an idea of where they plan to make their final gift purchases.

When deciding where to start their Christmas shopping, two key factors influence the buyers' decision; one is whether retailers can keep up with their increasing demands and expectations of a seamless shopping experience, while the other is a retailer's ability to keep their shoppers and staff informed in real-time.

To keep up with these demands, retailers need to up their online and in-store game. As ecommerce and omnichannel become more sophisticated, so do the expectations of their digitally empowered consumers.

PROVIDING A SEAMLESS FULFILMENT EXPERIENCE

To fulfil shopper expectations in the lead up to Christmas, retailers should equip their online stores with technology that will deliver the best experience possible. The key to success in the ecommerce space is a seamless fulfilment process. Excelling in the ecommerce fulfilment process is what sets retailers apart from their peers. Retailers can deliver high quality fulfilment through equipping workers with mobile devices that enhance speed, accuracy and productivity, and using the internet of Things (IoT) and radio frequency identification technology (RFID) devices that drive real-time inventory and asset visibility.

Through using IoT in the fulfilment process, and enabling real-time asset visibility, shoppers can see online in real-time, for example, if a shirt is available in their size. The use of IoT helps shoppers as well as retailers. Retailers can be aware of assets in real-time and therefore understand what to order more of and for when, as the Christmas rush begins.

As fulfilment centres and delivery become more efficient and a chosen avenue of shopping for many consumers, this has aided the rise of click and collect. Click and collect allows bricks and mortar retailers to win back the competitive advantage over 'pure play' online providers. An increasing number of studies identify that bringing shoppers into the store to collect their goods, rather than delivering them to their homes, means they buy additional items, truly offering an omnichannel experience.



This is why we have seen a big drive, particularly in fashion retail, toward in-store technology. Technology is at the heart of redefining the in-store customer experience. This could be in the form of collection points for online orders, personalised offers, tech-enabled staff or, in the future, using robots to help both staff and shoppers alike. However, it is crucial that retailers ensure the right technology is a fit for their business and appears as a seamless part of the shopper experience.

INTEGRATING THE LATEST TECHNOLOGY

As retailers prepare for the Christmas rush, they need to consider employing a multitude of different technologies. One of these is RFID technology. Whether using handheld or fixed scanners, RFID technology allows retailers to automatically identify stock levels in store on a daily basis and move that confidence level of their inventory accuracy up to 90-98%. This is an idea that has stemmed from fulfilment centres, but has proven to work extremely well in-store as well. These technological advances

Technology is at the heart of redefining the in-store customer experience

mean that retailers will be able to put stock aside for shoppers in-store, therefore making their purchases available for in-store collection immediately – delivering a much higher level of satisfaction. RFID tagging technology can also help in tracking the journey of the items all around the store; from the back room, to the floor, to seeing customers walk around with it, even identifying whether they took it into the fitting room and for how long. Through the use of RFID and beacons, retailers have the ability to embrace data and analytics to improve operations and shopper engagement.

As shoppers begin to make their holiday purchases early, retailers need to make sure they continue to return to their store all the way through Christmas and beyond. To aid in bringing shoppers back and personalise their time in store, retailers are able to use in-store Wi-Fi, beacons technology and store-specific mobile applications to enhance the shopping experience through RFID technology. Stores can take the personalisation one step further with personal shopper technology. Providing mobile devices that act as a “personal shopper” allows retailers to deliver a whole new level of self-service that lets shoppers complete their purchases faster and more conveniently. It also unlocks a whole new level of efficiency for a company’s retail operations.

As shoppers walk into a store, they can simply use their loyalty card at a kiosk to release their personal shopper mobile device. They then use a personal shopper device to scan items as they shop, to check pricing, to monitor basket totals and to view personalised store promotions.

The handheld device can even provide real-time personalised purchase recommendations as shoppers browse the aisles. For instance, when planning for Christmas dinner, the personal shopper device might provide a suggestion for a specific bottle of wine to go with the specific cheese the shopper just scanned and placed in his or her shopping cart. Providing shoppers with a personal shopping device can be a very effective way to drive additional sales, as studies show that more than 70% of purchasing decisions are made in the store.

One of the biggest complaints by shoppers today is check-out delays. The personal shopper solution can help eliminate check-out delays, allowing shoppers to avoid the hassle of the check-out line altogether, providing an instant, frictionless checkout experience as they leave the store. ►



Personal shopper technology improves customer service, and it provides store associates with the tools they need to easily answer questions on the spot, to improve inventory management and to streamline product returns. For instance, an associate can use the mobile device to quickly scan a tag on an empty shelf to determine if replacement inventory is available. The devices can also expedite the processing of returned merchandise by allowing associates to immediately re-enter merchandise into inventory and to see where that merchandise should be restocked on the shelves. They can also use the device to quickly process incoming shipments.

Using personal shopper and RFID technology, retailers can form a relationship with their

customers and understand why purchases are being made. After analysing this data, retailers can offer personalised promotions and advice to each shopper. Data and analytics help the retailers and shoppers alike, with ecommerce, delivery, click and collect, and in-store shopping. They assist in delivering the omnichannel experience to which shoppers are becoming increasingly accustomed.

Christmas is an extremely busy time for retailers and consumers alike so retailers need to already be planning and implementing their peak-time technology strategy, otherwise they run the risk of getting left behind. As shopper loyalty decreases at rapid speeds, they will not think twice before turning to competing retailers who have adapted more advanced, reliable service offerings. 🇬🇧

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Robin Phillips, Multichannel Director, Boots

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Smoothing out the experience

Paul Skeldon, mobile editor, M-retailing, investigates the mobile Christmas experience.

MY SEVEN year old, glitter-covered daughter aside, most of us don't feel that Christmassy in July, but as every retailer knows, this is the season to be planning for peak. Of course, in the ecommerce world much of that planning centres around system robustness and being ready to handle an as-yet unknown volume at a yet-to-be-decided time: every year is different, after all.

With 60% of sales now coming through smartphones, according to the latest study by eMarketer, gearing up for a mobile Christmas is more important than ever. And this has two major facets that must work in harmony with each other – pure mobile commerce and mobile in-store.

Naturally, you have to make sure that all the cogs and wheels of your ecommerce platforms are aligned to seamlessly and effortlessly deliver to the mobile traffic you are going to attract; that is ecommerce peak planning 101. What many people miss in the July melee to test systems is that the user experience has to be smooth – and this perhaps is the most important aspect, as far as consumers are concerned, when shopping with you in the run up to the festive season.

Retail is shifting towards an experience-based affair and those retailers that can deliver that are going to be the winners. This will be delivered in spades around Christmas 2017 and there is everything to play for in such a competitive market. Experience has to be part of your peak plan.

According to analysts at Retail Economics and global law firm Squire Patton Boggs, there are four key factors determining a customer's shopping experience: Environment, Education, Escapism and Entertainment and, more interestingly, 24% of shoppers claim that they would willingly pay more for the same product if it meant they would receive a meaningful experience when purchasing it.

No wonder then that a report from Calabrio found that UK and US C-level business executives rank customer experience above sales and revenue as the key focus in 2017.



IN-STORE EXPERIENCE

One of the areas where experience is going to be key is the impact mobile is going to have on the high street this Christmas. Beleaguered as it is with falling sales and a bad rep on the experience front, high street shops need to start work now on bringing mobile into their store experience and be ready to handle the peaks that will occur in the run up to Christmas.

“43% of shoppers said that they are likely to spend more money in the future with a retailer who offered a meaningful shopping experience in-store,” confirms Richard Lim, Chief Executive, Retail Economics. “And a retailer’s abilities to predict, analyse and adapt to forthcoming waves of these behavioural shifts will stand as the differentiating factor from their competitors.”

Matthew Lewis, head of the Retail Industry Group at Squire Patton Boggs, adds: “As the Experience Economy evolves, retailers must embrace consumers’ demands for the shopping experience to become more integrated and focused on their lifestyles. We have seen recent reports that US retail sales have risen but stores are closing and it is clear this is a global issue and retailers need to make a significant adjustment to stay ahead of the curve. From a digital perspective, retailers will have access to unprecedented sets of data as they strive to create an entirely unique customer experience and the introduction of the EU’s General Data Protection Regulation in a year’s time will have significant implications for multichannel retailers. Retailers will also need to focus on how to ensure their employees are aligned to the Retail Experience Economy to deliver the best possible customer journey.”

PURE MOBILE

Similar issues around maintaining mobile experience during peak will also impact pure play ecommerce providers. On mobile, getting the UX right is also becoming an essential part of closing the sale. With sales slowing but smartphone shopping booming, mobile first seems to have won the day.

Andy Burton, CEO of Tryzens, explains: “In quieter sales periods, retailers should make driving traffic to the site their priority for boosting sales. Using real-time analytics to evaluate and assess ecommerce performance and KPIs can inform better and more timely

“Retailers must embrace consumers’ demands for the shopping experience to become more integrated and focused on their lifestyles”

business decisions to target products, special offers and upsell opportunities.”

He continues: “Of course once securing a visitor to the site it is essential to maximise conversion and reduce abandoned baskets. Thinking about this on a mobile device requires a different approach to a traditional ecommerce desktop experience as you not only have the small screen space that drives a different navigation and customer journey, but you also have different ergonomic functions as well as additional capabilities to tap like location data and biometrics to simplify and enrich the shopping experience. Building this from the ground up and thinking about the consumers’ needs first before anything else is the most important facet of a ‘mobile first’ ecommerce strategy. Removing friction along mobile pain points such as during payment on checkout and leveraging the opportunity for innovation are key trends in this area that retailers should seek to benefit from.”

This need for experience in a mobile first world is seeing a surge in interest in apps.

Apps provide a more engaging shopping experience and as a result, app commerce company Poq has seen app shoppers spending longer browsing, better conversion rates and greater revenue.

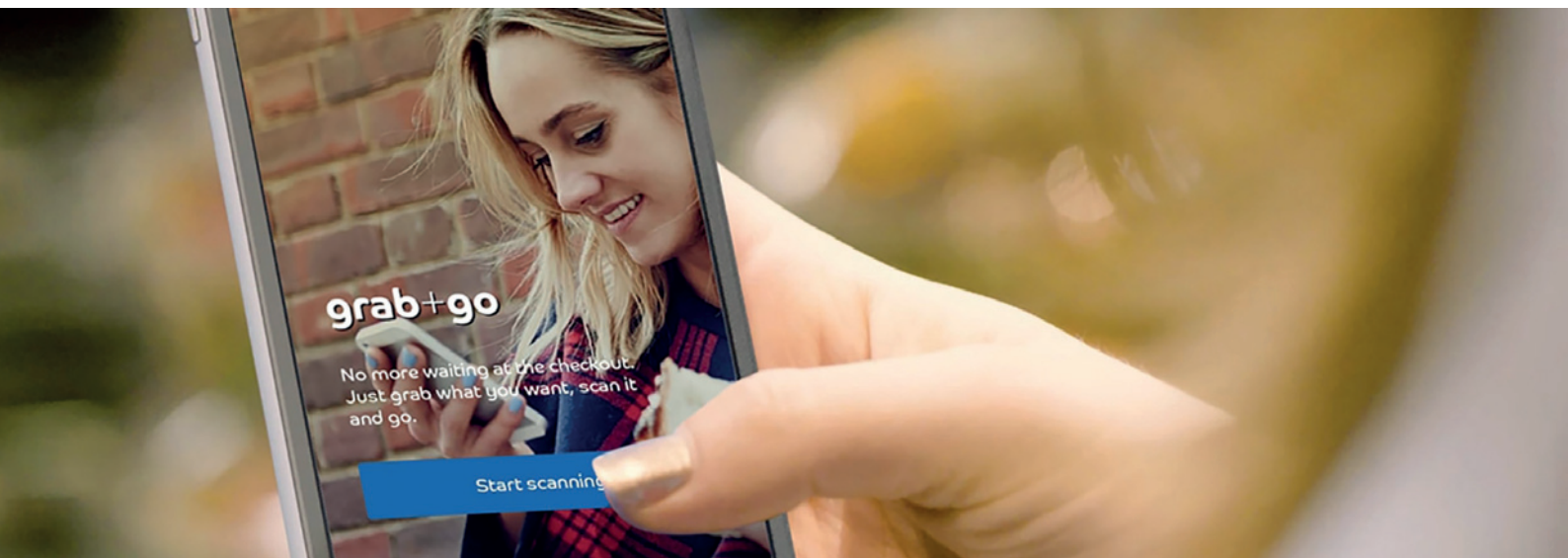
In fact, Poq has analysed the performance of its clients’ apps on its platform in Q1 and compared them to last year. And the findings are interesting. App shopping, it appears, has become even more popular and app shoppers are more keen to engage with retailers through the channel.

Poq’s clients have seen a 90% increase year-on-year in conversion rates in Q1 2017. The company attributes this to the innovative features that apps have, offering qualities that make the app shopping experience unique, easy and convenient. Interestingly while mobile web conversion rates have improved, in Q1 2017, apps again outperformed mobile web conversion rates by 40%, indicating that apps provide a more engaging experience.

INVISIBLE PAYMENTS

One area of experience that both in-store and pureplay mobile retailers need to work on is the friction associated with payments. In stores, payments are usually associated with queues, which are increasingly obtunding the impatient shopper’s desire to spend.

According to a study by Qudini, queues cost retailers £3.4bn a year in stores, simply because queues cost around 10% of footfall lost. ►



Revamping payments in store – making them invisible – can help sales.

This is the thinking behind Barclaycard's Grab+Go 'pocket checkout', which allows consumers to scan goods with their phone using the Grab+Go app and then just tap and pay as they leave.

Usman Sheikh, Director of Design & Experimentation at Barclaycard, explains: "One of the key customer frustrations with shopping is the time spent queuing to pay for items they want to buy – especially when they are in a hurry. Using the latest technology, we've developed Grab+Go to streamline the shopping experience by removing the need to physically check out every time you want to buy something."

He continues: "The way in which people shop and pay has evolved significantly over the past decade, and as the use of mobile and wearable payments grows, we are constantly looking at how we can use technology to make our customers' lives easier."

Amazon's Go store pilot seeks to take this one step further and Uber-ise the whole process and just charge people based on what the in-store tech has seen them take.

Online, payments is also a sticking point for many and retailers need to make the online payment area on mobile similarly slick. Tools such as Apple Pay, Android Pay and Amazon 1-click all make this relatively simple: it has to come down to one click.

THE DISCONNECT

While getting each of these pain points smoothed out on their own is a challenge – not least when trying to make them work seamlessly under peak load – the real challenge

lies in making them all work together.

A recent study by MuleSoft found that more than half (53%) of UK consumers believe that UK retailers provide a disconnected shopping experience that does not adequately join online and the store – and 61% say that they would consider changing retailers due to a disconnected shopping experience.

Perhaps more pressingly, 70% of under 35s want a total rethink of the shopping experience: longer shopping hours, a single click and collect hub at shopping malls and a single digital loyalty programme, according to research by Omnicore.

Taken together, there is a ground-swell among consumers to change how shopping works – and Christmas 2017 is going to be where they vote with their feet.

"Changing consumer expectations dictate that retail, hospitality, entertainment and leisure come together in one connected experience," says Mel Taylor, CEO, Omnicore. "Consumers, especially the rising generation of younger shoppers who have grown up in the digital world, want to move between experiences without hitch or hassle, no matter what they are doing. They don't want to be held up when they buy something and they don't want to be juggling loyalty schemes to get the most out of where they are. It all has to be seamless and connected."

Taylor concludes: "Everyone in retail or hospitality needs to address these requirements urgently if the decline in performance we see in our quarterly gap barometer is not to be reversed. There are tremendous opportunities in the experience economy – it just takes the right technology to bring it together for everyone to benefit." 🌈

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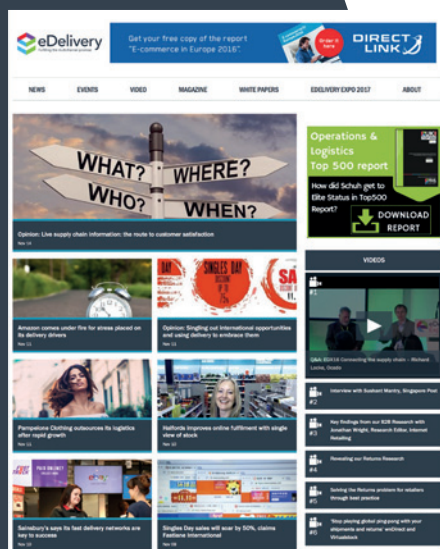
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Intelligently cutting through the noise

How can personalisation help during the busy peak trading period when loyal customers are buying outside of their usual purchasing patterns and new shoppers continue to browse? *Emma Herrod* investigates.

MANY ASPECTS of locking down and planning for peak follow a programme of testing: can we handle the throughput, what level of stock is needed at which location, do we have enough capacity booked with carriers? Personalisation at peak, however, is a year-long process which doesn't have an end point. It's something that runs constantly and enables retailers to be ready for peak with a better understanding of their customers while delivering a relevant customer experience and keeping the brand front of mind in the crucial run up to the holiday spending season.

The benefits of adopting personalisation on a website have been proven time and again as relevant content and products are served to individual browsers thus giving shoppers a better experience online and increasing ROI for the retailer. Farfetch, for example, increased conversion by 125% when it started combining advanced personalisation with flexible business rules. However, expanding the use of personalisation from a single channel into multiple channels or an omnichannel business model is much more complicated and still in its infancy – especially when running it in real time.

Segmentation is powerful but it's a manual process. "It's manageable in a single channel but segmentation is not scalable across channels," says Mike Harris, SVP & GM EMEA, Monetate. "That can only be done through automation," he adds, explaining how if retailers want to deliver relevant content across desktop, mobile or mobile app then machine learning and artificial intelligence will be key.

MACHINE LEARNING AT PEAK

Where traditionally marketing would have locked shoppers into certain segmentation groups in September or early October with plans put in place around what to serve to different segments, there is always a risk

that it may or may not be right for the actual behaviour. "You are putting people into buckets before you've even seen them. If you get the segmentation wrong it will impact your performance over that time," says Harris.

As Steven Ledgerwood, Managing Director UK, Emarsys points out, retailers need flexibility or a solution which provides relevant content to customers to get the desired result rather than having to stick fixedly to a plan set and approved earlier in the year. Retailers need the agility to be able to change promotions without changing code, data transfer or website updates that may upset a platform. This is the core reason why solutions are integrated pre-peak.

With automation, the right promotional criteria or content can be set by each customer's lifecycle stage and engagement with the brand in the past few months so marketers can focus on the strategic aspects that are relevant for certain segments rather than manually uploading creatives.

Harris believes that machine learning gives insurance since it continues to learn as shopper behaviour changes during peak season with old habits giving way to new information as they continue with their Christmas shopping. As everyone returns to more normal shopping patterns in the new year, the peak behaviour becomes the old data and learning so is discarded in favour of newer data. "Machine learning is constantly in a state of exploration and exploitation, constantly exploring what behaviour is driving successful decisions," says Harris. Thus the retailer is always up-to-date with the shopper and able to offer the best option in real time, every time.

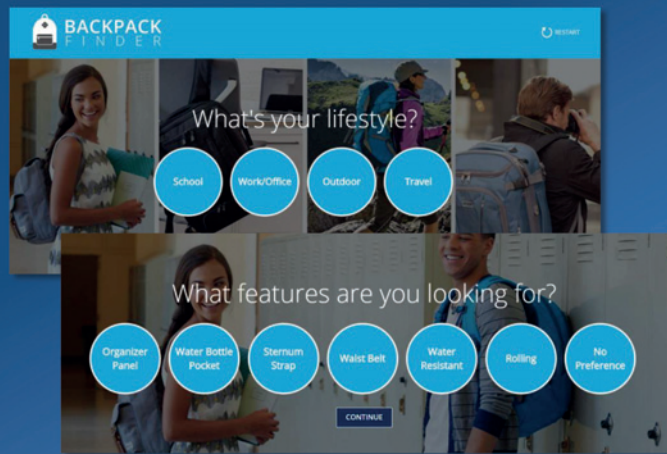
He explains that the fast moving and high volume nature of peak is ideally suited to a machine learning type approach. "Irrespective of vendor, machine learning will understand and capture the benefits of what's happening amongst your clients during that critical period," he says.

“Farfetch increased conversion by 125% when it started combining advanced personalisation with flexible business rules”

eBags Current Web Personalization

Product Finder (Backpack Finder)

- Navigation and search through alternate ways of “filtering” by persona or lifestyle
- Gamification of search process
- Easy product findability
- Increased shopper engagement



Meyar Sheik, CEO, Certona agrees that machine learning enables retailers to give the best experience to shoppers in real time.

A good experience requires attention to be paid to what the shopper or browser is doing right now, understanding their characteristics and signals from the past along with current needs and intent to suggest the right product or merchandise. Machine learning will allow one-to-one profiling, adapting and reacting click-by-click to each interaction on the fly. However, it's challenging to do one-to-one personalisation during peak unless the shopper is buying from a company they purchase from at other times such as from a fashion retailer which knows their favourite brands and size.

Shopper psychology is different in Christmas present buying journeys and it will be more constructive if a retailer helps shoppers to find what they want faster and with less friction, offering similar choices and alternatives to items that are out-of-stock so that shoppers have a friction-free purchasing experience enabling them to tick people off their gift-buying list and move on.

“There isn't very much history if you are buying random gifts,” says Sheik. “There lies the big challenge for any kind of personalisation in the holiday season unless you are shopping for yourself or someone you shop for throughout the year.”

The data to build predictive models is sparse. A retailer can still use a customer's profile to influence the discovery examples such as the price points and brands usually purchased in order to suggest gifts that are comparable. Other signals such as time of day and type of device can also be used to differentiate, but it's the products and merchandise that are being looked at that inform the context of shopping journeys the most, explains Sheik.

Therefore, data and machine learning can be better utilised to offer inspiration through associations between products rather than between people and products. Shopping for yourself is going to be far more personalised than if the shopper is buying a present for someone else.

“Retargeting is also very effective at this time of year in some cases resulting in a 20-25% recovery rate from emails. If you can keep 1 out of 5 abandoners on your site that's a really meaningful conversion and revenue,” says Sheik.

Personalisation at peak therefore is about inspiring shoppers with the right product or promotion at the right time and giving a friction-free experience. Retailers need to be smart with personalisation and retargeting so that if someone has browsed your site and left they come back and make a purchase rather than going to a competitor. ▶

RETAILERS RESPOND

International retailer of travel products eBags.com began using personalisation in 2007. The company has since seen click through rates increase by 49% by making product recommendations more prominent on product pages and has increased recommendation revenue by 23%. Its website was updated recently to make better use of customers' browse and purchase history for recommendations and to reduce clicks for product discovery as well as to personalise categories and content shown on the homepage. The new site also leverages browse and search behaviour to show product recommendations as part of site search results.

Meanwhile, BrandAlley, the gated retailer of brands' excess stock, uses personalisation in its communications with existing customers and in the acquisition of new ones. Specific customer segments are targeted by email ahead of new brand sales – of which it runs between five and seven each day. Some sales are open to loyal or high spending customers ahead of being opened to the general membership – such as a Karen Millen sale which was closely targeted to 26,000 BrandAlley customers resulting in a 36.5% click through rate with 10% conversion rate. "Normally our purchase rates on a large email would be in the region of 2-2.5% but this one was more than 4 times that," says Rob Feldman, CEO, BrandAlley.

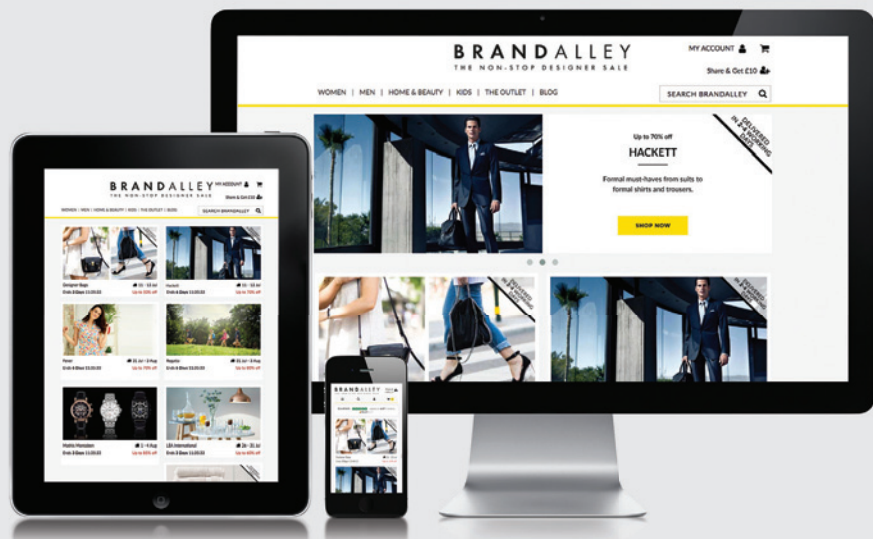
He explains that to get a 10% purchase rate, you need to have very good product at the right price. It isn't just the Artificial Intelligence-led personalisation leading to the good results because "it doesn't work unless you have great product that people want but if you do have the product you can use the system to gain a very strong result."

BrandAlley uses personalisation to target new lookalike customers for other sales, such as targeting Hugo Boss purchasers ahead of a Hackett London sale. Shoppers are also retargeted after abandoning baskets or brand sales with these emails "doubling conversion" according to Feldman. "We've had good success with Facebook retargeting," he adds.

The Emarsys platform used by BrandAlley has been learning quickly what does and doesn't work for its customers and will suggest segments based on what the marketing team is doing on the system and recommend a targeting strategy based on past results. "My team use the AI as well as using their knowledge of the brands we have coming up and what we know about our members and our customers," says Feldman.

BrandAlley has seen revenue growth of 35-40% every month since starting to work with personalisation nine months ago. Good product and brands along with good operations and customer services have aided this growth along with the better targeted emails and Facebook, explains Feldman.

While its peak season is not as marked as some other retailers, Q4 still accounts for 35% of its turnover with November seeing higher levels of traffic, gift-oriented sales and an increase of 10-15% in unique visitors.



Personalisation is still at a nascent stage and AI is subservient to personalisation. AI can help to bring together the different data sources, signals that are explicitly coming from the shopper, those that are implicitly inferred by AI or machine learning, third party signals such as understanding where a shopper lives and their average income and education level. It's bringing together all of these different data points and putting the right weight and context on each of them in that moment to see which one of these signals is more important right now rather than having a one size fits all predictive model that doesn't change and is static which is historically how systems have worked. The

world is a lot more dynamic and AI can help navigate in real time at the individual level for each shopper.

Christmas brings the chance to gather more data on shoppers. The more complex the shopping journey with multiple devices, social media signals, stores, contact centres, clientelling apps, AI can be used later to stitch together a better, smarter profile of each individual shopper and take the experience to the next level. That calls for marketers to better understand what they are getting from the AI data they've accumulated and to get better at understanding what needs to be input into the machine to get the desired results. 🌈

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Boots: Gearing up for Christmas

Paul Dunne, Supply Chain Director for Boots, spoke to Emma Herrod about how the retailer plans for peak.



Paul Dunne,
Supply Chain Director, Boots

CHRISTMAS IS one of the biggest sales periods for Boots UK, when its 2,500 stores become a buzz of activity with shoppers stocking up on gifts, seasonal essentials and the company's famous three for two health and beauty gifting offer. Supply Chain becomes the focus, as efficiency in making sure Boots' customers have access to the right products at the right time in any store across the UK is at the heart of a successful Christmas.

Boots operates a dedicated distribution centre (DC) in Burton-on-Trent for its ecommerce operation and Christmas gifting lines. From this 450,000sq ft facility, all orders for home delivery and online orders for collection in store are fulfilled. The company utilises the store replenishment network as well as the partner network of Alliance Healthcare to deliver orders into the 2,500 shops daily. The click and collect orders are shipped from Burton-on-Trent and then cross-docked in one of 15 centres across the country which combines the pharmacy and retail orders maximising delivery efficiency and reducing disruption at the stores.

The supply team is embedded into ecommerce so that they form part of the overall operation explains Paul Dunne, Supply Chain Director at Boots. It's "in the spirit of omnichannel," he says. "The reason we set it up that way was to give a consistent Boots

experience regardless of how customers interact with the brand".

It is also good from a skills point-of-view since it gives training and work enrichment as well as feeding a dotcom perspective into the wider Boots business.

PLANNING FOR PEAK

The process of planning for peak can start up to three years ahead of time with a continual review of systems and warehouse architecture already looking to peak 2020. Commercially, the buying team plans products and packaging specifications 12 months in advance. The team works closely with Walgreens in the US in order to maximise buying of the gifts lines for the wider group which sources gifting globally.

As the Christmas season comes to a close, around the second week of January, the business can start the supply chain planning for that year's peak season. This means it has the best and earliest view of volumes, pattern of demand and how the business coped with any challenges. This then feeds into planning sessions with partners such as carriers and internal teams.

With a good understanding of the commercial plans, operations plans start to be firmed up and refined from early July and throughout the summer. "This is when we're at our clearest point both commercially and

operationally," says Dunne, but he can't stress enough how peak is always moving and that Boots has to remain reactive to customer behaviour, demand and product mix. "Whilst the core plan is reasonably clear at the end of July, around 20% of it is always flexible and can be tweaked," he says.

This necessary flexibility and agility is managed through manpower in the DC, rather than the automated aspects of the warehouse, and is why the operations side of the business doesn't need to lock down completely. "It's a highly fluid time of year and we see different dynamics coming through every year," says Dunne.

Boots recruits 1,500 seasonal workers at the DC over the peak period and that number can be flexed up and down as needs be. The company can call on additional capacity from within the Alliance Health Network too. "We try to get the best possible read on what's going to happen through joint collaboration with the trading teams and then during the peak season we have very regular trading and operations sessions which monitor by day what's happening and what changes we plan to make in response to what's happening from an operational and trading point of view and we stay close to that," says Dunne.

He also explains that it helps that the trading team has a very good awareness of what can be achieved operationally and that they can stay agile during the peak period.

While all of the warehouse doesn't lock down for peak, IT systems will lock down by September with a moratorium taking place over the peak season so that no more live changes take place.

Volume testing is carried on the automated parts of the warehouse with peak output replicated through the system at certain times of the day in accordance with a testing programme. Over the summer, Boots pressure tests the automation, the conveyors and the engineering team in order to try and replicate the predicted capacity. "You can't replicate having a couple of thousand people in the building but you can test the equipment," says Dunne.

The supply team works closely with the store team as well in order to help with the amount of storage needed in each individual shop, the level of parcel deliveries and what storage and stock management will look like in their store. This year, the retailer will be sending out some of the click

LESSONS FROM PEAK 2016

Part of the season's planning is reviewing the previous year's peak. Dunne says that shoppers' demand profile is changing when compared to the past three or four years. Consumers are shopping closer to Christmas, Black Friday is expanding beyond its 1 or 2 days and the post-Christmas demand is increasing too.


In 2016, the retailer started its Black Friday offers on the preceding Tuesday with some of the gifts such as fragrances selling "very well". Overall, Boots received eighty orders every minute on boots.com over Black Friday, and sales through mobile grew by more than a third year-on-year. "It's one of the biggest days," says Dunne.

From an operational aspect, that relates to four times the number of people in the warehouse over the peak period than normal trading times with the Burton-on-Trent warehouse holding the 1,500 Xmas lines in addition to the usual products it fulfils. These lines are filled and replenished seven times over the peak period.

and collect orders in bags rather than boxes following feedback from customers and stores.

Dunne believes that collaboration and coordination between supply chain and trading teams well in advance of peak is the one critical point for a successful season. "It's beyond forecasting. Forecasting is clearly important, but planning for a degree of flexibility going into a season, and having an agile supply

chain is important, but the degree in which you plan in advance will help to utilise that agility in the best possible way for the customer," he says.

He adds: "How well you are embedded, how well you understand each other's operations and each other's challenges can only make for better coordination and execution during that peak period. And not leaving it too late." 





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

OCADO COMPLETES AUTONOMOUS VEHICLE TRIALS

Ocado has completed the UK's first trials of an autonomous CargoPod delivery in Greenwich in London. The trials have seen the self-driving delivery van delivering grocery orders to over one hundred customers in the Berkeley Homes, Royal Arsenal Riverside development in the Royal Borough of Greenwich.

The trial was part of the GATEway Project (Greenwich Automated Transport Environment) a research programme led by TRL and funded by UK government and industry which aims to demonstrate the use of autonomous vehicles for last mile deliveries and mobility.

The CargoPod vehicle was developed by Oxbotica as part of the GATEway project. The trial aims to explore the public's perceptions and understanding of driverless delivery vehicles. Ocado Technology is using the trials to explore the

logistics and practicalities of using self-driving vehicles as part of the last mile offering for the Ocado Smart Platform.

David Sharp, head of 10x department at Ocado Technology, said: "Ocado Technology is delighted to have worked in partnership with the GATEway Project to complete a very successful grocery delivery trial using driverless vehicles. This project is part of the on-going journey to be at the edge of what is practical and offer our Ocado Smart Platform customers new and exciting solutions for last mile deliveries."

Graeme Smith, CEO of Oxbotica, said last mile delivery was a growing challenge as cities become denser and more congested. "In this new project, we are working closely with Ocado Technology to deploy our Selenium autonomy system into a novel last-mile delivery application in Greenwich as a part of the GATEway project," he said.

TESCO TAKES ON AMAZON

Tesco officially launched its one-hour grocery delivery service in central London at the end of June in a move many see as a rival to Amazon.

Customers in selected central London postcodes can order up to 20 items from a range of 1,000 products that include fresh fruit and vegetables, meat, bakery goods and dairy, as well as pet, baby, health and beauty products.

The orders are placed via the company's Tesco Now app and are picked and packed from a store close to the customer and delivered via moped within the hour. Customers are also able to use the app to track the progress of the delivery.

The service, which is available between 8am until 11pm on weekdays and 9am until 11pm at weekends, costs £7.99 with no minimum spend. A two-hour delivery option, priced at £5.99 is also available.

Adrian Letts, online managing director at Tesco, said the new service was in response to customer demand. "Shoppers' needs are changing and we want to offer a range of services that allow them to shop with us in a way that suits their needs. We look forward to hearing what they think of the new service," he said.

Tesco already offers same day delivery and same day click and collect for customers in London. The retailer is using fulfilment specialist Quiqup as its partner in the venture.

Meanwhile, 21 June saw a partial collapse of Tesco's grocery home delivery system as up to 10% of customer orders – equating to thousands of orders in real numbers – had been cancelled following a computer glitch.

NEXT OVERHAULS TWO-MAN DELIVERY

Fashion and homewares retailer Next has chosen Paragon HDX to help to improve its two-man home delivery operation. The use of the modular software system will allow the retailer to improve its customer experience and better control costs by using the company's intelligent route planning to provide tighter delivery windows at the point of order.

The system will allow the retailer to better manage more than 100 third-party delivery vehicles that operate from a number of locations around the country.

The modules available within Paragon HDX will also allow Next better visibility and control over all aspects of last mile order fulfilment, says Paragon. This includes functionality such as customer self-service and notifications, consignment tracking and proof of delivery.

"Over the course of 2016-17 we have continued to invest in our logistics infrastructure to improve the delivery services we offer our customers," said Simon Kelly, Director of Logistics at Next. "As well as developing a new automated furniture warehouse, we recognised the need to update our omnichannel order fulfilment systems for our two-man home delivery operation. Following a competitive tender process we decided that Paragon HDX was the solution that would best meet our objectives, and allow us to offer our customers the most flexible delivery choices in the most cost-effective manner."

M&S PARTNERS WITH DROPIT FOR NEW LONDON SERVICE

Marks & Spencer has partnered with first-mile logistics solutions provider Dropit to offer new services for two of its London stores on Oxford Street. The offering integrates with the existing local courier network, allowing customers to drop multiple bags in multiple shops that are combined into one affordable delivery.

To launch the partnership, Dropit is running a campaign whereby shoppers in London's West End who purchase a Dropit day pass for £10 will receive a £20 voucher to spend in the two partnered Marks & Spencer stores on Oxford Street.

Peter Line, Head of Retail Operations at M&S said: "At M&S we put the customer at the heart of everything we do – from our innovative food and quality clothing products, to the services we offer in-store and online. We're pleased to be able to improve the customer experience at two of our biggest stores by working in partnership with Dropit."

The Dropit service originally launched with a pilot on Regent Street in 2015 and now has more than 10,000 users and 30 employees and operates in London's West End. Dropit's partner stores include: Liberty London, GAP, Uniqlo, Superdry, G-Star, RAW, Urban Outfitters, Stuart Weitzman, Michael Kors, Anthropologie, French Connection, Coach, Hanro, Lacoste, lululemon, Moss Bros, Karen Millen, River Island, Wolford, Pinko, Stefanel, Catimini, AQ/AQ and Nickelodeon.

ONLINE NOT FUELLING SURGE IN VANS

The huge growth in UK van numbers is not being driven by people turning to online shopping. While there are now at least 3.7 million vans on the road, fewer than one in 25 (4%) are involved in delivering orders to consumers and businesses.

Analysis for the RAC Foundation suggests that in 2016, 2.7 billion packages were delivered in the UK. Around 1.8 billion of these were B2C deliveries, the vast majority of which will have been the result of online shopping. A further 700 million or so packages were delivered on a business-to-business (B2B) basis. The balance will have been deliveries sent by consumers to other consumers or business: (C2X) deliveries.

While only 4% of vans will be involved in parcel delivery, they do account for a disproportionately high number of miles travelled; some 10% of all van mileage. This means that one in ten of the vans people encounter on the roads are engaged in parcel and packet deliveries, much of which is the result of ecommerce.

The work by Professor Alan Braithwaite of LCP Consulting says that the average UK household buys something online at least 2.5 times a month. But he also suggests that growth in online retailing might actually have helped limit total traffic growth as people use their cars less to get to the shops.

The report highlights data from the 2015 National Travel Survey which shows that in England since 2002: the number of personal shopping trips made by car has reduced by 14%; the distance travelled by car for personal shopping trips has reduced by 19%.

Looking ahead: B2C parcel volumes are growing at 9% per annum though this is expected to fall to 6% over the next four years. Also, the rate of growth in B2C parcel volumes is less than the growth of the online retail market which is growing at 10-12% per annum. This is likely to be due to the increased use of click and collect.

AO OUTLINES OPS AND LOGISTICS

European online electricals retailer AO has outlined the importance of its logistics and delivery operations as it announced its full year results.

The company is focussing on European growth and has opened Berghem, a regional distribution centre and head office which will service the company's European operations and allow it to drive further growth. The facility will specifically serve Germany and the Netherlands and became fully operational last September. With 35,000sq m of warehouse space, the unit allows AO to improve product

availability and promote brand awareness. It is five times the size of the company's previous facility.

AO has also partnered with third-party logistics firms in Europe to better serve customers in more remote areas, whilst also reducing delivery costs it said.

In the UK, AO said it is working hard on one of its key goals – increasing customer awareness – partly through increasing its level of branding on its 3.5 tonne delivery truck fleet, a process that began towards the end of 2016.

The last year has also seen the company add two additional outbases to its UK logistics infrastructure – one in Slough and the other in Dundee. "This will help ensure resilience in our delivery network and maintain market-leading product availability for customers, whilst reducing stem mileage and improving efficiencies in our logistics," said the retailer.



Insight around the world



DON ZHAO, CO-FOUNDER, AZOYA

Friday 11 November 2016 was the day when shopping became entertainment. Alibaba stole the show with a glitzy, televised countdown gala that included celebrity appearances and an eight-hour live fashion show. The hype paid off and Singles Day 2016 officially became the world's top-grossing online shopping holiday, with consumers spending nearly £14bn in 24 hours on every type of bargain, from designer handbags to a year's supply of toilet paper.

The shopping frenzy wasn't just a domestic affair either – a third of Alibaba's sales were from global brands. The appetite for Western goods remains strong and the market is also expanding as it responds to the evolving tastes of an increasingly discerning consumer. The Chinese government seems to be softening its stance towards overseas ecommerce retailers too, making 11/11/17 a key date for UK retailers.

There are multiple ways to sell to China on Singles Day. It is possible for a retailer just to use its UK website, though this would require setting up suitable logistics and payment solutions. And that still leaves the challenge of attracting Chinese customers in the first place. Unless you are already well-known, realistically it's a waste of time. Shoppers will never find you.

An alternative is to enter the almighty Chinese online marketplace, but the drawback is that you will be competing against tens of

thousands of other brands. Many overseas retailers and brands, such as Burberry, Coach, Dior, Cartier, Feelunique and GetTheLabel prefer to take control of their operations and create their own, distinctive online presence through their own WeChat store or Chinese website.

With so many bargains to bag, why should anyone spend time on your site? Ecommerce giants will dominate TV and web advertising so retailers are better served by using a variety of platforms and marketing techniques; ideally launching warm-up campaigns up to three weeks ahead to encourage shoppers to add products to their basket in advance.

WeChat remains the dominant channel, with the latest figures from Statista showing that 889 million Chinese people are now using it regularly. Key online influencers (KOLs) such as celebrities and experts continue to wield a lot of sway with consumers too. The key is to be creative. The Chinese love gimmicks, so, for example, why not create mini games around your brand that are engaging enough for people to want to play, share and, most importantly, encourage them to purchase your products.

Despite Alibaba's hype about Buy+, the VR technology it launched on 2016's Singles Day, VR is not yet a practical application for retail use. By contrast, livestream is now mainstream. Technological advances mean it is now more interactive and customers can even click and buy a product directly from a live video.

Mobile purchases accounted for 82% of Singles Day sales last year and this could rise in 2017, especially as 11/11 falls on a Saturday when people are going to be shopping on the go rather than via desktop devices. So make sure your site is optimised.

Cosmetics, toiletries, mother and baby items and supplements remain top sellers. There's also an emerging trend among the Chinese middle class for health and fitness, with activewear being worn as everyday clothing too. 'Athleisure' is a growth area with huge potential for UK retailers.

In March, the government confirmed that all cross-border ecommerce imports would now be categorised as 'personal articles' and not commercial imports. This is good news for UK retailers and will both speed up and simplify shipping, as well as reduce costs.

Singles Day brings with it huge pressures on logistics and retailers need to be prepared. Taking on more part-time staff in your Chinese warehouse can increase efficiency or, ideally, implement time-saving automated systems.

11/11 is a tempting proposition for UK retailers, but they should ultimately view it as an opportunity to raise brand awareness for the long term. Get set for Singles Day but don't overlook the opportunities from other peak trading periods such as Black Friday, Cyber Monday and Christmas which are also becoming increasingly popular in China.

DOREEN WANG, GLOBAL HEAD OF BRANDZ, KANTAR MILLWARD BROWN

Online retail giants including Amazon and Alibaba continue to challenge traditional retailers such as Tesco, Ikea, Carrefour, Walmart and Aldi as the most valuable brands in the world. Amazon has retained its top spot as the most valuable global retail brand in the 2017 BrandZ Top100 ranking by WPP and Kantar Millward Brown. The brand was also the fastest-growing performer in the Top20, up +41% \$40.1bn (£31.41bn), year-on-year, thanks to its continuing innovation including initiatives in physical retailing, the most recent of which includes its purchase of Whole Foods.

The opportunities presented by bricks and mortar have also been seized by Alibaba, China's ecommerce leader, which retained its no.2 spot in the retail listing with a brand value of \$59.1bn (£46.3bn). The company entered a partnership with Bailian Group, which operates almost 5,000 stores in China. The move also expands the group's ecosystem, enabling Alibaba to link its online ecommerce platforms, Tmall and Taobao, and its Alipay payment function, with Bailian.

Alibaba is also building a global footprint and is now a leading automotive seller in Russia, according to Kantar Retail, and is investigating the establishment of a logistics centre in Bulgaria, and a distribution centre in Croatia.

China's expertise in ecommerce is also reflected by the presence of JD.com, in the retail Top 10 for the

first time, with a brand value \$10.7bn (£8.38bn), up +3%. JD.com has established a partnership with Walmart, giving it additional scale.

The success of the ecommerce giants helped retail become the fastest-growing sector in this year's overall BrandZ ranking, up +14% from 2016. It's a long-term trend with the brand value of ecommerce players collectively rising by more than +380% in the last 12-years, while traditional retailers have

lost -23% of their value overall.

The pace of retail was always fast and furious but in the 12 years since the BrandZ rankings began, the rules of the game have radically changed. Walmart has been overtaken as the world's most valuable retail brand by Amazon and two Chinese ecommerce brands are in the Top 10. The Top 10 ranking is as follows: Amazon, Alibaba, The Home Depot, Walmart, Ikea, Costco, Lowe's, eBay, Aldi and JD.com.

THE BRANDZ TOP 20 MOST VALUABLE RETAIL BRANDS 2017

Rank 2017	Brand	Brand value 2017 (\$M)	Brand value change	Rank 2016	Rank in global Top 100
1	Amazon	139,286	41%	1	4
2	Alibaba	59,127	20%	2	14
3	The Home Depot	40,327	11%	3	24
4	Walmart	27,934	2%	4	31
5	Ikea	18,944	5%	5	53
6	Costco	16,257	12%	6	68
7	Lowe's	13,375	3%	7	82
8	Ebay	12,365	7%	10	86
9	ALDI	12,273	2%	8	89
10	JD.com	10,768	3%	11	-
11	Walgreens	10,121	-2%	12	-
12	CVS	9,733	-19%	9	-
13	7-eleven	9,144	-2%	13	-
14	Target	8,660	-7%	14	-
15	Tesco	8,041	-10%	15	-
16	Lidl	7,193	5%	19	-
17	Carrefour	6,809	-12%	17	-
18	Woolworths	6,549	-12%	18	-
19	Kroger	6,493	-18%	16	-
20	Coles	5,449	N/A	New	-

Previewing the InternetRetailing Conference

The InternetRetailing Conference is taking place in London on 5 October.

Emma Herrod shares a preview of the event.

THE TWELFTH InternetRetailing Conference (IRC) is focusing on Energising Retail as it gives a platform providing inspiration for creative retailers to discuss how the industry can meet the needs of the modern consumer.

This year, IRC will shake the industry and question well established retail concepts; equipping digital leaders with a platform to learn, network and continue developing their digital retail and multichannel strategies. A steady stream of technological possibilities and strategic options present opportunities to fulfil customer expectations and requirements. The question is, who will meet modern consumer demand, and how?

In order to create a fully functional and successful retail machine there is no doubt that strategy between retail marketing professionals and fulfilment must be aligned. Both arms need to work in harmony and overcome their challenges together.

The industry is still hungry to improve and provide fulfilment strategies that satisfy the modern consumer. Performance is transparent, and competition is fierce, so what adjustments are retailers implementing in their strategies in order to keep pace? eDelivery aims to uncover the practical and operational steps in realising these ambitions and for this reason the eDelivery Conference (EDC) is being brought together with IRC to allow both sectors to interact, debate and discuss the most pertinent issues their job roles demand. The formula is to reflect the board-level conversation in progressive multichannel retailers, and work across

silos and role types to understand how to engage commercially with the connected customer.

The IRC and EDC conferences will bring together UK and European Top 500 multichannel retailers to share insight into how they are running their businesses to meet the needs of today's consumers online, on mobile, in store and across all touchpoints. The interactive and networking-rich formats offer excellent opportunities to mix with and learn from peers. Presentations will be given by professionals who have led and delivered significant projects for globally-renowned retailers, brands and services with speakers focusing on what they've done, what they're doing, and how they assess the results.

OPENING PLENARIES

Reflecting the state of the industry, the opening debates aim to clarify exactly what the modern landscape is. How have consumers evolved in terms of their expectations and demands and how can retailers respond profitably? The plenary session also explores the possibilities in new talent and working methodology. What is the perfect blend of age and experience, and how can traditional labour be reconciled with new opportunities in technology?

Plenaries to look out for include:

- The modern consumer demands a modern approach to ecommerce. What defines the new modern? How are innovative retailers keeping pace?
- New talent brings new opportunities. How are the leading retailers attracting and retaining the next generation of thought leaders?

FOUR STREAMS

The InternetRetailing Conference then focuses on four streams of activity. The consumer's profile has never been more complex (partially due to the industry's strengthened ability to analyse the modern consumer). Retailers are also aware that the consumer has more and more possibilities at their fingertips. They can behave instinctually; they may be impulsive, or react predictably to well placed online presentations. But always, the reaction is a direct consequence to the consumer's personality profile and cultural exposure. To address this challenge, IRC is effectively looking at consumer analysis and profiling, internationalisation and the successful management and integration of new technologies and working methodologies.

The 'Analyse and Conquer' conference stream will focus on customer understanding and satisfaction. In this stream, speakers – including Giles Delafeld, Global CIO, Clarks who will speak on 'Winning the next generation of buyers & understanding millennial trends' – will not only explore current analytical processes but also expand on traditional customer analysis by discussing holistic approaches to consumer understanding.

Relevant advances in technology including AI, big data, and machine learning will be incorporated into discussions. How is big data being managed and converted into new marketing strategies? How can new technologies better serve both the retailer's understanding of their market as well as the delivery of customers' expectations?



A very good, concentrated, intense day of best practice... brilliant that it's in one day, brilliant that it's in a single venue and a good opportunity to meet with senior people from very good retail organisations ”

Sean McKee, Head of eCommerce/CS, Schuh

Topics discussed during the day include:

- Innovative consumer profiling, building loyalty and retention through effective consumer analysis;
- Winning the next generation of buyers and understanding millennial trends;
- Turning consumer data into highly successful marketing campaigns;
- Selecting appropriate technologies to advance consumer understanding and subsequent customer service.

Smart growth into international markets is the focus for the 'Adapt and Expand' conference stream. Internationalisation (and the coping mechanisms in order to deal with this challenge effectively) is a major concern for many retailers. To succeed over multiple markets, companies must prove themselves to be adaptive in the process; adaptive in terms of their resources, staffing strategy, contingency and preparedness for unexpected challenges.

Topics in the 'Adapt and Expand' conference stream include:

- Defining action points and strategies that satisfy future Brexit restrictions and challenges;
- How to develop digital agility in order to structure and accelerate international business;
- Coping with nuances in different international markets whilst sustaining operational efficiency;
- SEO & maintaining high hit rates when entering new markets.

The 'Create and Innovate' stream focuses on managing competition and new trends. Competition is vicious and the volume of opportunities for the consumer is huge, so how does a company cut through this and win the modern consumer over? This stream will explore

some of the most exciting and innovative case studies of how the leading internet retailers are able to stand out from the crowd; proving themselves adaptive, and forward thinking.

Additionally, which retailers are leading, responding or following the technology opportunities? Most importantly how are these 'pioneers' incorporating technological advancements and with what results? What are the processes of decision-making leading up to such changes?

Topics will include:

- Online shopping in tomorrow's world: How will technology give the consumer greater options in search & buying strategies?
- Encouraging a creative culture in marketing that feeds through into successful marketing campaigns;
- Building in-house teams of technology experts to carry your organisation into the future;
- How retailers have successfully adopted a new technology or innovation that has markedly improved their bottom line;
- How the retail sector will change in the next ten years? How can retailers brace themselves and be


prepared so to keep pace in a highly competitive industry?

The fourth stream looks at defining operational efficiencies that match modern consumer demands. Never has operational performance been more scrutinised. Consumers expect seamless delivery on their terms. How can this be enacted in a profitable and efficient fashion? How are working techniques and strategies amended across international borders? Ultimately how is an adaptive and coherent model of operating developed that suits specifically your company profile?

Topics will include:

- The next generation;
- Labour versus technology;
- International cross border, transportation cost and capacity;
- Returns strategy, customer satisfaction, and reputation in delivery.

Speakers in this 'Stand Up & Deliver' stream include Philip Green, CFO, Deliveroo.

Internetretailingconference.com is the place to visit for further information on the conferences and to register for your delegate pass. 

The InternetRetailing Conference and eDelivery Conference are running simultaneously on 5 October at the Novotel, Hammersmith, London. One pass gives entry to both events with speakers including: Giles Delafeld, Global CIO, Clarks; Bill Hopkins, Executive Director of Operations & Logistics, Trainline; Philip Driver, Head of ecommerce EMEA, Canon Europe; Regis Koenig, Director of Customer Services, Darty; Cenk Dumlupinar, CEO, Everything5pounds; Gabrielle O'Hare, Founder, Digivoxx; Dave Elston, Digital Director, European Region, Clarks; Richard Barnes, CEO, Select Research; Johan Riis Johansen, Head of Ecommerce Services, Coop Denmark; Alessandro DiLorenzo, CCO, lastminute.com; Philip Green, CFO, Deliveroo; Daniel Infanger, Vice President International B2C - Conrad Electronic International; Robert Sztipity, CEO, ShopBuilder Sport Supplements; Jim Butler, Head of Global Web Sales, Games Workshop; Kieron Smith, Digital Director, Blackwell's Books; Andy Ellis, ex EVP Supply Chain, Walmart Canada & Asda; Paul Harvey, Head of Retail, Newton; Robert Kulawik, COO, Everything5pounds and Sara Prowse, CEO, Hotter. Register at www.internetretailingconference.com

Takeaways from the InternetRetailing Summit

Chloe Rigby, Editor, InternetRetailing.net shares some of the themes to emerge from this year's InternetRetailing Summit.

SENIOR RETAILERS from across Europe gathered at this year's InternetRetailing Summit in Berlin at the beginning of July to discuss and share their experiences, challenges and solutions with others from across the continent.

The event opened with a leadership debate on the seamless customer experience. One speaker, from the French retail industry, said: "Seamlessness is hard to define – but we should be aiming to improve every day."

A discussion on innovation considered the key game changers to have emerged from the industry in recent years and asked what innovations retailers would like to see in coming years. Delegates variously suggested improvements to make delivery even quicker and faster, personalised product discovery, made possible through machine learning, as well as making it simpler to pay.

With the event taking place under the Chatham House Rule, delegates were free to discuss issues that affected them most, and benefit from the experience of others at the event. Presentations and debates focused on the six Performance Dimensions of Internet Retailing's IRUK and IREU Top 500 research. The key themes that emerged from the Summit follow:

Operations & Logistics:

Convenience, said one speaker, is driving the development of fulfilment. It's all about choice through click and collect, home delivery and other options since that reflects "what's most convenient for me" at any moment, as well as the difference between different shopping missions. Issues here, said one delegate, include

introducing a process to refund the 15% of click and collect orders that are paid for but not collected.

The Customer: What do we mean by the seamless customer experience – the aim of multichannel retailers? This was the starting question for one leadership panel. One speaker said their organisation had added video to parcel tracking so that shoppers could see where their delivery was, while another shared how they had taken some administrative tasks overnight so that it could create 24-hour availability in its contact centre. Others said that a seamless customer experience rests on a single customer view. The channel for multichannel retailers "is to remain agile, being connected and disconnected at the same time in order to make changes."


Strategy & Innovation: Strategic planning in retail usefully reflects demand from customers, said one speaker. Research shows that the next generation of customers want to have physical contact with the store, said another, while another delegate said that younger shoppers were keen to feel part of a community, and were happy to join in by submitting videos to their retail brand for sharing on the website. How artificial intelligence could be used most effectively in retail was also discussed.

One speaker said that innovation had to be "part and parcel of the culture" – and maintaining that is about expecting new approaches and thinking. It's about building credibility through success cases, that lead to efficiency, savings and enable understanding of the shopper experience. Even failed projects can bring lots of learnings and innovation. "It's about restarting the innovation muscle," one delegate said.

Mobile & Multichannel: One speaker said their business had seen a significant trend among mobile app users: they tended to spend more on an individual product but to have less items in the basket. Another speaker said it was seeing around 70% of customers now choosing to visit its website via mobile devices. But conversion was typically a half or a third of that on desktop. Boosting mobile conversion was a priority. The speaker said their business was now "focusing on not waiting to check out" and "giving a sense of urgency" to the transaction.

Brand Engagement: How do brands best measure engagement with customers? one session at InternetRetailing Summit asked. Suggestions from delegates included measuring return on investment for customer engagement, measuring customer lifetime value and considering what investment was required in order to increase net promoter scores by one point – and whether the end would justify the means. Cutting the time taken to complete a shop, said one, was likely to lead to higher conversions.

Merchandising: Promotion, said one speaker, is at the heart of what customers now want, while reviews are also increasingly important: 65% of customers at this business looked at reviews before buying. Using data is about "making customers life simple," while machine learning is making it easier to search. Personalisation on the website and via emails was, said one delegate "the only way to keep relevant". At the same time, it's important to maintain core messages, said another.

Readers can find out more about this year's event and what was discussed at internetretailing.net 

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