



## OCADO: A TALE OF THREE STRATEGIES

James Matthews, Managing Director, General Merchandise, Ocado,  
on ambitions for growth as a retailer and as a technology company

### INSIDE OUR 'CUSTOMER CONNECTION' EDITION:

- RETAIL REVIEW: ALDI P21
- WHY MERCHANDISERS HAVE TO CHANGE P38
- LONG LIVE THE STORE P50
- WHERE APPS & LOYALTY COLLIDE P54

NEXT FROM INTERNET RETAILING  
InternetRetailing Expo 27 & 28 April 2016

 **Internet Retailing**  
Expo 27-28 April 2016 NEC, Birmingham

Full details at [www.internetretailingexpo.com](http://www.internetretailingexpo.com)



# Internet Retailing Expo

Sponsored by: **SAP Anywhere**

27-28 April 2016 NEC, Birmingham

**OVER 300  
MULTICHANNEL  
EXHIBITORS**

**BOOK A 1-TO-1  
MEETING WITH AN  
EXHIBITOR**

## UK launch of **SAP Anywhere**

A powerful cloud-based software for SMEs to help capitalise on retail store sales, build an entire website or online store, create marketing campaigns, sell your product, manage your inventory and analyse business performance - all from a mobile device.  
**Try a demo at the show**

## 20 TRAINING WORKSHOPS

Just a sample of the hands-on practical sessions running at the show



**Revenue Rescue:  
Saving Sales When  
Shoppers Stray**



**Taming eBay  
in 2016**



**Social Shopping -  
Inspire, Influence  
and Shop**



**The Growth  
Strategy That's  
Being Ignored**



**How Gen M is  
Revolutionising  
Omnichannel Retail**

## 15 CONSULTATION CLINICS

**Book your 30 minute one-to-one sessions with our eCommerce experts.  
Just a sample of the on-site clinics**



**Award winning  
SEO, PPC, CRO &  
Analytics clinics**



**Brand Elevation  
for eCommerce  
Success**



**International  
Digital  
Marketing**



**Improve your  
organic search**

**8 CONFERENCES  
OVER 2 DAYS**

**DAY 1: APRIL 27**



**Connected store**



**International**



**Marketing**



**Mobile**



TITLE SPONSOR

**SAP Anywhere**

TRACK SPONSORS



**dotmailer**  
IMAGINATION...DELIVERED



**amazon payments**

TOP500 SPONSORS



**LogMeIn**



**Loviit**



**IBM**



**sovendus**  
our network is your success



**Akamai**

BAR SPONSOR

**JAMES  
AND  
JAMES**



OVER  
80  
SPEAKERS

Experience

PHILIPS

ENCLOTHED  
DELIVERING YOUR STYLE

halfords

Bonmarché

hmv

SAP Anywhere



Operations

John Lewis

fruugo

UKWA

WMG  
THE UNIVERSITY OF WARWICK

Alibaba.com

Panasonic



Fulfilment

ex-  
mothercare

Sainsbury's

NEW LOOK

ocado  
The online supermarket

SuperGroup.Plc

A SUIT THAT FITS



Merchandising

feelunique.com  
The Online Fashion Store

mySupermarket

Late  
Rooms  
.comSALLY  
BEAUTY

EUROSTAR

dressipi

DAY 2: APRIL 28

MARKETPLACES  
THEATRE

Marketplaces will account for 40% of global online retail by 2020.

Learn from industry experts in our open theatre on how to take advantage of this rapidly evolving channel.

In association with



## INNOVATION PAVILION

See the most innovative entrepreneurs in the country.



## IMRG LOUNGE

Benchmark your performance with others in the industry at the IMRG lounge.



## DIGITAL STORE

Discover the latest in the bricks meets clicks experience.



## JIANGSU PAVILION

Learn how to break into the biggest market place in the world.

Be social with us  
@etailexpo #IRX16

CO-LOCATED WITH:

eDelivery  
Expo  
Sponsored by:  
SAP Anywhere  
27 - 28 April 2016Discover the future of your  
multichannel operations

Home Delivery | Warehousing | Click &amp; Collect | Supply Chain

- 65% of consumers make additional purchases when picking up click &
- 1.4bn orders expected to be dispatched by UK online retailers in

www.edeliveryexpo.com

DIGITAL PAYMENTS  
THEATRE

We draw out the variety and commercial relevance of a broad swathe of new and enhanced areas, showcasing the opportunities to grow your business' scale and profitability.

*"IRX is a great opportunity to get out of the office and look at the world from a different perspective; whenever you're here you have thoughts that you wouldn't have in your day-to-day routine"*Jon Wragg, Director of  
E-commerce and Marketing,  
SupergroupIRUK TOP500  
LOUNGE

A special VIP lounge for the Top500 community to relax, meet, network and conduct meetings. Just some of the perks available to our Top500 community:

- Complimentary train travel
- Free car-parking
- Complimentary buffet lunch and refreshments
- Free Wifi and power sockets
- Private cloakroom
- Concierge service
- Exclusive invitation to Top500 cocktail party

Register free

www.internetretailingexpo.com

Register free

www.internetretailingexpo.com

See full session details on  
www.internetretailingexpo.com.  
Information correct at the time of print.

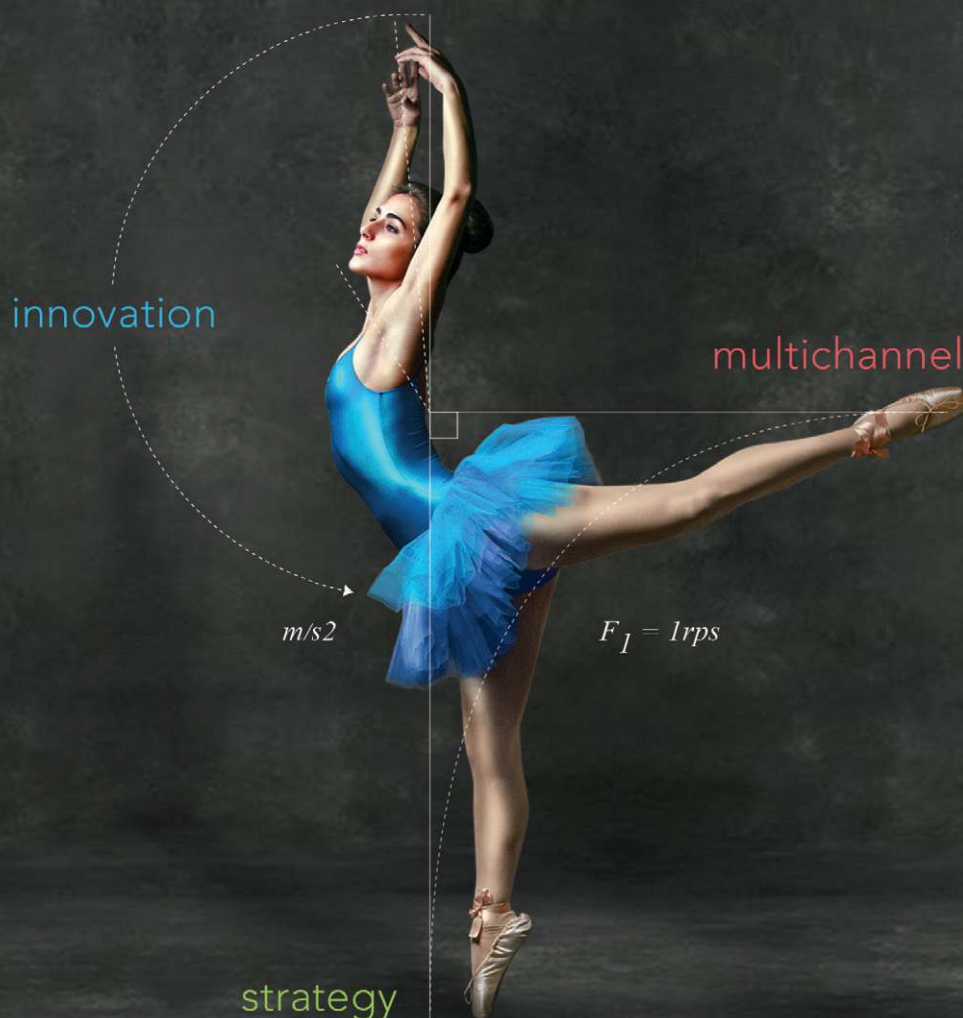


# Internet Retailing Expo

Sponsored by: **SAP Anywhere**

27 - 28 April 2016 NEC, Birmingham

## Balance the elements of your multichannel performance



Register free at : [www.internetretailingexpo.com](http://www.internetretailingexpo.com)

**MORE THAN 80 REASONS THAT MAKE THIS  
THE MUST-ATTEND MULTICHANNEL EVENT**

**LEARN MORE  
INSIDE....**



# Contents

ISSUE 57 | MARCH 2016

Editor: Emma Herrod Tel: 07801 282729  
E-mail: [press@internetretailing.net](mailto:press@internetretailing.net)  
Editor, InternetRetailing.net: Chloe Rigby  
Editor-in-chief: Ian Jindal  
Design: Alex Gold  
Publishing Director: Chris Cooke  
Group Account Director: Andy James  
Account Director: Marvin Roberts  
Tel: 020 7933 8999  
Fax: 020 7933 8998  
E-mail: [andy.james@internetretailing.net](mailto:andy.james@internetretailing.net)  
Cover photography: Spencer Cartwright  
020 8347 7692 [www.spencercartwright.co.uk](http://www.spencercartwright.co.uk)

Internet Retailing  
SJP Business Media Ltd,  
52-54 Gracechurch Street, London, EC3V 0EH  
Printed in Great Britain.  
ISSN 1759-0582



For subscription enquiries contact:  
SJP Business Media Ltd  
PO Box 6009, Thatcham, Berkshire, RG19 4TT  
Tel: 01635 879361  
Email: [internetretailing@circdata.com](mailto:internetretailing@circdata.com)



@etail



No part of this publication may be reproduced, stored in a retrieval system or transmitted by any means without the Publisher's permission. The editorial content does not necessarily reflect the views of the Publisher. The Publisher accepts no responsibility for any errors contained within the publication. [www.internetretailing.net](http://www.internetretailing.net)

## 06 FRONT MATTER

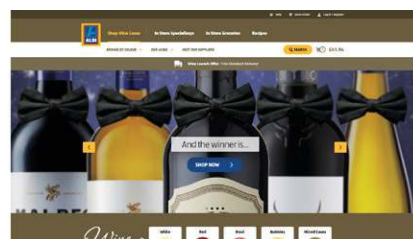
The shorts that get you noticed. Analysis of the key announcements affecting internet retailing, in store and mobile.

## 10 OCADO

James Matthews, Managing Director, General Merchandise, Ocado, on ambitions for growth as a retailer and as a technology company.

## 18 DASHBOARD

UK retailers need to look at loyalty schemes differently as multichannel and mobile rise in prominence report a number surveys.



## 21 RETAIL REVIEW

One retailer, four angles. Our team of experts reviews Aldi.

## 23 COMMENT

Ian Jindal, IR's Editor-in-Chief, considers the latest musings in the retail sector.

## 26 NOW & NEXT

The InternetRetailing Expo (IRX) returns on 27 and 28 April for a sixth year at Birmingham's NEC. The UK's largest dedicated multichannel event attracted over 6,000 visitors last year and this year looks likely to be even bigger with more content and showcasing best in breed technology.

## 38 INTERNET RETAILING

This customer-profitability-focused features investigate how retailers are bending everything to a better connection with the customer – not just for a transaction, but over a 'lifetime': are all new customers adding to profits or are some loss-making; how is the role of the merchandiser changing in a customer-centric world; and how is delivery increasing loyalty?

## 50 INTERNET RETAILING IN STORE

How are retailers reframing the role of the store in the continuous commerce journey with the customer at the heart of the whole experience and is empathy just as important as data in connecting with customers?

## 54 MOBILE

Connecting with shoppers in the right way at the right time with the right information and above all the right experience is increasingly becoming key. We examine the art and science of creating extraordinary shopping experiences through the unique capabilities of modern mobile devices.

## 58 INSIGHT

Insight into retail in Saudi Arabia, France, China and across Asia Pacific.

**Internet Retailing Expo** 27-28 April 2016 NEC, Birmingham



Products we offer:

- ✓ Boxes
- ✓ Tape
- ✓ Pallet Wrap
- ✓ Protection & Void Fill
- ✓ Machinery & Systems
- ✓ Mailing & Posting

Kite Packaging is one of the UK's leading packaging suppliers offering a best in class service to a wide range of industries.

[www.kitepackaging.co.uk](http://www.kitepackaging.co.uk)







# Editor's comment

**C**ONNECTING WITH customers is something that permeates every part of the retail organisation. From buying through to the warehouse, everyone has an impact on the customer experience. For customers to be aware of a retailer and find them in the first instance, through to considering their products (and prices), making the purchase and then receiving a good enough experience to return as a repeat customer.

By building loyalty – and consistently exceeding expectations – a shopper can move from not having heard about your brand to being an advocate, telling their friends, family, blog readers et al how much they love you and your products, service, stores...

In this issue of InternetRetailing, we investigate how retailers are bending every aspect of the organisation, processes and technology to connect with the customer – not just for a transaction, but repeatedly and at scale over a 'lifetime'.

Can customer loyalty be bought by issuing a loyalty card though and the data that its use gathers? This question of loyalty comes up repeatedly throughout this issue as we look at consumer opinion, innovations in mobile and loyalty and various aspects of the retail organisation and their impact on progressing customers from shoppers to advocates.

With the recent launch of the Sparks loyalty programme by Marks and Spencer, the competition to woo customers and make them loyal seems to be getting more complex than it has ever been, believes Dr Alexandra Ranzinger, founder of loyalty consultancy workinghead.

"For many years, traditional

retail driven loyalty programmes have dominated the market place: Tesco with its Clubcard; Sainsbury's with Nectar; and Boots lead the pack. With the growing awareness around data-driven marketing, ease of digital data capture and low cost solutions for small retailers, more schemes are being launched. However, in the name of being innovative or different, many of these have turned out to be complicated to understand," she says.

A recent YouGov survey conducted in the UK market for the Loyalty Partner Group brought out insights indicating that the loyalty landscape in the next few years could shape out rather differently than where it is going now.

Connecting with the customer has always been important to retail, but these days connecting in the right way at the right time with the right information and above all the right experience is increasingly becoming key.

This rise in app use, for example, is not only fuelling the growth of m-retailing past the 50% mark, according to IMRG's latest figures, but we're also starting to see renewed interest among retailers in loyalty and how to build that into the mobile experience.

Mobile Editor Paul Skeldon comments: "Connecting with customers has created something of a surprise mini-trend in early 2016: shoppers are increasingly making more use of apps to 'do' mobile commerce, with the upshot that more retail is being done on mobile than ever before. This is all because experience and convenience have finally merged – at least in consumers' minds – and many apps are starting to deliver."

Creating that contextual

engagement is something on which Mobify has been working. In his guest article CEO Igor Faletski examines the art and science of creating extraordinary shopping experiences through the unique capabilities of modern mobile devices.

Recruiting, engaging and retaining customers is a priority for any retailer – but as Penelope Ody discovers not all of those customers will add to the profits and some may prove loss-making. She investigates why understanding customer profitability is a major challenge in today's omnichannel world.

Michael Ross, Co-Founder and Chief Scientist, DynamicAction has written a number of articles over the years for InternetRetailing on analytics, levers, KPIs and reports available to retailers. In his latest article, 'From crystal meth to crystal math' he shares his view of the role of the merchandiser in a customer-centric world.

"Many retailers are making grand statements about their newfound customer-centricity. However, the reality of what that means in practice is still widely varied, often confused and can be devastating to a business if they get it wrong. The quick fix 'crystal meth' of customer promotions has to transform into the longer-term healthy growth driven by 'crystal math' reports and metrics," he says.

Looking ahead from this issue, the team at IR Towers look forward to seeing you at the InternetRetailing Expo which is taking place at Birmingham's NEC on 27 and 28 April. With 8 conferences, 15 clinics, 20 workshops and more than 300 exhibitors it's going to be an engaging place.

*Emma Herrod*  
Editor



# MARKETPLACE CONNECT

# XPRESS LISTER



Full eBay Integration



'Import & List' eBay Management

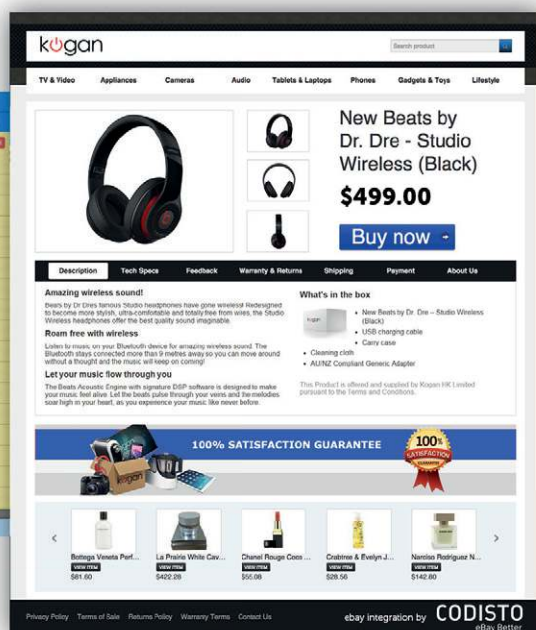
## Next Generation eBay Integration

XPRESS LISTER

XPRESS LISTER Multi-edit enabled: 14 products selected

ID	Name	Price	Image	Web Price	eBay Status	Listing Title
hdb004	16GB Memory Card	\$80.00		Enabled	Disabled	Enabled
hdb005	8GB Memory Card	\$100.00		Enabled	Disabled	Enabled
am0001	Ami Aoki Bust	\$470.00		Enabled	Disabled	Enabled
acw000	Aviator Sunglasses	\$295.00		Enabled	Disabled	Enabled
em0000	Emley (Unzip pump, Nuts)	\$390.00		Enabled	Disabled	Enabled
hdb001	16th Minerals and Salt	\$25.00		Enabled	Disabled	Enabled
hdb002	Black Nobile Case	\$180.01		Enabled	Disabled	Enabled
sq0004	Blue Horizon Beanie	\$55.00		Enabled	Disabled	Enabled
hdb000	Body Wash with Lemon Fl...	\$25.00		Enabled	Disabled	Enabled
sq0003	Bowery Chiro Pants	\$140.00		Enabled	Disabled	Enabled
hdb003	Broad St. Flipover Briefcase	\$570.00		Enabled	Disabled	Enabled
shw004	Broadway Pump	\$410.00		Enabled	Disabled	Enabled
hdb007	Carnegie Algebra Thesis	\$275.00		Enabled	Disabled	Enabled
sq0005	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0006	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0007	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0008	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0009	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0010	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0011	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0012	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0013	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0014	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0015	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0016	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0017	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0018	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0019	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0020	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0021	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0022	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0023	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0024	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0025	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0026	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0027	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0028	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0029	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0030	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0031	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0032	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0033	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0034	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0035	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0036	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0037	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0038	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0039	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0040	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0041	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0042	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0043	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0044	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0045	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0046	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0047	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0048	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0049	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0050	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0051	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0052	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0053	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0054	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0055	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0056	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0057	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0058	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0059	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0060	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0061	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0062	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0063	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0064	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0065	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0066	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0067	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0068	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0069	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0070	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0071	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0072	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0073	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0074	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0075	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0076	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0077	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0078	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0079	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0080	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0081	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0082	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0083	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0084	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0085	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0086	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0087	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0088	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0089	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0090	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0091	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0092	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0093	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0094	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0095	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0096	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0097	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0098	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0099	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled
sq0100	Chelsea Tee	\$75.00		Enabled	Disabled	Enabled

Active Filters: In Store, Type



### XpressGrid™ Multi-edit

Simple & powerful management of your entire product catalog on eBay.

Add or remove multiple products, uplift prices, amend eBay titles & descriptions, or change shipping rules quickly & easily.

Control how products interact with eBay at the touch of a button using our fully search and sortable XpressGrid™.

### ImageSmart™ eBay Template

Our professionally designed eBay sales template is a great way to quickly generate sales with great looking eBay listings that are 100% mobile optimized.

For sellers that want to add their own branding, the template is fully editable using HTML & CSS.

The Codisto template automatically optimizes images for listing products on eBay to ensure your listings are never rejected.

### AutoMap™ Product Categorization

Codisto automatically categorizes products into the most relevant eBay categories. Our advanced machine learning algorithms systematically search eBay for similar products already listed and iterate towards the best category.

### Full Inventory Sync

No overselling. Automatic, real time inventory sync on both eBay and website after sales from either channel with Marketplace Connect. Automatic reduction of eBay inventory from eBay sales and XpressGrid interface synced in real time for maximum control with Xpress Lister.

## Integrate & Sell on eBay in minutes

XPRESS LISTER by CODISTO

Products Settings Accounts Import/Map Unmanaged eBay Listings

James Testing Logout

Select two or more rows to enable XpressGrid Multi Edit

ID	Order ID	Date	Customer Name	Total	Push	Push Status	Order State	Payment Status	Shipment Stat.	Feedback Stat.	Product Mana.	Destination	Products
1301121647005	14-Sep-2015	J. Allen	\$483.00	Send [Leave]	Not Sent	Complete	Paid	Shipped	Not Sent	Not Managed	DALBY, AU	TOYOTA PRADO PG	
1445303145007	23-Sep-2015	Kyle Whitley	\$25.20	Send [Leave]	Not Sent	Complete	Paid	Shipped	Not Sent	Not Managed	RAVENWOOD, AU	NISSAN PATROL G.	
1302097930005	23-Sep-2015	Dan Hammond	\$100.00	Send [Leave]	Not Sent	Complete	Paid	Shipped	Not Sent	Not Managed	ELLEN FORREST, AU	TOYOTA LANDCRO.	
1302091501005	23-Sep-2015	Tammy Anderton	\$273.80	Send [Leave]	Not Sent	Complete	Paid	Shipped	Not Sent	Not Managed	TRIABUNNA, AU	HOLDEN COLORADO	
1446672890007	27-Sep-2015	Daniel Gooney	\$19.00	Send [Leave]	Not Sent	Complete	Paid	Shipped	Not Sent	Not Managed	STANTHORPE, AU	NISSAN PATROL G.	
1446700281007	27-Sep-2015	Ryan Sanderson	\$19.00	Send [Leave]	Not Sent	Complete	Paid	Shipped	Not Sent	Not Managed	ALDINGA BEACH, AU	NISSAN PATROL G.	
1302010729006	21-Oct-2015	Tina Naumalo	\$369.00	Send [Leave]	Not Sent	Complete	Paid	Shipped	Not Sent	Not Managed	GOVE, AU	TOYOTA HILUX PG.	
1317476717005	22-Oct-2015	Alex Arthur	\$103.50	Send [Leave]	Not Sent	Complete	Paid	Shipped	Not Sent	Not Managed	MADILL, AU	HOLDEN COLORADO	
1459492502007	27-Oct-2015	despina cope-wyatt	\$19.00	Send [Leave]	Not Sent	Complete	Paid	Shipped	Not Sent	Not Managed	MIDLAND BC, AU	NISSAN PATROL G.	
1302028104005	29-Oct-2015	glynis walker	\$95.00	Send [Leave]	Not Sent	Complete	Paid	Shipped	Not Sent	Not Managed	BELLERIVE, AU	TOYOTA PRADO VS.	
1460236729007	29-Oct-2015	Ryan Parker	\$143.00	Send [Leave]	Not Sent	Complete	Paid	Shipped	Not Sent	Not Managed	SEAFORD, AU	NISSAN NAVARA F.	
1460998177007	31-Oct-2015	<no name>	\$125.00	Send [Leave]	Not Sent	Cancelled	Unpaid	Not Shipped	Not Sent	Not Managed	INJALA, KH	NISSAN NAVARA D.	
1461091310007	27-Oct-2015	ralph satchell	\$19.00	Send [Leave]	Not Sent	Complete	Paid	Shipped	Not Sent	Not Managed	ADELAIDE, AU	NISSAN PATROL G.	

Order Settings: Automatically Send Orders: Always [Customs Manager] [SPS Manual]

Only send orders when: Buyer has Paid [Buyer has Committed to Buy]

Feedback Settings: Automatically send Feedback when: Order Complete [Buyer has Paid] [Never]

Cancelled Feedback: [Manage Feedback Messages]

## Seamless order management

**CODISTO**  
eBay Better

Elizabeth Bay Cellars

Kabadeals

EMPIRE  
RACING AND MOTORCYCLES

Available on

**Codisto.com**

Perfume Zone

ADAPTecom





Chloe Rigby highlights recent industry changes but to keep up to date with the news and her insight between issues visit [www.internetretailing.net](http://www.internetretailing.net).

## AMAZON BREAKS THROUGH \$100BN

Amazon has reported sales of more than \$100bn (£69.6bn) for the first time – up by a fifth on the previous year – as eBay reported declining sales.

Fourth-quarter and full-year figures showed that the US retail giant, which is the largest UK ecommerce trader and an Elite member of the IRUK Top500, turned in sales of \$107bn (£74.5bn) in the year to December 31, 20% up on the previous year. The retailer moved into the black, with net income of \$596m (£415.3m) from a loss of \$241m (£167.9m), last year.

In the fourth quarter alone, net sales of \$35.7bn (£24.9bn) were 22% up on the same period a year earlier, while net income of \$482m (£335.9m) was up by 125% from \$214m last time.

Highlights of Amazon's fourth quarter included the launch of

Amazon Pantry in the UK, and the expansion of Prime Now to 25 areas in the UK as well as the US, Italy and Japan. Prime Same Day launched in the UK.

During 2015, Fulfillment by Amazon shipped more than a billion packages for sellers, and payments via Pay with Amazon grew more than 150% year-on-year. Amazon Web Services (AWS) announced the availability of AWS IoT, a cloud platform designed to enable billions of connected devices, from mobile phones to cars and factory floors, to connect with cloud applications. By the end of the year there were 51% more paying members of the Prime subscription service than a year earlier. Membership, said Amazon, grew by 47% in the US and faster outside the US.

## SWIFTER SERVICE AT BURBERRY

Burberry is cutting the gap between the catwalk and retail, both online and offline. The upmarket fashion retailer, a Top250 retailer in the IRUK Top500 2016 research, says that clothes shown in its catwalk shows will in future be available to buy immediately after the show, both online and in retail stores.

The change comes as Burberry replaces its four-show calendar with two shows, shown in February and September, that will be aimed at a global audience and will not reflect specific seasons.

"The changes we are making will allow us to build a closer connection between the experience that we create with our runway shows and the moment when people can physically explore the collections for themselves," said Burberry Chief Creative and Chief Executive Officer Christopher Bailey. "Our shows have been evolving to close this gap for some time. From livestreams, to ordering straight from the runway to live social media campaigns, this is the latest step in a creative process that will continue to evolve."

## HOMEBASE IN NEW HANDS

Homebase is in new hands following its sale by Home Retail Group to Australian group Wesfarmers for £340m. Wesfarmers Managing Director Richard Goyder welcomed the acquisition of the £1.5bn turnover DIY retailer, which will bring 15,000 new UK and Irish employees to the Wesfarmers Group.

"We welcome our new employees and are excited about the opportunity to bring the best of Bunnings to the UK and Ireland," said Goyder.

When Home Retail Group last month announced its plans to sell Homebase, it seemed the move would leave it clear to focus on developing Argos. Argos, an Elite retailer in the IRUK Top500, is currently going through a transformation plan that focuses on putting digital first in the business.

Since then, both Sainsbury's and German group Steinhoff have suggested they will make their own bids for the general merchandise retailer – leaving Argos standing at a crossroads while it waits to see what its future will hold.

## FAST GROWTH FOR JOHN LEWIS

John Lewis illustrated the changing way that shoppers are buying as full-year results showed growing online sales and falling store sales. While online sales grew by 17% in its latest financial year, with m-commerce up by 34%, store sales fell by 1%. Parent company the John Lewis Partnership said the story was very much a multichannel one.

"Our results were very much a result of the effective combination of shops and online, demonstrated by the fact that more than three-quarters of our customers made a purchase from one of our shops," said John Lewis Chairman Sir Charlie Mayfield.

In addition, the company said, John Lewis, an Elite retailer in IRUK Top500 research, found that its online sales go up in areas where it opens a new shop.

At the same time, online sales at sister supermarket Waitrose, a Leading IRUK Top500 retailer, were down by 2.9% on last year, in comparison to what the partnership described as a "strong promotion-driven performance last year." But in the second half of the year, ecommerce sales were up by 8.3%.

The figures came as the John Lewis Partnership reported sales of £11bn in the year to 30 January 2016, 0.7% up on the previous year.

Sales at John Lewis came in at £4.56bn, 2.8% up on the same time last year, while Waitrose sales of £6.5bn were 0.7% down.

Group pre-tax profits of £305.5m, before one-off charges, were 10.9% down on the same time last year, with operating profits at John Lewis up by 0.1% at £250.2m, and at Waitrose down by 2% at £232.6m.



## MORRISONS, OCADO & AMAZON

Morrisons is to work with both Amazon and Ocado as it looks to grow its online sales.

Hundreds of Morrisons' products are to be sold through Amazon's Prime and Pantry services in coming months. The supermarket will supply fresh, frozen and ambient food products to Amazon on a wholesale supply basis as it looks to build a "broader business that complements our supermarkets and is consistent with our commitment to pursue capital light growth."

Morrisons Chief Executive David Potts said: "Today's agreement is built on Morrisons' unique strengths as a food maker. The combination of our fresh food expertise with Amazon's online and logistics capabilities is compelling."

He said the supermarket looked forward to developing and growing the Amazon partnership in coming months.

Meanwhile, it is renegotiating its agreement with Ocado, which supplies the technology and fulfilment services behind Morrisons.com, to enable pick from store – enabling Morrisons.com to sell to customers all over Great Britain. Morrisons will take space in Ocado's new Erith, south east London, customer fulfilment centre which is due to go live at the end of 2017. Ocado will provide Morrisons with the software it needs to fulfil orders from stores – enabling Morrisons to serve online customers in areas that are not served by Ocado's network of fulfilment centres.

However, said Morrisons, the agreement would only go ahead if it enabled it "to achieve profitable growth online".

## ASDA COSTS BLACK FRIDAY OPT-OUT

Asda has reported bleak quarterly sales figures, after a Christmas season in which it opted out of the Black Friday discounting that it helped to introduce to the UK. It has also announced that it is consulting on head office jobs as a result of changing shopper behaviour. Up to 300 jobs are reported to be under threat.

Reporting like-for-like sales down by 5.8% for the 13 weeks to 1 January, it seems that Asda's decision to opt out of Black Friday to instead invest in a range of offers throughout the Christmas season has cost the supermarket dear. This is the sixth quarter fall in a row. Reports put two percentage points of Asda's sales decline down to its own price cuts, and a further 0.4 percentage points as a result of its decision to withdraw from Black Friday. The retailer also lost out as shoppers opted to buy with discounters instead.

Commenting on the changes to the UK grocery sector, Asda Chief Executive and President Andy Clarke said: "The UK retail market is continuing to undergo significant and permanent structural change, competition in our sector has been fierce and our market share has come under pressure." He added: "In that context, our results for the year have been commendably stable, balancing investment in our customers with disciplined financial management in a period when many of our competitors have suffered severe falls in profitability. We have steered a careful course through this very turbulent period for the industry and through a complex set of challenge."

## RETAIL ROUND UP

Brantano is set to trade on as a multichannel retailer with a slimmed-down store estate after it was bought out of administration by its former owner, Alteri Investors. In total, 1,732 jobs will be saved as the shoe retailer trades online and through a reduced estate of 140 stores and concessions. Fifty-eight outlets have not been included in the sale, and could close, with the loss of an estimated 600 jobs, if a buyer is not found.

Property developer Hammerson has signalled further investment in multichannel initiatives at its UK shopping centres. During its 2016 financial year it will expand click and collect services as well as releasing a second version of its Plus app. The update came as Hammerson revealed that footfall in its UK shopping centres had risen by 1.1% in 2015, while retail sales were up by 1.3%. Occupancy stood at 98.3%, and net retail income rose by 2.1% on a like-for-like basis.

Dunelm has reported that its multichannel strategy was helping it to look towards a 'post-internet' age, as it reported a double digit rise in sales and profits. Chief Executive John Browett said the homewares retailer was "constantly improving the shopping trip" through an evolving store and

online format. Growing sales, new stores and online sales via home delivery would be key to its business in coming months as it expands its store estate from 157 to 200 stores. The company reported sales of £448.1m in the first half of its financial year, 10.3% up on the same time last year, and pre-tax profits of £75.5m, 10.7% up on last time. Home delivery sales, with transactions taking place online, rose by 24.4% to £28m in the 26 weeks to January 2. Growth in this area, said Browett, was improving following the launch of a new web platform in July.

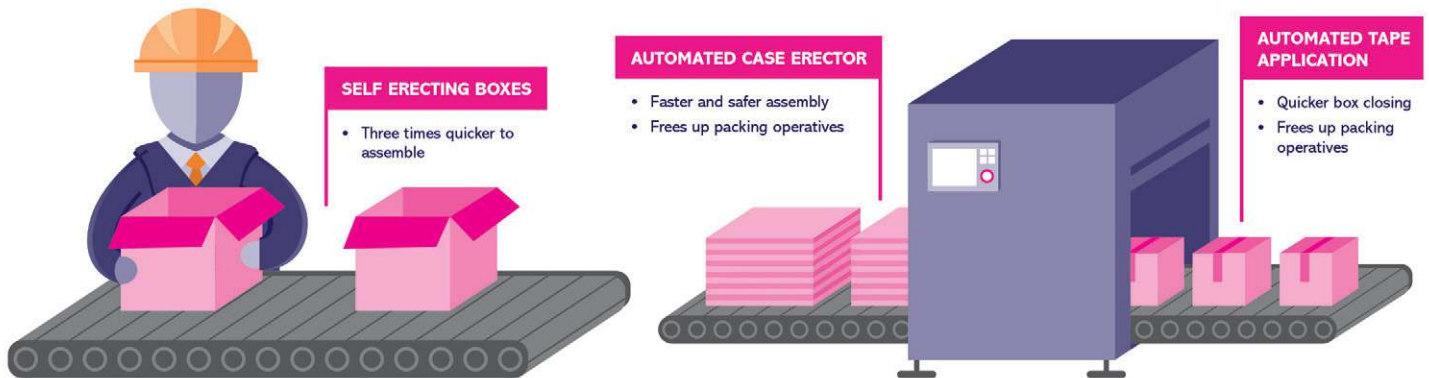
H&M Group has reported sales up by almost a fifth in its latest full year, after twelve months in which it expanded quickly, online and off. The Swedish fast fashion retailer, whose brands include H&M Home, Cos and & Other Stories as well as its core H&M brand, added 10 new online markets, to sell in 23 in total by year-end. The UK was H&M's third biggest market, after Germany and the US. UK sales, online and through 264 stores, 11 opened during the year, came to SEK 16bn (£1.3bn), 23% up on the same time in the previous year in krona, and 8% up in pounds.



# ANTALIS PACKAGING

## HOW TO SPEED UP YOUR PACKAGING LINE

- Take a holistic look at every aspect of your packaging operation
- Identify inefficiencies, bottlenecks and areas for improvement
- Choose the right solution to enable faster throughput and increased productivity



### 1. SPEED UP CARTON ASSEMBLY WITH ALTERNATIVE MATERIALS OR AUTOMATION



### 2. SPEED UP PACKING WITH THE RIGHT MATERIALS

### 3. CONTACT ANTALIS IF YOU NEED TO SPEED UP YOUR PACKAGING LINE

See us at the eDelivery Expo on stand H61 to find out more.

Whether you are packing, protecting, storing, dispatching or transporting - Antalis has the right packaging solution to suit your needs.

Antalis are experienced in providing effective packaging solutions to reduce cost, increase efficiency, improve space optimisation, and more...  
**Just ask Antalis**

- ✓ **PACK**
- ✓ **PROTECT**
- ✓ **STORE**
- ✓ **TRANSPORT**



To find out how we can help your business, please call **0870 241 1466** or visit **antalispackagingsolutions.co.uk**

**antalis** <sup>TM</sup>  
Just ask Antalis





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](http://www.internetretailing.net).

# MOBILE REACHES TIPPING POINT

A major digital tipping point has been reached – with the percentage of UK online retail sales made through mobile devices (smartphones and tablets) exceeding 50% for the first time in Q4 2015/16, according to figures from IMRG.

Smartphones and tablets accounted for 51% of UK online retail sales in Q4, which was a substantial increase on the 45% recorded in Q3 – and up from 40% in Q4 last year. The percentage split of total UK online sales between the types of channel for Q4 2015/16 was:

■ Desktop / laptop – 49%

■ Tablets – 33%

■ Smartphones – 18%

Visits to retail websites via mobile devices accounted for two-thirds (66%) of traffic in Q4, up from 63% in the previous quarter. This compares with 53% in Q4 last year.

This leap in mobile penetration appears to be being driven by increased confidence in using smartphones for online shopping. Sales growth through these devices rose sharply in 2015, while

growth through tablets reached a record low in December 2015.

Tina Spooner, Chief Information Officer, IMRG explains:

“Smartphones have played an important role in the overall online shopping process for a long time – often used for research and comparison on the go – but over the past year they have really started to become a major component of the checkout process too and that is what is driving this leap in mobile penetration. In January, sales via smartphones grew 95.6% year-on-year for example – over 7x the rate of those via tablets.

“In 2014 the rate of growth via smartphones appeared to be slowing down, but in 2015 it shot up again. The main reason for this is likely to be related to the design trend for larger screens, but many mobile retail sites have improved significantly to give a far better experience and inspire confidence in shoppers. There is also the fact that we increasingly use our smartphones for managing so much of our lives – it's only logical that completing purchases on retail sites would gravitate over to these devices as well.”

## ‘TINDER-STYLE’ APP FOR MISSGUIDED

Fashion retailer Missguided is launching a shopping app that, while fully transactional, also offers what it says will be “a Tinder-style Swipe to Hype” feature, that lets the shopper swipe to show their taste.

Built on the Poq app commerce platform, the launch of the app on Tuesday 8 March follows reports that Missguided will expand its physical retail business with a move from concessions to own-brand stores.

Nitin Passi, the Founder and CEO of Missguided, explains: “Our customer has been asking for a shopping app for a while and we wanted to ensure we delivered something that offered more than our mobile site. The app is being treated as its own channel that we are growing as part of our multichannel strategy.”

Oyvind Henriksen, CEO and Co-Founder of Poq adds: “The next generation of customers uses apps for everything. Great apps are often either very engaging – like Instagram and Pinterest – or they are super convenient – like Uber and Citymapper. Missguided has built a retail app on our platform that combines both of these attributes: it is extremely convenient and deeply engaging. This is the perfect example of what a cutting-edge retail app can offer: Customers are always logged in to an addictive and personalised shopping experience, and can check out using just their fingerprint.”

The move reflects how youth-orientated brands are having to rapidly innovate around apps and m-commerce to differentiate themselves from the pack. Millennials already are the most responsive to mobile ads and mobile experience, but demand that it be immersive, creative and cool – or they walk. Expect to see more fashion brands and brands aimed at youth markets launching apps that are not only transactional but also offer some sort of extra engaging functionality.

## CLOSING THE GAP FOR DUAL SCREENERS

eBay Advertising is seeking to help advertisers close the gap between online and TV advertising, with a search data solution that attempts to determine when customers are dual screening – shopping while watching TV – and serving relevant ads. The launch follows a successful pilot campaign with The Co-operative.

The product – known as ‘eBay TV Targeting’ – is based on observed insights on eBay’s 19 million monthly unique users in the UK. It will use anonymous search data to identify and target when shoppers are likely to be dual-screening on ebay.co.uk. Searches for “crochet dress” on ebay.co.uk soared by 37% after Kim Murray was spotted wearing one during the final of the Wimbledon tennis championship in 2013.

Phuong Nguyen, Director, eBay Advertising UK explains: “Dual screening means big business for brands, and marketers shouldn’t underestimate the power of TV to inspire real-time purchases. Brands can’t advertise on the BBC but, in a way, on eBay now they can. This is a great example of technology-enabled creativity and once again shows that the marketers that act fast will be best placed to capitalize.”

The launch follows a successful trial by Co-operative Electrical, who piloted the product during the ‘Great British Bake Off’ final last year. Baking enthusiasts who were shopping during the time that the final aired were identified on ebay.co.uk and targeted with ads for kitchenware sold by Co-operative Electrical, which were tailored in real time to reflect what was happening on screen.

Campaign engagement in terms of click through rate increased by 67% for the hour during the show and by 133% for the hour immediately after the show. And this engagement was converted to purchases, with sales almost trebling (up 190%) for the duration of the five-day campaign compared to the weeks before and after the campaign.





## Ocado general merchandise: a tale of three strategies

Ocado has announced a profitable year for its grocery business but it also has ambitions to grow its General Merchandise operations, both as a retailer and as a technology company. *Emma Herrod* learnt more from the company's Managing Director, General Merchandise, *James Matthews*.

**W**HILE OCADO has been growing its online grocery business at 15% over the past year (with a 65% year-on-year increase in profit before tax), its general merchandise operation has become the fastest growing part of Ocado.com. It currently represents 7 – 8% of the total business, explains James Matthews, Managing Director, General Merchandise, Ocado, and is expected to grow to 15% of the

total business over the next 5-year period. General merchandise will expand through Ocado's own retail offering as well as through its business as a technology provider.

The company launched its general merchandise business four years ago as it expanded the range of products available on the Ocado.com grocery website. Categories here include home and garden, beauty, health & medicines and toys. To date, 17,000 non-food products have been made available to grocery shoppers, including brands such as Lego, Dulux and Toni&Guy.

The second element of its growth strategy, Matthews says, is the launch of new 'destination' sites. These are specialist sites selling items not usually found in a supermarket setting but which can be sold on the same technology and fulfilment offering

as Ocado.com, enabling customers to enjoy the benefits of online grocery shopping such as same- or next-day delivery. The pet food site Fetch was launched eighteen months ago and has “already made a significant difference to the market” giving “enhanced convenience over the market standard”. It has brought new suppliers and brands online and made them available as part of customers’ Ocado shop. “I have an objective to be the biggest online pet business in the UK by the end of 2016,” says Matthews.

“The challenge has been keeping on top of growth,” as Fetch has been growing “beyond expectations, with tens of millions of pounds of retail sales.” Sizzle, which concentrates on the kitchen and dining category with brands such as Le Creuset, Daylesford and Denby, was launched a year ago.

While entities in their own right, Fetch and Sizzle offer customers all the convenience of Ocado and the same fulfilment and delivery network. They can purchase from these sites and have the products delivered along with their Ocado grocery order.

More than two million grocery items are picked and packed every day from Ocado’s two main Customer Fulfilment Centres (CFCs) in Hatfield and Dordon. A number of hubs then consolidate and deliver complete orders to customers. A further CFC is being tested in Andover with another planned for Erith in South East London. The Andover CFC will be the first to use Ocado’s own mobile-operated automated fulfilment system. Between them, the Andover and Erith CFCs can handle £1.3bn of additional capacity. “We’re investing in a business that’s aiming to do billions of pounds of sales and we’re adding £150m of sales each year,” says Matthews.

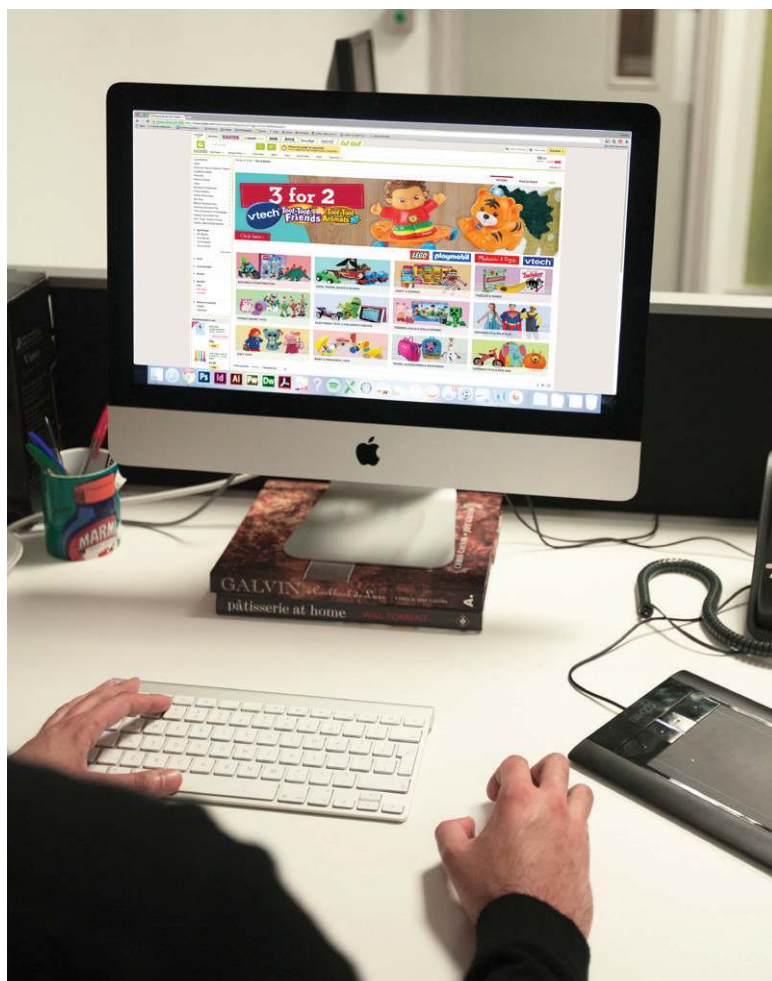
“Every non-food product is here though,” he adds, referring to the firm’s 80,000 square feet general merchandise distribution centre in Welwyn Garden City in which we’re sitting. The semi-automated warehouse, which is run by a proprietary system utilising a Norwegian robotic system, currently serves Ocado, Fetch, Sizzle and Morrisons.

From this centre, customer orders can be injected into the grocery delivery network at a number of points. If the customer is local to the Hatfield CFC, explains Matthews, the non-food part of their order will be sent to Hatfield and incorporated with their grocery order there. If, however, the customer is in Manchester, the non-food goods will be picked

and packed here and then amalgamated with the grocery order at the Manchester hub and the two parts will be delivered to the customer at the same time. “We can get the order picked and packed in 25 minutes,” he says, but from here you need to add on the lead time of driving it to Manchester. This isn’t an issue, though, since “the vast majority of orders are for delivery next day”.

The Welwyn Garden City warehouse has a capacity of 50,000-plus products and is able to fulfil around £200m of sales. The pick rate currently runs into six figures every day. It is kitted out with a system of 100,000 free-standing storage boxes over which 100 wirelessly-controlled robots run. The physical engineering and control is a provided by a third party but the rest of the automation – screens for packing, van loading, planning and ancillary processes – have been developed by Ocado. Its new Smart Platform grocery warehouse infrastructure, currently being tested at the warehouse in Andover, uses hardware brought in from other industries such as

Shoppers can buy 17,000 non-food products from Ocado.com







General merchandise and grocery orders are amalgamated before reaching the customer

baggage handling and pharmaceuticals and has been repurposed by Ocado for the needs of its own business and third parties. The Andover warehouse is controlled by the most densely packed mobile network in the world, controlling and co-ordinating the movements of hundreds of thousands of crates containing millions of grocery items, in real time and in parallel. The system is based on 4G telecoms technology deployed in the unlicensed 5GHz Wi-Fi band enabling Ocado to co-ordinate thousands of fast-moving machines to within a fraction of a second.

In all, 1,000 machines can be communicated with 10 times a second from a single base station (over 10 times more than is usually possible), all within an area the size of an Olympic swimming pool. Because the solution is scalable, it could potentially handle 20 times the number of movements. The company has no plans currently to automate general merchandise with this new network.

It would be hard to fully automate the fulfilment process, thinks Matthews, mainly because of the many different shapes of products. While it's relatively easy to pick wine bottles, for example, picking spring onions and a toaster raise different challenges – especially if they are in a single order.

Matthews believes that Ocado wouldn't be in business were it not for the level of automation in the grocery business. He points out that while it isn't so important to the back end of the general merchandise business, you don't have to spend too much time picking a £2 item for a grocery order to make it unprofitable. It allows Ocado to pack a lot of skus into a small space and fulfil lots of sales efficiently with lower overheads. "For general merchandise

it's less critical and massively helpful," he says, adding "it's a smart way to go".

Fetch and Sizzle also have their own customers who do not order from Ocado. "It's about 50/50," says Matthews, so not everything leaving the warehouse is branded in the same way. There are also orders destined for Morrisons customers.

Launching later in 2016 is Ocado's Marie Claire joint venture with publisher Time Inc. The Marie Claire Beauty business will combine an online premium beauty offering with a flagship store in West London. Orders and store replenishment will be handled from the Welwyn Garden City warehouse and some products will be delivered to the store direct from suppliers.

#### SMART PLATFORM

Ocado is as much a technology company as it is a retailer; anything it develops it does so for its own retail business and to meet the needs of its retail strategy, while also giving it the intellectual property which other retailers can use. The resulting commercialisation of its intellectual property in terms of ecommerce, mobile, fulfilment and last mile is the Ocado Smart Platform and this forms the third part of its general merchandise expansion.

"Ocado Group's primary focus right now in terms of being a platform technology provider is international grocery," says Matthews – and the deals that Ocado will be doing this year are with large international grocery businesses. However, Matthews explains that while contracts mean that it's not permitted to work with other UK supermarkets, the company is "unrestricted from doing UK general merchandise businesses, so secondary to starting out an international supermarket business is to offer the platform to other retailers if they wish to use it as a service".

Morrisons was the first third party to launch on the Smart Platform and Ocado is currently learning from the Morrisons roll out of the cloud-based solution so it can improve it and provide faster, easier implementation. This would enable multiple retailers to launch on it at the same time – something to which its full-year results statement alludes to when it says: "We expect to sign multiple deals in multiple territories in the medium term."

The firm is currently replatforming its entire technology stack, in a bid to get the software into a state that will allow it to roll out to multiple retailers simultaneously without bottlenecks.

Matthews explains that the Ocado sites have been replatforming for the past fifteen years through a process of small incremental enhancements as things are developed for its own business. He says this move to the cloud is “a more wholesale change to the way we work and the systems we have. The catalyst was the desire to scale internationally.

“There are modules to the platform but it is a full end-to-end turnkey solution,” he adds, with ecommerce and mobile offering all of the features available to Ocado customers, its automated fulfilment solution and the necessary software for last mile operations. Once the Marie Claire Beauty business has gone live, the technology will also have proved itself in an omnichannel setting. But Matthews is quick to point out that “it will be 2017 at the earliest” before a third party UK retailer is seen on the Ocado platform. The company may launch more general merchandise categories or destination sites, either on its own or in partnership with other brands before then.

He explains that it has been interesting launching the general merchandise aspects of the business with the different challenges it throws up. Higher value products, returns, clearance and discounting and the customer contact centre are just a few of the issues which have had to be worked out. Plus the lead times on which things are purchased are much longer for general merchandise; whereas groceries need to be as fresh as possible, the opposite is true of toys for Christmas which have already been planned for 2016’s peak sales period. Matthews explains how the business has had to change processes in order to handle the different kind of trading needed for the general merchandise categories while also recruiting people with the necessary skills. Ultimately, the aim of the business is to sell goods to customers, take payment and deliver them, but for general merchandise the mechanics of that are “quite different” to other parts of the business.

#### SHARING EFFICIENCIES

General merchandise shares Ocado business functions such as finance, HR and customer services. The technology, of course, is provided by Ocado, while the other functions of operations, marketing and so on have all been brought into a separate general merchandise team. These skills are then utilised across the different parts of the general merchandise setup with the small Fetch, Sizzle and Marie Claire teams able to call on the skills as necessary.

#### FINANCIALS

**Ocado reported gross sales up 17.2% to £1.2bn for the year to 29 November 2015. EBITDA rose by 13.8% to £81.5m with profit before tax hitting £11.9m (up from £7.2m in 2014). Basket sizes dropped slightly to £112.25, something which has been attributed to Fetch and Sizzle, but the number of active customers has risen by 18% to 450,000.**

“Fetch aims to be the biggest online pet business in the UK by the end of 2016”

The teams can also target each other’s customers through different channels and on the separate sites while also promoting items to Ocado’s half a million active customers with minimal cost. (An active customer is one who has shopped on Ocado in the past 12 weeks.) Personalisation in terms of giving the customer an easy journey through the site is something which Matthews sees as being “key for successful ecommerce”. It’s an aspect which has been proven on the Ocado.com site and will be worked on this year on the destination sites.

The Fetch and Sizzle teams know a lot about customers if they already shop on Ocado so are able to eliminate a lot of friction from the shopping journey already. For example, the team already know customers’ delivery preferences. Consequently, the marketing directed at these customers focuses mainly on getting the product in front of them and telling them that they can have it delivered at the same time as their grocery order, whether that’s already been placed or is in the process of being compiled. Being able to add extra non-food products to an existing grocery order with just a single click without have to go through the checkout process again is something which Matthews sees as a key part of the strategy.

Another part is to put Ocado in front of Fetch customers, half of whom either shop with other grocers or don’t do their grocery shopping online. “Online is still a low penetration in the UK so we have a great in with the friction-free part of the business,” says Matthews.

He adds that Ocado is not too concerned about other entrants to the online grocery market since anything which grows the message about the convenience of grocery shopping online and increases the number of shoppers using this channel is good news for all players. “When newcomers come we’re confident in our abilities,” says Matthews.

#### INNOVATION

Ocado is also not shy of innovation. As a company which set up without the constraints of legacy systems of older retailers, it can take ►



advantage of developments in the market and its own way of automating to be more cost effective and to seek more customer-friendly ways of doing things. This enables it to retain customers and deliver a great experience at lower costs.

“Innovation is important in almost every dimension. We look at innovation, in particular technology and logistics innovation, both as a way for us to dominate cost and to get very efficient at what we do,” Matthews explains. “Ecommerce is a scale game, and there’s no question that there’s significant scale advantage of being able to invest in these technologies and processes that allow you to operate on a lower cost basis, but at the same time that same innovation enhances the customer experience. These normally go hand in hand. Our innovation allows us to operate a very high customer experience without spending a lot of money.”

Ocado seeks to automate what it can. Where there’s a human intervention, it asks whether a machine could do it better, such as loading vans, allocating things in a warehouse and rostering. “We’ve done most of that,” he says. The company continues to work on small improvements, such as if someone is walking past something on their way from point A to B and someone at point B needs it, they will be asked to pick it up.

“The other part of general merchandise is that we want to invest in innovation once and re-use it in multiple ways,” says Matthews. This is reflected in how it is using its fulfilment technology across the business in the different CFCs. Also, with agile software development, Ocado can start small, try out ideas (it carries out 10 deployments a week) measure and then invest more or less, depending on the outcome. Few of its developments are as “big bang” as the Marie Claire Beauty launch will be, but by analysing customer behaviour, as well as what they are saying, the company can test, learn and continually improve the experience.

Innovation is improving the supply chain and having a beneficial impact on customer service, with automation speeding up the whole process. As the number of warehouses grows, lead times will reduce further. Automation also offers accuracy. Its use on the front end in the guise of CRM, websites, interfaces and mobile apps offers customers time back by providing a hassle-free shopping environment in which Ocado puts the right products in front of them. “End-to-end, the customer should be able to get

the products very rapidly in their own home without thinking too much about them,” says Matthews.

While all eyes are on the company signing an international supermarket to its platform, it continues to grow consistently as a retailer in its own right. The past year has seen its general merchandise business grow at a faster pace than groceries and 2016 will see it move its technology from pureplay to omnichannel as Marie Claire Beauty opens the doors to its flagship store in London simultaneously with its launch online.

“We wouldn’t be as good as a technology company if we weren’t a retailer too,” says Matthews. If Ocado can keep a firm eye on both parts of the business without dropping any balls then it will continue to innovate, improve and profit from the growing online and grocery markets. The next year certainly promises some interesting developments for the company and will provide a lesson for the industry in economies of scale and holding out for the long term.

*James Matthews will be presenting on ‘Connecting the dots between supply chain and customer experience’ at the InternetRetailing and eDelivery Expo on 27 April. Full details can be seen at [www.edeliveryexpo.com](http://www.edeliveryexpo.com).* 🇬🇧

**Fetch aims to be the biggest online pet business in the UK by the end of 2016**





## Goodbye, guesswork. Hello, money.

Try out 8 different versions of an email campaign with Multivariate Testing. Let your customers choose the winner. Let you be creative.

[mailchimp.com/pro](https://mailchimp.com/pro)

*MailChimp*



# How to Strike an Email Grand Slam

By Saima Alibhai, Client Services Manager, Bronto Software

**E**MAILS THAT are relevant get opened, which means a greater return on investment. But how do you make them relevant? It takes more than just a catchy subject line and sending out coupons with ever-deeper discounts hurts sales margins and brand value.

Increasingly, growth and retention are dependent on a commerce marketer's ability to cleverly connect consumer data with email marketing efforts. Everyone has a vision for the ideal email marketing strategy and implementation, but it can be overwhelming when you think about all that needs to be done. It's okay to take it one step at a time.

## **DON'T JUST COLLECT DATA – USE IT**

Marketers collect a variety of implicit and explicit data on their customers and shoppers, including gender, birthdate, product category choices, subscription source and postal code. Start with emails where you've incorporated some very basic segmentation data and build on your program from there.

## **Here are some examples:**

- Start with basket recovery emails. You know what stage a customer is at when he's put items in the basket, so you can send a very relevant email.
- Create a post-purchase email to fire with creative and offers based on long-term weather patterns in a region (i.e. long hot summer, etc.) and have offers to match this.
- A customer that subscribes to your email from your blog is likely at a

very different stage in the customer journey than someone who signs up from the shopping basket. How you communicate to them, and what they know about your brand, will be very different.

As a next step, start combining basic customer information. It may sound complicated, but it's really like conditional formatting in Excel: If this, then that.

## **BRIDGE MARKETING AND DATA FOR MORE REVENUE**

Let's look at how Björn Borg successfully connects with customers on a deeper level.

Like most companies, Björn Borg's business spans multiple channels and uses a variety of messaging strategies. The fashion brand that's dedicated to the legendary tennis star sends around 20 million emails a year to hundreds of thousands of subscribers across 12 key markets. Those messages were largely based on discounting. Björn Borg was dissatisfied with its batch-and-blast approach of sending identical messages to its entire subscriber list.

The brand decided to implement

a data-driven email strategy that strengthens a consistent brand and engages customers by being relevant to their needs and preferences. By integrating its email marketing platform with its ecommerce platform, the retailer is now able to automatically import data like customer information and order history into its emails. This helped introduce personalisation and improve brand alignment across all types of emails, including transactional emails such as order confirmations.

Since the project first launched in May 2015, the results have been impressive. Their newsletter deliverability is up by 76%, click rates are up 83%, and they've seen a 66% increase in email-generated revenue, thanks to the more targeted and relevant approach they can now deliver.

What led this brand to dramatic ecommerce success was its willingness to segment and customise its messaging. The possibilities for making stronger customer connections are endless – and the results Björn Borg has achieved show just how powerful it can be.



“We’ve seen a 66% increase  
in email-generated  
revenue, thanks to the more  
personalised and relevant  
approach we can now deliver.”

**Noelia Guinón**

Ecommerce Manager

**BJÖRN BORG** 

The Bronto Marketing Platform is the ultimate solution for retailers to drive revenue through email and cross-channel marketing. With Bronto, it’s easy for Björn Borg to analyse, target and reach their audience with highly-tailored, personalised messages that get noticed, generate clicks and orders.

Read the full success story: [bronto.co.uk/bjornborg](https://bronto.co.uk/bjornborg)





# Changing loyalty

UK retailers need to look at loyalty schemes differently as multichannel and mobile rise in prominence report a number surveys from loyalty consultancy workinghead and Juniper Research.

**W**ITH THE recent launch of the Sparks loyalty programme by Marks and Spencer, the competition to woo customers and make them loyal seems to be getting more complex than it has ever been, believes Dr Alexandra Ranzinger, founder of loyalty consultancy workinghead.

“For many years, traditional retail driven loyalty programmes have dominated the market place: Tesco with its Clubcard; Sainsbury’s with Nectar; and Boots lead the pack. With the growing awareness around data-driven marketing, ease of digital data capture and low cost solutions for small retailers, more schemes are being launched. However, in the name of being innovative or different, many of these have turned out to be complicated to understand,” she says.

A recent YouGov survey conducted in the UK market for the Loyalty Partner Group brought out insights indicating that the loyalty landscape in the next few years could shape out rather differently than where it is going now.

Firstly, it is time to simplify. According to the survey, 88% of customers preferred a simple, easy to use programme with 2 out of 3 respondents preferring to earn simple points on their shopping rather than complicated mechanisms with conditions attached. Also, 54% of respondents wanted the freedom to redeem their points and did not want to be forced to shop back at the same retailer.

Secondly, with the reducing incentive levels from some of the top programmes, customers obviously feel they are not getting enough value. Some 70% of respondents wanted to see local stores and retail brands from their neighbourhood or regional partners being added into their loyalty programme, but not at the exclusion of their favoured shopping destinations. If their favourite brand moved into a multipartner programme, they demonstrated 59% likelihood to shop more at the same retailer.

Meanwhile, A study from Juniper Research has found that more than 3 billion loyalty cards will operate as mobile-only or be integrated into mobile apps by 2020, up from 1.4 billion last year, as consumers move to app shopping and want to add their cards.

The research – Mobile & Online Coupons: Redemption, Loyalty & Consumer Engagement 2015-2020 – argued that the improved targeting and personalisation made possible by digital coupons was leading to greater activity rates, thereby resolving a key failing of traditional schemes where the lack of relevant offers had resulted in a downturn in usage.

However, it also found wide variations amongst retailers and other reward card providers with regard to the extent of digital loyalty integration. In the UK, it observed that around 40% of Nectar Card holders had acquired the loyalty app by late-2015, against fewer than 4% of Tesco Clubcard holders. It found a similar disparity between US retailers Walgreens, where 61% of card holders had linked their card to an app, and Target which had only 27% of cardholders linked.

According to research author Dr Windsor Holden: “These disparities are likely to result from a number of factors. While in part they may reflect the level of satisfaction with the app and, or the features it offers, they may also be attributable to a greater degree – or greater success – of retailer marketing of their digital loyalty options.”

The research warned that retailers that did not offer mobile integration were likely to have far lower levels of visibility on consumer activity. As a result, it cautioned that they would be at a disadvantage when seeking to tailor offers and thereby increase the lifetime value of the consumer.

However, as InternetRetailing’s Mobile Editor Paul Skeldon comments, linking apps to loyalty is going to increasingly make sense to retailers as apps are seeing a surge in use across mobile retailing. Almost half of retailers say that between 21 and 50% of

“Only 3.8 per cent of Argos’s emails are deleted unread”


their web sales come directly from purchases made on an app, according to a study of more than 100 leading UK heads of ecommerce, heads of mobile and heads of digital within the retail space conducted by Urban Airship – despite only 23% of IRUK Top 500 retailers currently having a transactional app and 4% have no plans to use apps as part of a multichannel strategy.

The IRUK Top 500 also discovered that when it comes to consumers engaging with brands, social is a good measure of what shoppers think of a retailer and likes can represent loyalty. Amazon, for example, with 5.5 million Facebook page likes has nearly five times as many as the average for the Top500 – of 1.1 million. The Brand Engagement Performance Dimension also gives insight into other measures including the percentage of emails read by customers instead of being deleted unread or marked as spam.

Argos topped the listing in this section of the research because 34.8% of the relatively low number of emails it sent were read, and only 3.8% were deleted without being read. Recipients tended to hang onto these emails: a relatively low 8.5% were deleted after being read. Only 0.7% were marked as spam by the ISP and 0.03% by the user, according to the findings contributed by Knowledge Partner Return Path.

Second-placed Asda saw 20.3% of the 71,627 emails it sent read – and 8.2% deleted, while in third place, 22.2% of the 120,031 emails that Boots sent were read.

Interesting findings across all brands included the statistic that messages sent on a Sunday were most likely to be read (27.7% of the 122,804 sent). Wednesday was the most popular day for sending marketing emails, with 255,852 sent, but it was also the day when fewest were read (21.1%).

InternetRetailing is researching further into the topic of loyalty and Research Editor Liz Morrell – [liz@internetretailing.net](mailto:liz@internetretailing.net) – would be interested in your thoughts. 

## Points collection preference

Points against purchase

67%

Price matching

9%

## Redemption choice

Freedom to redeem

54%

Automatic redemption

19%

## Preferred features

Prefer to add local retailers

70%

Multichannel access

63%

## Shopping preference at multi-partner program

Willing to join new multipartner programme

65%

Will shop more at retailer joining multipartner

59%



# SINGLE CUSTOMER VIEW

Wow! Incredible! I've just run the analysis and we have 15 prospective customers at this two bedroom flat in Willesden alone...

Hmmm... Do you think we should call the authorities?



**Folding your digital and traditional channels together brings huge benefits for both you and your customers.** But breaking down existing data silos and integrating into a meaningful, single view of each and every customer is both your biggest challenge and biggest prize.

Here at RedEye Towers we believe that lots of pristine data – boundlessly collected, astutely collated, dynamically analysed, and intelligently used – will allow you to find, understand and ultimately predict what your current and prospect customers want, need and value.

Want to get to know your customers? Why not get to know us?

## RedEye

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

# Retail review

As customers and retailers look across all touchpoints rather than siloed channels, so IR retailer reviews look at the entire retailer's eco-system of website, mobile, the use of digital in store and their overall strategy. Longer in-depth analysis of the four areas can be viewed online at [www.internetretailing.net](http://www.internetretailing.net). This issue our reviewers examine Aldi Wine.

## RETAIL STRATEGY 20/25

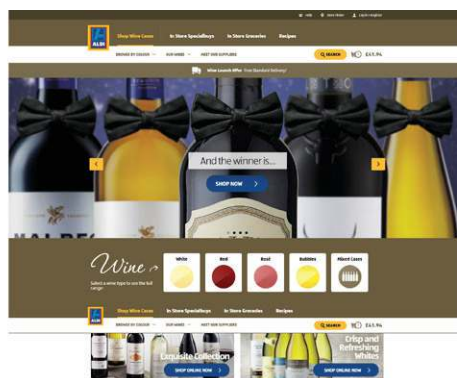
**EMMA ROBERTSON,**  
**MANAGING DIRECTOR, TRANSFORM**

The scene is set for the start of the Aldi ecommerce journey and, when coupled with an aggressive store opening plan and a range of delivery/collection options, the foundations look solid from an infrastructure point of view. The challenge is perhaps more from a customer perspective – questions of who Aldi is targeting digitally, and delivering on expectations for that target market will require more finesse than the price-driven strategy they have executed in the store-only environment. Having launched the wine site, 'special buys' will be available to purchase online in Spring. Where non-Aldi customers may previously have visited the store to experience the broader range and attractive price propositions, now they can go online. Can the site do enough to convert them to the full grocery range when it becomes available, or is Aldi taking away a key reason for visiting a store?

## WEB EFFECTIVENESS 14/25

**AMY MCINNES,**  
**PRINCIPAL CONSULTANT, USER VISION**

Aldi have created a basic site that performs as users require. There are no bells and whistles; it just does what it sets out to do – sell you crates of low priced wine. There are certainly areas across the site that could be improved from the uninspiring homepage and limiting page scroll stoppers to the repetition of copy and missing accessibility mark-up. Aldi do however make it easy enough to sign up and work through their



checkout process, keeping the user well informed throughout of what they're buying, what it'll cost and the postage options.

## MOBILE 15/25

**ROB THURNER,**  
**MANAGING PARTNER, BURN THE SKY**

One of Aldi's founding principles is its basic store layout and this approach is extended to its online presence. Although its branded app has no ecommerce functionality the company has invested in a mobile-optimised site and I'm impressed by the ease of the user experience. Overall functionality is excellent and the user journey is clean and clear.

A search bar pops up quickly on the homepage, or users can access the wine section using the key navigation tool – an expandable 'hamburger' menu icon, which sits top left of the home screen. This ease of navigation and overall site simplicity is testament to the brand's

RETAIL LEADERBOARD	
John Lewis	83/100
M&S	80/100
House of Fraser	78/100
Burberry	78/100
Debenhams	77/100
New Look	77/100
Tesco	76.5/100
Argos	75/100
IKEA	75/100
Topshop	70/100
Very Exclusive	70/100
Fortnum & Mason	70/100
Oasis	66/100
<b>Aldi Wine</b>	<b>62/100</b>
Google Play	60/100
Boots	59/100
Majestic Wines	56/100
HMV	51/100
J Crew	50/100
Morrisons	27/100

understanding of its consumer – predominantly non-digital natives – who value function over fuss when purchasing online. Wine is the first product category to launch and groceries are also planned. It will be interesting to see whether/how the site UX changes when catering for the grocery consumer.

## INTERNET RETAILING IN STORE 13/25

**PETE BROWN,**  
**CONSULTANT, KURT SALMON**

The online move for Aldi shows a significant change in the retail landscape, where it is now legitimate for discounters to have an online offering. The idea of charging for all deliveries (a similar model to John Lewis) is a bold one, compared to Poundland, which only charge for deliveries under a certain value. The push on private label differentiates Aldi from its UK competitors, which have resorted to copying its tiered premium-to-value model and focus on quality over branding. Aldi's low price points, combined with the benefits it has gained by being last-to-market in the ecommerce arena, could see the discounter being just as disruptive online as on the high street.



# High speed • High Volume Card payments processing



**JetPay**  
**SOLUTIONS LTD**

Fast • Secure • Reliable

Now **FCA** authorised in the UK

[www.jetpay.co.uk](http://www.jetpay.co.uk) | +44 (0) 1932 883 147

## The most extensive analysis on the **UK's Top500** Retailers



Sponsored by



Distributed by InternetRetailing magazine, the IRUK Top500 reports are an expert, performance-based review of the largest and most influential multichannel retailers operating in the UK.

The Top500 blends quantitative data and qualitative assessment to create the most important and thought-provoking index of its kind. The reports provide case studies, best practice and suggested approaches, emerging trend and lead interviews.

**Top500 Report** (32 pages)

Plus Six Annual Reports:

**Strategy**

**Customer**

**Operations & Logistics**

**Merchandising**

**Brand Engagement**

**Mobile**

Download the free reports today  
at [internetretailing.net/iruk](http://internetretailing.net/iruk)

# Humility



For the last decade we've been running private dinners for retail leaders, spiced with people from outside the sector. Ian Jindal reviews a decade's 'thank you' notes and realises that one of the most-expressed concepts is that of humility.

**T**HE INTERNET Retailing Dinner series matches ecommerce and multichannel leaders in a convivial dining setting, free of sales, presentations, speeches or other impedimenta to interesting people enjoying each other's company. Initially our aim was to thank keynotes and speakers at our Conference, but we now run five or six a year. Part of the fun is inviting people who aren't strictly retailers or ecommerce folk, but people in whom we're interested: entrepreneurs, brand leaders, media people... the overall aim is that our wonderful guests feel it's a good use of their evening.

Our guests' thank you notes routinely say how lovely the other guests were and how much they learned. A recurring theme is how down to earth and humble was each of the famous industry leaders – people who, in fact, have many achievements worthy of recognition and every reason to cite their successes. This is a double compliment since the guests are often meeting people they admire deeply and recognise their achievements.

My normal response is that we work in a friendly and down-to-earth industry, but I think there's more to it than simple niceness.

You'll note that I've used the word 'humility' rather than 'modesty'. While they often go hand in hand, modesty can be affected: Oliver Herford (sometimes called 'the American Oscar Wilde') quipped that "Modesty is the gentle art

of enhancing your charm by pretending not to be aware of it". No such art in humility, which is a recognition of one's own worth – neither falsely singing our own praises, nor playing down our accomplishments.

Based upon our conversations, interviews and observations there are a number of underlying factors that lead the most successful leaders to be the most understated – a sort of 'ambitious humility'.

The first is that leaders increasingly orchestrate the talents of others – success really is a case of aligning all silos and skills to deliver upon the multichannel promise. Understanding one's own role necessarily demands recognition of the other contributions.

Another reason is that we know success is temporary. While our direction of travel may be set, the means change. In the last century, the focus in retail was upon optimising operations (since capital and capabilities were the limiting factor for successful competition). In multichannel we see our leaders having to master, optimise, synthesise and change all of their tools and silos every few years. From technology to web, data to CRM, cloud services to store operations, successful retail leaders are engaged daily with change, improvement and balance. This means that every success is based upon a shifting arrangement of resources and that continued effort is required simply to sustain current wins.

A third reason for humility relates to ambition. Without

exception, I have never met an ecommerce leader who's "just satisfied". The current state of their achievements, however grand, is still below their ambition and vision. We are always one iteration, one test, one experiment away from an improvement. As such, while they recognise the platform they have created, they see its value in how close to their vision it takes them, not how far they've travelled.

A fourth and fundamental reason for humility is clarity of vision and insight. While we all appreciate luck and being let off the occasional miscalculation by the Fates, retail leaders don't depend upon fortune's favours. Rather, they are deeply analytical, curious about facts and the underlying causes of performance. Most importantly they are able to distinguish those measures and inflexion points which most highly correlate to success. Given this clear thinking, they are therefore aware of their own contributions and talents as well as the often-unseen contribution of others.

After a decade at InternetRetailing I'm convinced that the attributes of orchestration, balance amidst change, and clarity of thought and vision all correlate to success, especially when harnessed towards a compelling and ambitious vision. That this also creates leaders who are great company and interesting people is an accident for which we all have cause to be grateful, and sets the tone for business culture in the decades to come. 



# The New Frontier of Ecommerce: Social Media Buy Buttons

**ChannelPilot**  
SOLUTIONS



**S**Ocial media plays a dominant role in communication and in the development of personal relationships. Therefore, it is no surprise that social media branched out to the development of business relationships by becoming the new frontier for ecommerce.

It is becoming increasingly popular for consumers to visit social networks such as Pinterest or Instagram in search for inspiration for their projects and purchases. Consumers develop brand and product trust through other user's experiences and reviews posted on social networks. If merchants' products or services are shared on these social networks, then the likelihood of gaining potential customers is extremely high.

The question now is how will merchants and companies gain sales through the use of social media platforms. In addition to connecting and sharing contents with their followers, retailers can now add the "Buy Button" on their social media advertisements. The "Buy Button" enables social media users to purchase and pay for products directly on the platform.

The "Buy Button" promotes convenience for the customer, as it will not take the customer away from the social platform. Instead, the transaction will take place on a new pop-up window and

will automatically close when the transaction is completed allowing customers to continue browsing through their favourite sites.

This is a clear advantage for customers because it eases the decision-making process and speeds up the purchasing process, which can be completed with a few clicks

## What are the advantages for merchants using social media "Buy Buttons"?

When merchants advertise on social platforms, they can increase brand visibility and can easily reach out to new customers. With the increase of publicity and new customers, merchants gain a better understanding of their customers' interests and preferences according to the contents that their customers liked and shared on the page. This will allow the merchants to fine-tune their advertising campaigns.

## What are the disadvantages for merchants using social media "Buy Buttons"?

"Buy buttons" can only promote one product at a time. Therefore, it can potentially minimise the user's opportunity to explore other products offered by the retailer. Hence, the average shopping cart value may be smaller.

The application of "Buy Buttons" in social media will alter the B2C

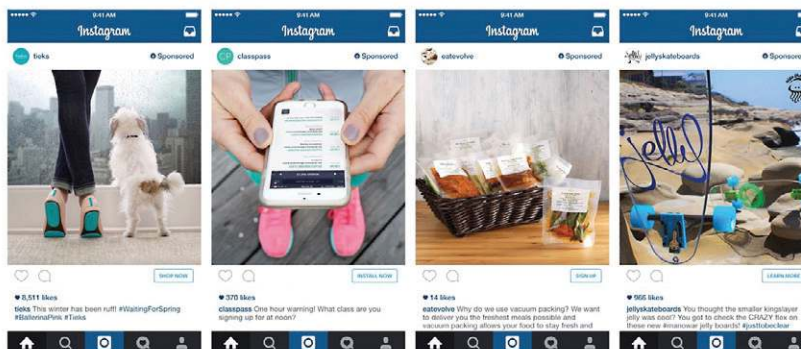
market to some degree within the upcoming years. Therefore, it is highly recommendable that online merchants consider selling on social platforms as well. To effectively manage social platforms sales, multi-channel marketing tools can be used to assist retailers. With Channel Pilot's multichannel marketing tool, merchants can easily bring their products live on social media and gain the best return on investment within these channels.

"Some of the top online retailers today in Europe are Amazon, Otto, Apple, Tesco and the Home Retail Group. However, we expect a shift in the e-commerce market. In 2020, the top players will be Facebook, Pinterest and other social media platforms. We strongly believe that revenue can be made in these channels. Therefore, we highly recommend merchants to plan their online strategy with social media selling in mind. With the ChannelPilot software, online retailers can effortlessly achieve their multi-channel selling and advertising goals "

*Mirko Platz, CEO of Channel Pilot Solutions.*

**Channel Pilot Solutions**  
20-22 Wenlock Road  
London N1 7GU

**Telephone: +44 203 695 7718**  
**support@channelpilot.co.uk**



# Brand engagement

The latest IRUK 500 Dimension Report investigates brand engagement and how retailers and brands are winning loyalty from customers who have infinite choice.

**W**HETHER IT'S from a smartphone on the train, from a store on the way to work, or from a desktop during office hours, today's connected shoppers can buy whatever they want, wherever and whenever they like. Inspiration can come at any moment, as they snap up a product that's recommended through social media, prompted through a well-timed email, or is simply needed – and right now.

In response, retailers must be accessible, relevant and credible to their potential customers, and through whatever channel they choose to engage. These qualities, says Chris Dunn, VP, Customer Success at SEO specialist and InternetRetailing Knowledge Partner OneHydra, are crucial to being found in off-page search. And they are just as important in engaging customers on social media, through email marketing, and beyond.

As well as ensuring their websites are visible, the Top5 retailers in this Brand Engagement Dimension make their brand available offline in a way that can ultimately boost online sales performance. John Lewis, for example, reaches well beyond its relatively modest estate of 46 stores. A click and collect partnership with its sister supermarket is effective in raising its brand profile – in its latest full-year, some 53% of online orders were click and collect, with a significant proportion picked up from Waitrose stores. When it opens a store, it feels the effects in ecommerce and multichannel sales. “Online sales,” it said in its results statement for the year to the end of January 2016, “increase in catchment where we open a new shop.”

Conversely, Amazon has no UK stores – but it reaches directly to the consumer, through collection points as diverse as local newsagents, Birmingham International Airport, and wherever the customer is.

## RELEVANT

While being accessible is key, it's not enough simply to be there. In a competitive world, where most retailers sell online, being relevant is a prerequisite to success. “Customers expect that the brand or retailer knows them,” says Ben Rund, Senior Director, Product Marketing at data integration and security specialist Informatica. “Consumers don't think in channels – they just want to have a consistent experience wherever they engage.”

The wider the range a retailer has, the more likely it is to be relevant to an online search – and that's likely the reason that department stores and wide-ranging traders do so well in brand engagement.

Argos, for example, has a range of more than 53,000 different items while Amazon scores highly for a UK range that numbers more than a million products – and thus tends to rank highly in search. Argos said in its last-available full-year results, for the year to February 2015, that the breadth of its range is key to keeping customers satisfied.

Being relevant on social might mean featuring the products that a customer is more likely to be interested in. Fashion and homewares retailer Next, for example, uses social media to highlight its ranges in different ways, including a dedicated Instagram account for menswear and a blog that brings together problem-solving advice with inspiration in areas from what to wear for an interview to suggested storage solutions.

Bronto Software Client Services Manager Saima Alibhai writes in the full Brand Dimensions Report about how retailers can combine data from social and email marketing to great effect, precisely because the use of social ensures email content is more relevant.

Being accessible and relevant

are just the first hurdles in successful off-page SEO. The final, distinguishing, step is to be credible. If two retailers have identical scores for search relevancy, then the one that is deemed most credible will rank higher in results. It's the difference, says OneHydra's Dunn, between being recommended an event by someone you don't know, or people you do know who plan to go, or a preview of the event from a respected organisation such as the BBC. The latter is likely to carry more weight – and so it is with building credibility in search. “It's all about gaining quality, credibility, linkage into your site,” he says.

Online sales increase in catchment where we open a new shop

Building credibility is inspiring emotions, whether that's familiarity, trust, confidence, or simply being predictable. That's something that social media lends itself to doing. It's important, then, to use social as a means of engaging to solve problems in a way that ultimately reflects, for better or for worse, on the retailer's corporate culture.

Technology can be a means to deploy best practice customer service across the business but by making themselves available and responsive to their customers, retailers can start to compete with the best in the business.

The Brand Engagement Performance Dimension Report is distributed with this issue of InternetRetailing. You can also view a digital copy online at [internetretailing.net](http://internetretailing.net).





# Internet Retailing Expo 27-28 April 2016 NEC, Birmingham

The InternetRetailing Expo (IRX) returns on 27 and 28 April for a sixth year at Birmingham's NEC. The UK's largest, and only, dedicated multichannel event attracted over 6,000 visitors in 2015 and this year will be even bigger with more content and showcasing best in breed technology.

**T**HE SIXTH InternetRetailing Expo looks set to be a great focus for customer facing and back end solutions for pureplay and omnichannel retailers of all sizes as more than 300 companies will exhibit their latest innovations.

Amongst them are Shopware, which will be showcasing the new Advanced Promotion Suite which forms part of its open source ecommerce software. Supply chain visibility software specialist Segura will be showing visitors how to safeguard their businesses against unethical, non-compliant and unauthorised suppliers, while visitors to OrderWise's stand can learn about the major upgrade and new additions to its commerce platform.

For SME visitors, the major launch of the InternetRetailing Expo is SAP Anywhere. The new front-office solution is designed specifically to help meet the needs of SMEs, providing everything a small business requires to run its customer interactions including tools that manage ecommerce, marketing, customer engagement, inventory management and business analytics from any mobile device or computer. It also offers integration with Google, PayPal and UPS.



Running alongside the two day exhibition are four free-to-attend conferences; connected stores, international and cross-border, customer insight & experience and multichannel fulfilment are the topics focused on during the first day. The latter topic being run as part of the linked eDelivery Expo (EDX). On the second day, the focus of the conference sessions shifts to encompass mobile in multichannel, digital sales & marketing and digital merchandising. EDX will swap to the topic of operations in multichannel.

As customers have increasingly been researching and shopping across channels so retailers have been bringing digital into the high street, enabling new services and enhancing the customer experience. iPad-wielding store staff are now becoming the norm as retailers get to grips with clientelling and Wi-fi in store. Virtual changing rooms, beacons and augmented reality are all technologies being trialled in the industry but how are the most innovative retailers using these and other technologies to create inspirational and mind blowing shopping experiences? How are retailers using beacon technology and digital signage to inspire and inform; reward and push notifications to impact sales; and mobility and POS solutions to improve customer service?

The 'Connected Store of the Future' conference track is designed to illuminate the most ground-breaking technologies and strategies that are driving the digital store so retailers can get smarter about the way they help shoppers feel connected in multiple retail spaces and online places. Leading retailers, including Kash Ghedia, Head of Technology, Dixons Carphone and Bridget Lea, General Manager Stores, O2 (Telefonica UK), will share how they are successfully delivering a seamless online to physical store shopping experience, boosting sales and enhancing customer experience.

Another retailer on a journey to omnichannel success through innovating in store is B&Q. Its B&Q Spaces service links consultation with store-based kitchen and bathroom design consultants with online design and visualization. The company's Omni Channel Director, Michael Durbridge, will present at IRX on how retailers can put the customer at the centre of their digital transformation.

Staff too need to be onboard with the omnichannel journey and the explosion of

### **SINGLE CUSTOMER VIEW DEMYSTIFIED**

**"The single biggest benefit of measuring customer behaviour across channels is to get a single view of the customer and understand their true value.**

**Only then can you decide how much and where to invest – provide true personalisation and relevance."**

**Paul Kendrick, Multichannel Director of Bonmarché**

**Insight & Experience Conference, 27 April, 2.45pm**



**I tend to find IRX is all a bit more open, in terms of the information that some of the speakers convey**

**Neil Sansom, Chief Executive, Wool Overs**

ecommerce within traditional bricks and mortar has precipitated a massive rethink of internal structures and what it takes to accommodate new and evolving online customer demands. Eric Fuchs, Non Food Online & Multichannel Director at Carrefour will be presenting on the challenges that multichannel ecommerce teams face from above, within and outside their organisations and how the most progressive retailers are reskilling and adopting performance measures to compete on the high street.

### **ELITE RETAILERS**

As retail comes out of another mobile Christmas it's ever more evident that mobile pervades everything and is continuously on the rise. Sales from mobile devices now account for over 50% of sales, up from 40% a year ago. Traffic from mobile is increasing too; two thirds (66%) of traffic to retail sites is from mobile, according to the IMRG. There is increased confidence in consumers in using smartphones and tablets to make purchases and retailers are increasingly announcing that they are deigning for 'mobile-first'. The focus with mobile is moving from the "newness" of the mobile device to understanding the impact on staff, stores and services when the customer is holding a "remote control for retail" in their hand. So, why then is the average time for a mobile homepage to fully ►



## THINKING BEYOND CHANNELS

**"Our stores embrace online as a footfall driver and an opportunity to either add a service to an online purchase such as bike build or a car bulb fit or an opportunity for "add on" product sales."**

**Katrina Jamieson, Digital Director, Halfords**

**Insight & Experience Conference, 27 April, 1.00pm**



load more than 10 seconds and why do only 23% of the IRUK Top500 retailers have a transactional app?

House of Fraser is a pioneer in terms of mobile retailing, and leader in the Mobile and Crosschannel Dimension of InternetRetailing's UK Top500. Its app effectively links online and the store and the inclusion of augmented reality gives it a cutting-edge advantage. "By any reckoning, House of Fraser's app is impressive for the way it links channels and offers customers a single view of the products

## DELIVERING THE PROMISE AT EDX

**Delivery and the final mile have taken on increased prominence in board-level discussions as what ecommerce promises has to be delivered. Increasing number of retailers use their stores as a pick-up point for customer orders and in some cases the collection area is the most profitable area of the store. The eDelivery Expo (EDX), which is co-located with the InternetRetailing Expo, will build on the success of last year's inaugural event to help retailers meet some of the challenges of multichannel fulfilment and operations. Topics posed in the conference include 'how to cash in on international growth opportunities in China' and 'does your delivery service meet your customers' expectations?'**

**Speakers from leading retailers include John Munnelly, Head of Operations – Magna Park, John Lewis, Walter Blackwood, Former Director-Group Logistics, Mothercare and James Matthews, Director – Non-Food, Ocado.**

**The two-day exhibition running alongside EDX brings together a diverse range of solution providers, postal companies and carriers. Visitors can find out more about the exhibitors and conference sessions, as well as register to attend on the event website [www.edeliveryexpo.com](http://www.edeliveryexpo.com).**

it sells," says InternetRetailing Senior Researcher Martin Shaw.

In the opening keynote address in the Mobile in Multichannel Theatre, House of Fraser's, Head of Digital Product, Sarah Baillie, will share valuable insight into 'What retailers can't afford not to know about how mobile is transforming customer behaviour' and how retailers can harness mobile to come out on top.

Schuh, Tesco and Sainsbury's are just three of the other retailers that will present on how they are spinning mobile into gold for customers in every location.

Big data, customer insight and personalisation are all major issues in 2016 as retailers try to bridge the gap between the physical and digital worlds in order to give customers a seamless and memorable shopping experience. Speaking to InternetRetailing.net ahead of his presentation in the Insight & Experience Theatre at IRX, Paul Kendrick, Multichannel Director of Bonmarché commented that the single biggest benefit of measuring customer behaviour across channels is to get a single view of the customer and understand their true value. "Only then can you decide how much and where to invest – provide true personalisation and relevance," he said. If you measure your online channel you can easily undervalue the impact one channel has on another or, for example, end up making recommendations for product which customers have already purchased.

"Having the single view across channels will also provide surprises in how customers behave and challenge the way you optimise your business," he commented. "If you have a loyalty programme to gain customer data you still miss out on browsing data as they walk around your store, what they look at but don't buy. Getting customers to identify themselves, consistently, so you can link up their crosschannel behaviour and transactions is the key challenge".

One company with a recently launched crosschannel loyalty programme is Marks & Spencer. Its Sparks members club rewards customers for purchases as well as for engaging with the brand through writing product reviews and 'Shwopping'. Rosie Snow, Loyalty & Personalisation Product Owner, Marks and Spencer, will talk about treading the line between getting personal with customers versus being intrusive. Through real examples, she'll show how the



Nir Eyal 'Hook' model works – or in some cases doesn't work – and how this model can help build habitual behaviours in product development and loyalty, frequency of visiting and retention.

#### INTERNATIONAL

Unlike bricks and mortar retailing, ecommerce is not constricted by borders and understanding the strategies, pitfalls and rewards of international growth and market entry can be the difference between success and failure. With options ranging from cross-border, localisation and the proliferation of online marketplaces the challenges are great. Retailers across Europe believe that the market share of marketplaces will continue to grow, reaching around 40% of the global online retail market in 2020, according to a study by the Ecommerce Foundation. Marc Vincente, COO, Rakuten will share insight into what traditional retailers can learn from global marketplaces about customer buying preferences and product demand. However, as David Williams, Director of Online, EMEA, Deckers points out "one size doesn't fit all". He'll explain more in his presentation


Hear from  
retailers including  
John Lewis, M&S,  
House of Fraser,  
Carrefour and  
Dixons Carphone

entitled 'Adopting Local to go Global'.

Getin Schraa, Global Lead – eCommerce, Philips and James Peach, Head of SEO, House of Fraser will also be sharing their thoughts and insight with delegates.

For those wanting a view of the operational side of Black Friday from a market leader, John Munnelly, Head of Operations – Magna Park Campus, John Lewis Partnership will share a Black Friday Post-Mortem in the EDX theatre on day two (28 April).

IRX is not just a big exhibition with a world-class speaker line up; expert clinics, workshops and pavilions round out the event giving in depth analysis, expertise and insight into all areas of ecommerce and omnichannel retailing systems. Four special theatres will showcase vendors in the areas of marketplaces, digital payments, digital stores and innovation while 30 minute pre-bookable clinics will enable visitors to speak to expert solution providers on a one-on-one basis.

For more details of IRX and EDX 2016, and to register for the free event, visit [internetretailingexpo.com](http://internetretailingexpo.com). We look forward to seeing you there. 



# Internet Retailing Expo

Sponsored by: **SAP Anywhere**

27 - 28 April 2016 NEC, Birmingham



## DAY 1: 27 APRIL

### THEATRE 1



**The Connected Store  
of the Future**

**amazon payments**

10.00

#### CHAIR'S INTRODUCTION

10.05

#### Opening Keynote Address

10.35

#### Re-Skilling Teams for the Digital Today

Eric Fuchs, Non Food Online & Multichannel Director, Carrefour



10.40

#### Omnichannel Retail: Digital Transformation, Customer First!

11.10

Michael Durbridge, Omni Channel Director, B&Q



11.15

#### Meeting Customer Demands In-Store

11.45

Will Lockie, Programme Head – Multichannel, Evans Cycles



11.45

#### LUNCH & NETWORKING

12.30

#### Panel Discussion

13.10

#### Future Store – Virtual Changing Rooms, Beacons, Augmented Reality....what's next?

Phil D'Souza, Head of Merchandising, Topps Tiles Plc  
Kash Ghedia, Head of Technology, Dixons Carphone  
Bridget Lea, General Manager Stores, Telefonica O2



13.15

#### The Importance of Establishing Trust for Retailers

13.45

Cristian van Tienhoven, Senior Manager, Amazon Merchant Services



14.45

#### Mobile First for the Competitive Edge

15.15

Adam Warburton, Head of Mobile, Travelex



15.20

#### Closing Keynote Address

15.50

#### Bridging Digital And Physical Technology to Put the POW Factor into In-store Customer Experience

Cathy McCabe, CIO, Jaeger



### THEATRE 2



**Insight & Experience**

**SAP Anywhere**

10.35

#### CHAIR'S INTRODUCTION

10.40

#### Opening Keynote Address

11.10

#### SAP Anywhere



11.15

#### eCommerce as a Growth Driver and a Brand Builder

11.45

Gertin Schraa, Global Lead – eCommerce, Philips



11.50

#### Perfecting Personalisation – it's not as easy as it looks!

12.20

Levi Young & Diana Zingher, Founders, Enclothed



12.20

#### LUNCH & NETWORKING

13.05

#### Panel Discussion

13.45

#### Thinking Beyond Channels to Deepen Brand Connections

Katrina Jamieson, Digital Director, Halfords



14.45

#### Single Customer View Demystified – Beyond the Technology, Do Customers Behave in a Consistent and Measurable Way?

15.15

Paul Kendrick, Multichannel Director, Bonmarché



15.20

#### Closing Keynote Address

15.50

#### Digital to Harmonise Bricks and Clicks and Transform Business

James Coughlan, Managing Director, HMV Digital



**8 FREE to attend conferences over 2 days - [www.internetretailingexpo.com](http://www.internetretailingexpo.com)**



# AGENDA AT A GLANCE

## THEATRE 3



### International & Cross Border

10.00

#### CHAIR'S INTRODUCTION

10.05  
–  
10.35

#### Opening Keynote Address

#### Achieving Growth Through Online Marketplaces

Dieter Kindl, CEO, Austria, Rakuten

Rakuten

10.40  
–  
11.10

#### Global Expansion –top tips from a retail trailblazer

Kieran Clinton-Tarestad, Global Head of eCommerce, GANT

GANT

11.15  
–  
11.45

#### Adopting Local to go Global – one size doesn't fit all!

David Williams, Director of Online, EMEA, Deckers

deckers

11.45

#### LUNCH & NETWORKING

12.30  
–  
13.10

#### Panel Discussion

#### A Deep Dive into the Successful Business Models Driving International Expansion

Kelly Kowal, Global Growth Director, farfetch.com  
Rob Pye, eCommerce Director, ghd  
Steven Hope, Senior eCommerce Adviser, UKTI

farfetch.com

ghd

UK Trade & Investment

13.15  
–  
13.45

#### Coming soon!



14.45  
–  
15.15

#### International eCommerce– How Smaller Retailers Can Create Ripples (and Storms) in Global Waters!

Kate Smyth, Director of eCommerce, Dune

Dune

15.20  
–  
15.50

#### Closing Keynote Address

#### Transforming Your IT to Meet the Demands of a Global Company

Phil Pavitt, Global CIO, Specsavers

Specsavers

@etailexpo #IRX16



**eDelivery Expo**  
Sponsored by:  
SAP Anywhere  
27 - 28 April 2016

## THEATRE 4



### Multichannel Fulfilment



10.35

#### CHAIR'S INTRODUCTION

10.40  
–  
11.10

#### Opening Keynote Address

#### Delivering In-Store – making the multichannel customer experience work!

Walter Blackwood, Former Director-Group Logistics, Mothercare

mothercare

11.15  
–  
11.45

#### Engaging Your Staff to Fulfill and Deliver the Online Promise

David Hathiramani, CEO & CoFounder, A Suit that Fits



11.50  
–  
12.20

#### Demand Planning and Delivering on Customer Expectations



12.20

#### LUNCH & NETWORKING

13.05  
–  
13.45

#### Panel Discussion

#### Convenience v Flexibility v Free/Paid For Delivery and Returns – delving into the minds of the consumer to serve them better

Dave Crellin, Head of Online Operations Development, Sainsbury's  
Lana Jackson, Head of Customer Proposition and Delivery, New Look

Sainsbury's

NEW LOOK

13.50  
–  
14.20

#### wnControlTower – Announcing the arrival of 360



14.45  
–  
15.15

#### Connecting the Dots Between Supply Chain and Customer Experience

James Matthews, Managing Director, General Merchandise, Ocado

Ocado

15.20  
–  
15.50

#### Closing Keynote Address

#### Redefining Operational Frameworks and Organisational Structures to Meet the Demands of the Omnichannel Today.....and Tomorrow

Alex Watson, Global Transport & Logistics, SuperGroup

SuperGroup

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

@edeliveryexpo #EDX16



# Internet Retailing Expo

Sponsored by: **SAP Anywhere**

27 - 28 April 2016 NEC, Birmingham



## DAY 2: 28 APRIL

### THEATRE 1



**Digital Sales & Marketing**

**dotmailer**

10.00

#### CHAIR'S INTRODUCTION

10.05  
–  
10.35

##### Opening Keynote Address

**Digital Transformation from the Inside Out!**  
Senior Representative, The Cooperative Group



10.40  
–  
11.10

##### Making Cross-Channel Work for Retail!

Alison Lancaster, Interim Marketing Director, Bravissimo



11.15  
–  
11.45

##### Smartly Scaling Content to Meet Demand in Search

Jamie Peach, Head Of SEO, House Of Fraser



11.45

#### LUNCH & NETWORKING

12.30  
–  
13.10

##### Panel Discussion

##### Digital Disruption: Hardware, Content, Technologies and Partnerships

Rebecca Ruddle, Head of Showrooms, Made.com



13.15  
–  
13.45

##### The Role of Social Data and Email

Skip Fidura, Client Services Director, dotmailer



14.45  
–  
15.15

##### Using Digital Media to Enhance your eCommerce Strategy

Nick Bamber, Head of Digital Media & Innovation, ASDA



15.20  
–  
15.50

##### Closing Keynote Address

##### Digital as a Route to Better Customer Experiences

Neil Dulake, Industry Head – Retail, Google



### THEATRE 2



**Digital Merchandising**



10.35

#### CHAIR'S INTRODUCTION

10.40  
–  
11.10

##### Opening Keynote Address

##### Product Discovery – the key to creating a Seamless and Visually Stunning Experience to Achieve Winning Results!

Joel Palix, CEO, Feelunique



11.15  
–  
11.45

##### Omnichannel Merchandising for Better Customer Experiences

Kim Ludlow, Managing Director – UK, mysupermarket



11.50  
–  
12.20

##### Design and Usability – what's all the fuss about?

Imran Younis, Global Head of UX Laterooms.com



12.20

#### LUNCH & NETWORKING

13.05  
–  
13.45

##### Panel Discussion

##### Seasonality, Sales and Black Friday – Surviving and Thriving Retail Peaks And Troughs

Louise Baker, Head of Inventory Management, Sally Beauty UK & Ireland



13.50  
–  
14.20

##### Site Search. Why bother? Top tips for improving your website conversion!

Ian Scarr, Regional Vice President – EMEA, SLI Systems



14.45  
–  
15.15

##### Enhancing Online User Experience to Boost Conversions

Neil Roberts, Head of Digital, Eurostar



15.20  
–  
15.50

##### Closing Keynote Address

##### What Will Online Merchandising Look Like in the Future – Creating Inspirational Shopping Experiences!

Sarah, McVittie, CoFounder, Dressipi



**8 FREE to attend conferences over 2 days - [www.internetretailingexpo.com](http://www.internetretailingexpo.com)**



# AGENDA AT A GLANCE

## THEATRE 3



### Mobile in Multichannel



#### 10.00 CHAIR'S INTRODUCTION

10.05 – 10.35	<b>Opening Keynote Address</b> <b>What Retailer's Can't Afford Not to Know About How Mobile is Transforming Customer Behaviour</b> Sarah Baillie, Director of Digital Product, House of Fraser	
10.40 – 11.10	<b>Spinning Mobile into Gold!</b> Stuart McMillan, Deputy Head of eCommerce, Schuh	
11.15 – 11.45	<b>Mobile In-Store – Are Your Staff Mobilised?</b> Joel Robinson, Senior Product Owner, Sainsbury's	

#### 12.15 LUNCH & NETWORKING

12.30 – 13.10	<b>Panel Discussion</b> <b>What Do Customers Really Want – Funky Apps, Convenience and Packaging Products to Entice And Delight?</b> Sam Hill, Chief Architect, M&S Gerald Dawson, Director, Weird Fish Clothing and Forthglade Natural Pet Foods	 
13.15 – 13.45	<b>Detect &amp; Deter: What Are Fraudsters Up To?</b> Don Bush, Vice President – Marketing, Kount	
14.45 – 15.15	<b>How to Talk to Customers on the Toilet – Getting Personal VS Getting Intrusive</b> Rosie Snow, Product Owner, M&S	
15.20 – 15.50	<b>Closing Keynote Address</b> <b>Social Media to Drive Deeper Customer Connections and Business Growth</b>	

@etailexpo #IRX16

## THEATRE 4



### Operations in Multichannel



#### 10.35 CHAIR'S INTRODUCTION

10.40 – 11.10	<b>Opening Keynote Address</b> <b>Black Friday Post-Mortem – lessons to learn and moving forward for 2016!</b> John Munnally, Head of Operations – Magna Park, John Lewis	
11.15 – 11.45	<b>The Rise of Fruugo.com: learnings from a rapidly growing international marketplace</b> Glen Richardson, Chief Marketing Officer, Fruugo	
11.50 – 12.20	<b>Honing Post Sales Delivery and Returns to Drive Loyalty and ROI</b> Don Maidment, Head of Customer Services – Europe, Panasonic	

#### 12.20 LUNCH & NETWORKING

13.05 – 13.45	<b>Panel Discussion</b> <b>Aligning Operations and Logistics with Customer Experience and Business Performance</b> Peter Ward, CEO, UK Warehousing Association	
13.50 – 14.20	<b>Postal vs Parcel networks, what is the best distribution channel for your international shipments?</b> Enrique Sánchez, International Business Director, Correos	
14.45 – 15.15	<b>Operational Efficiency to Meet New Customer Expectations and Drive Profitability</b> Prof. Jan Godsell, Prof. of Operations and Supply Chain Strategy, University of Warwick	
15.20 – 15.50	<b>Closing Keynote Address</b> <b>Cashing in on International Growth Opportunities in China</b> Senior Representative, Alibaba	

[www.edeliveryexpo.com](http://www.edeliveryexpo.com)  
@edeliveryexpo #EDX16



# European retail luminaries gather

An aerial photograph of Berlin, Germany, taken at sunset. The Spree river flows through the city center, with the Fernsehturm (TV Tower) standing prominently on the right bank. The sky is a mix of orange, yellow, and blue, reflecting on the water. The city's architecture, including historic buildings with red-tiled roofs and modern structures, is visible.

The InternetRetailing Summit, being launched in conjunction with The InternetRetailing Europe Top500 (IREU 500) study, aims to address the many and varied challenges of doing pan-European business. Will you join us?

**T**HE INTERNETRETAILING Summit runs 27-29 June, at Adel's Hotel in Berlin, and will take place under The Chatham House Rule in order to promote openness and sharing of information. It is the first peering event for leaders within the IREU 500 - people who even though operating in different countries share challenges and opportunities and an attitude of enquiry and sharing. By bringing together these brightest minds in retail and programming a series of off-the-record discussions, the new InternetRetailing Summit creates a rare chance for a candid exchange of ideas and information, with peer-to-peer interaction at the core.

The Summit programme is built around six key performance 'dimensions' (Customer Experience; Mobile; Operations & Logistics;

Brand Engagement; Merchandising; Strategy & Innovation) examined via carefully curated discussions and intimate roundtable conversations.

The IREU Top500 Leaders Panels and Next Generation Tech Workshops add to the multi-format structure, which varies the pace and offers differing levels of interaction.

Here is a snapshot of what you can expect if you join delegates already booked from companies including Selfridges, Mango, Screwfix, thetrainline, Lands' End, Keen, Alibaba and Fruugo to name a few.

#### **IREU TOP500 LEADERS PANEL**

Chaired by Ian Jindal, Founder & Editor-in-Chief, InternetRetailing, with three panellists from IREU Top 500 retailers. Fire

questions at the panel to dive deep in to the issue and contribute to the discussion in these dynamic debates:

- **'What Does A Seamless Consumer Experience Look Like Today? Meeting the Demands of the New Breed of Disruptive Consumer'.** Join panellists including Patrick Bosquet-Chavanne, Executive Director for Marketing and International, M&S.
- **'There is No Spoon – Inventing services beyond the obvious, that no-one asked for, to create a New Normal'.** Here the panel discusses the cost of innovation and how to decide on its value with panellists including David Schneider, Co-Founder, Zalando; Ameet Chande, UK MD, Alibaba Group; Dr Stephan Zoll, VP Germany, eBay.

#### PERFORMANCE DIMENSIONS DISCUSSIONS

In each session, one of six key 'dimensions' comes under the spotlight. Moderated discussions in small groups expose the real experiences of how retailers have overcome challenges and are mapping the future in:

**Customer Experience:** 'Know Your Customer: Identifying Changing Customer Behaviours and Shift in Expectations'. Our moderator invites the audience to share knowledge about the differing customer base in these diverse European territories; to draw the future customer profile and identify what you need to be ready for.

**Mobile:** 'Unleashing the true power of mobile'. Mobile should be viewed as just one of the many facets that hold multichannel together. Join our moderator to explore how your peers are acting upon the worldwide movement towards mobile commerce.

**Operations & Logistics:** 'Is profitable fulfilment in the new world of Anytime, Anywhere Shopping viable? What are operations and logistics going to look like tomorrow?' Join Moderator Stephen Richards, Director of Logistics Germany, ao.de to unpick these crucial questions.

**Brand Engagement:** 'Projecting the right tone of your brand in multiple markets to win consumers' hearts'. As culture, language, preferred social media channels and customer adoption of online shopping vary across Europe, join our moderator to address the most pressing branding challenges to creating consistent user experience.

**Merchandising:** 'Driving personalisation and end-to-end customer experience for outstanding results at scale'. Integrating personalisation on the national, local,

cultural, linguistic and individual level is not for the fainthearted. Our moderator invites you to share your experiences of end-to-end customer experience transformation.

**Strategy & Innovation:** 'Exploring strategies for successful business transformation and expansion'. Join moderator Donna Chen, Global Strategy – Digital, Omni Channel Development, Walgreens Boots Alliance.

#### ROUNDTABLE DISCUSSIONS


In the open and intimate roundtable discussions IREU Top500 retailers will share their experience, which is then explored in a moderated discussion. With additional sessions on Marketing, In Store and Merchandising, roundtable topics and speakers include:

- **Customer Experience:** Steven Overman, CMO, Kodak.
- **Mobile:** CyberSource and Martin Pearce, Head of Fraud and Payments, Trainline.
- **Operations & Logistics:** Justin Lodge, Head of Developing Markets, Wiggle; Theodore Hettich, Global Head of Partnerships at Fruugo and Carsten Vennemann, General Manager Europe, Bongo International.
- **Brand Engagement:** Alison Lancaster, Interim Marketing Director, Bravissimo Ltd and David Williams, Director of Online EMEA, Deckers.
- **Strategy & Innovation:** Robin Phillips, Director of Omnichannel and Development, Boots UK and Malte Dous, Head of Partner, Zalando.
- **Multichannel:** Jason Van Der Westhuizen, Head of Online Europe, Land's End.
- **International:** Christiane Arnscheidt, CMO, Best Secret.

#### NEXT GENERATION TECH WORKSHOPS

Sets of double-power sessions led by solution providers will present new tech developments within the six performance dimensions. These include CyberSource on Customer Experience, and B2C Europe on Operations & Logistics.

With 200 thought leaders and visionaries to engage with, the InternetRetailing Summit aims to be the place to hear change-making ideas that fire the imagination and discover new approaches that shake up conventional thinking.

Interested in participating? Call or email Andrew Britten-Austin on 0207 384 7898 or [Andrew.britten-austin@internetretailingevents.com](mailto:Andrew.britten-austin@internetretailingevents.com) or visit [www.internetretailingsummit.com](http://www.internetretailingsummit.com). 

“InternetRetailing Summit creates a rare chance for a candid exchange of ideas and information”



# The most extensive analysis on the **UK's Top500** Retailers



## **Top500 Report** (32 pages)

Plus Six Annual Reports:

**Strategy**

**The Customer**

**Operations & Logistics**

**Merchandising**

**Brand Engagement**

**Mobile**

Distributed by InternetRetailing Magazine, the IRUK Top500 reports are an expert, performance-based review of the largest and most influential multichannel retailers operating in the UK.

The Top500 blends quantitative data and qualitative assessment to create the most important and thought-provoking index of its kind. The reports provide case studies, best practice and suggested approaches, emerging trends and lead interviews.



Download the free reports today at [internetretailing.net/iruk](http://internetretailing.net/iruk)



## André Brown CEO, ATTRAQT



### **Why did you found the company and what keeps you motivated?**

I co-founded the business in 2003 when ecommerce was still in its infancy. It was an exciting prospect and a great opportunity to develop ecommerce site search as a SaaS service to online retailers. I am delighted that the early promise has been borne out by the success of the business. We have managed to grow our client roster to 110 retailers across the UK, Europe and the US.

Working in an exciting industry with a technology that we believe in, and with a team that is motivated and supportive of our ambitions is what keeps me going.

### **What problem are you solving for ecommerce professionals?**

The business now is very different from when we started in 2003. Today we provide an online visual merchandising platform to retailers, which acts as a plug-in to their ecommerce site and provides merchandising tools that enable the visual merchandising team to have complete control over how their products are merchandised online. The main problem that we have addressed for online professionals is that many are still using manual methods to manage their visual merchandising. This is further challenged by the fact that the online retail sector is highly competitive and continuously evolving. Retailers have to work to ensure consistency of merchandising across channels and across markets as they expand into new geographies. Our visual merchandising platform gives our clients the ability to closely manage how their products are merchandised

to customers online and supports them in driving conversion rates and increasing customer loyalty.

### **Why is your solution fundamentally distinctive?**

Our solution is distinctive in a number of ways;

Firstly, to our knowledge, we are the only supplier in the market able to provide three technological solutions in a single integrated platform – online visual merchandising, site search and product recommendations.

Secondly, our USP is our Balance Factor technology, which uses a simple slider system to create merchandising rules. The retailers select which site metrics are important to them and Balance Factor applies a weighting to those metrics to determine the blend and sequencing of products. Balance Factor enables non-technical users to create their own merchandising rules enabling tailored and targeted engagement with customers through their ecommerce sites. Balance Factor can be applied to category pages, search results, product recommendations and email.

Thirdly, underpinning the whole platform is a rules engine, which controls the behaviour of all three components of the platform. This means that if a retailer can identify the merchandising strategy they want to achieve and the conditions under which they want to achieve it, our platform can deliver it.

### **What do your customers say they value most about you?**

Our customers say that we offer an easy to use platform, fantastic customer support and that we are a

very easy company to deal with. They recognise the value our technology provides in delivering a step change in their conversion rate and driving online sales success.

### **What do you think the current big issues are for the sector? Why?**

The main issues are competition and eroded customer loyalty – Black Friday/Cyber Monday showed just how competitive the online space is and how much the consumer is willing to shop around to get the best offers and discounts. The sector is continuously evolving and changing to anticipate and respond to changing consumer dynamics, so as a retailer and a supplier to the industry you need to be continuously monitoring market trends to ensure your offer meets the retailers' needs.

### **What are the coming challenges and opportunities you see? How are you preparing for them?**

The UK and US ecommerce technology markets are probably two of the most competitive marketplaces anywhere in the world. Our challenge is to constantly innovate and keep ahead of the competition. The great opportunity that we see is to extend the range of functionality that our platform provides to increase client usage, revenue and increase the value that clients perceive in our platform.

### **If you had to summarise your vision in a sentence, what would it be?**

Our vision is to be the visual merchandising platform of choice for online retailers and I'm pleased to say that we're making great progress towards achieving that goal!

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





# From crystal meth to crystal math

**M**ANY RETAILERS are making grand statements about their newfound customer-centricity. However, the reality of what that means in practice is still widely varied, often confused and can be devastating to a business if they get it wrong. The quick fix “crystal meth” of customer promotions has to transform into the longer-term healthy growth driven by “crystal math” reports and metrics.

However, the reason so many retailers are getting this wrong is that there is no easy fix – this is a complex shift requiring significant organisational change in behaviours, capabilities, decisions and systems. The very heart of customer centricity is the ability to connect, understand and take action on the myriad data across a retail organisation. In this new world of retail, the merchandiser must corral their colleagues, and champion both

Digitally-enabled consumers have changed the economics and dynamics of retail. Consumers have almost unlimited choice, and are both empowered and informed. They are using a range of devices, being bombarded by digital marketing and are shopping in new and complex ways. Importantly, they also now leave a “digital exhaust” – the trailing breadcrumbs of every impression, click, view and basket addition. This dynamic drives intense competition as retailers compete for every potential customer. It’s great news for customers, who rarely have to wait long for a new offer or promotion.

- **New costs.** Costs are driven by a new set of variable marketing costs (per impression, per click, per transaction) and variable “per order” costs (picking, packing, postage, returns) replacing the more fixed costs of staff and rent. Profit no longer correlates with revenues.

■ **New revenue drivers.** Revenue is now driven by customer acquisition and retention, a more complex dynamic than the traditional like-for-likes. This often



leads to over-ambitious revenue targets that are not based on a bottom-up customer-based forecast.

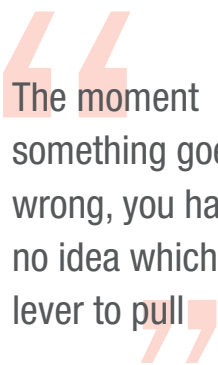

- **New levers.** Merchandisers have a new set of tunes to play. There is a new arsenal of 30+ actions that the merchandiser can take (or influence) across areas, such as product-specific marketing, site landing pages, product sort orders, recommendations and product copy.
- **New data and decision logic.** Consumers create a tsunami of data for managers to use – their digital exhaust has millions of data points. In particular, merchandisers now need to decide if the next pound is spent on a product markdown, or product-specific marketing.

Despite these changes, most merchandisers have failed to adapt. In the world of physical-only retail, products either sell or don't sell. The weekly cadence of reports – focussed on stock and sales data – is good enough to drive actions. These actions are limited and relatively blunt: markdown/promote, pushback/accelerate/cancel deliveries, move stock within or between stores. The role of the merchandiser is central to making sense of the data, then taking and coordinating actions. A role that has always been a blend of art and science, relying on “good enough” data, combined with experience and intuition. Many retailers are still relying on the traditional weekly trading rhythm and often find themselves in trouble:

Reports no longer drive the right actions. Merchandising reporting has a bad reputation in the digital world: the challenge for the merchandising teams is that looking at stock/sales to diagnose an online sales issue is like trying to fly a plane with a car dashboard.

Actions are being taken that are detached from reports. Increasingly by various types of automated systems – such as product feed engines, site search engines, fraud, Google bid management, retargeting and product recommendations. So retailers are flying blind in their management

The harsh reality is that it's now nearly impossible for the merchandiser to stay in control. It has been described to me like being the pilot of a fly-by-wire 747 – if everything's going well, you get lulled into a false sense of control; the moment something goes wrong, you have no idea which lever to pull.

The moment something goes wrong, you have no idea which lever to pull

## REPORTING SUCCESS STORIES

Once merchandisers start looking at the world like this, the results can be quite stunning.

- **At figleaves in 2005, we had SKU availability of 94% but views availability of 72%. The logic on our site search resulted in highly fragmented products getting large numbers of views. Once we fixed this, the overall site conversion increased from 2% to nearly 3%.**
- **A UK mail order company found a large number of product views that weren't converting. These turned out to be for toys with an expected delivery date post-Christmas.**
- **A US fashion brand planned emails many weeks in advance, but never checked product availability before actually sending. A typical email had a views availability experience of less than 50%, a huge waste of valuable customers' attention**
- **At figleaves, the performance of the brand La Perla was horrible on a stand-alone basis given its low margin, high returns and cost to photograph. However, many of the customers who bought La Perla as their first purchase went on to become high value customers.**
- **A US luxury retailer was getting high views on their luxury brand collection with a very low conversion rate and thought there was a problem with their products. It turned out they were being merchandised to the wrong people.**
- **A large UK department store was about to take a 50% markdown on some products that weren't selling. It transpired that they had been miscoded and simply weren't appearing in the site search results.**
- **A beauty retailer was about to discontinue a niche brand, but we discovered that VIP customers were addicted to it (40% bought the same product again within 8 weeks). The range was subsequently increased.**

## THE ADDICTION TO PROMOTIONS

Retailers often default to discounts and promotions as the only way to drive sales – from explicit price promotion, to the subtler promotions of free delivery, cash back affiliates and order-level promotions (which don't get reflected in gross margin). Promotions give you a short-term hit: they drive revenue and clear stock. But they train customers to wait for the next promotion. The effects – as many high street retailers are seeing – can be devastating to medium-term profit and brand equity.

But merchandisers are now making these decisions in an entirely new context: they have near real-time data on each customer's product views (their digital exhaust). This may seem like a small change, but it catalyses a fundamental transformation in the role of the merchandiser and the analytical complexity of their task. They know for every product: ►



## New equations of retail

$$\frac{\text{Sales}}{\text{Stock}} = \frac{\text{Sales}}{\text{Views}} \times \frac{\text{Views}}{\text{Stock}}$$

eCommera  
Decision-Intelligent Commerce

<#>

- How many times it's been viewed and whether the views turn into sales?
  - Which customers have viewed it: their size, spend history, likelihood to purchase?
  - The source and cost of those views?
- This data is the essence of customer-centricity. The challenge to the merchandiser is what to do with all this data?

### THE POWER OF REPORTS

There is a new set of reports that need to be part of the Merchandiser Scientist Toolkit. When done right, reports explore metrics, drive the right conversations and lead to successful actions. For each report, there is an associated metric that can be looked at over time to get a sense of the scale of the opportunity and whether things are getting better or worse.

A large suite of reports are required to manage the multi-dimensional nature of the digital world. For example:

The tactical reports:

- What products are not being viewed (metric: inventory value not viewed)?
- What products are being viewed, but not purchased (metric: inventory value viewed – not sold)?
- What sold out products are still receiving views (metric: number of views of sold out products)?

The weekly questions to ask:

- Are we staying in-stock of our bestsellers (metric: demand-weighted availability)?

Looking at stock/sales to diagnose an online sales issue is like trying to fly a plane with a car dashboard

- What's the customers' experience of availability (metric: view-weighted availability)?
  - Which products are overexposed or underexposed (metric: profit per product view)?
- Some strategic questions to ask:
- What products are first purchased by customers who become high value customers?
  - What products are addictive (i.e., get frequently repurchased by the same customers)?
  - Where are we systematically missing opportunities on fringe sizes?

These reports and insights highlight another challenge for the new Merchandiser Scientist – the things that used to be optimised in a silo, no longer make sense. In the old world, the merchandisers could do their job independently from marketing and store operations. In the digital world, these three critical roles are interconnected.

“Triangulation” meetings are a vital feature that bring together the merchandiser, site and marketing teams to optimise how they trade.

Many merchandisers recognise the need to think differently, but are still making the same decisions, in the same organisational silos, with the same logic and on the same frequency as they've always done. They are then surprised that nothing changes. The Merchandiser Scientist of the future must think differently. 🌈

# The trade title for professionals who support multichannel retail

Whether in **logistics, supply chain, warehousing and distribution, delivery, or retail operations**, eDelivery is the title whose insights, analysis and stimulus puts you at the front line of multichannel.

## Coverage, research and insight to help you fulfil the multichannel promise

Our Weekly Focus is a short, sharp summary of the key areas of interest, respectful of your time and your inbox. The year round coverage at eDelivery.net is supplemented by the print magazine with longer, in-depth features and sustained analysis.

### Subscribe for free today and receive:

- A quarterly magazine in print and digital formats
- Special in-depth supplements
- Research reports
- A weekly newsletter
- Invitations to our trade events eDelivery Expo and eDelivery Conference

Free to UK based qualifying professionals  
**[www.eDelivery.net/subscribe](http://www.eDelivery.net/subscribe)**



**[www.eDelivery.net](http://www.eDelivery.net)**



# whitepaper.



## Providing colour to insight

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

Explore our growing selection of White Papers

Download Free at [www.internetretailing.net/whitepapers](http://www.internetretailing.net/whitepapers)



# Are all customers equal?

Recruiting and retaining customers is a priority for any retailer – but not all of those customers will add to the profits and some may prove loss-making.

*Penelope Ody* investigates why understanding customer profitability is a major challenge in today's omnichannel world.

**S**OME WILL only buy when prices are heavily discounted, others are serial returners, while a few love complaining loud and long on twitter: anyone who has ever worked in a shop is only too well aware that some customers really can be more trouble than they are worth.

Long ago when it was only “the shop” experienced staff quickly identified both time-wasters and top spenders: the “good” who buy regularly with no complaints and the “bad” who find fault, demand discounts and inevitably bring things back. In an omnichannel world it is rather different: “free delivery and return” very quickly wipes out any profit for those customers who order three dresses in different sizes and inevitably return two. Then there are the ones who constantly opt for click-and-collect and then decide not to buy, or for whom those store-to-store transfers have wiped out any profit on low margin lines. As profit margins continue to erode what can retailers do to limit the loss-making shoppers?

Calculating the profit on every product including its cost to serve and then integrating that with an individual customer's purchasing pattern and history is theoretically possible; applying that information in real time across all channels and millions of shoppers to accept or deny an order or activate differential pricing is another matter.

“It is something organisations may want to do but most don't even have the profit per product data,” says Craig Sears-Black, UK MD at Manhattan Associates. “Getting down to individual customers would be challenging, but you can do profitability by characteristics looking at customer type.”

As Sears-Black explains, with a rules-based order management system it is quite easy to set up the website so that when that customer orders three different sizes of the same style, she is not offered free delivery or return. It may mean that such offers cannot be promoted on the home page, but it allows the system to automatically put in an appropriate

charge at the checkout based on the likelihood that two items will be returned. Not displaying delivery charges up front is a common customer bugbear, but only displaying them after an individual shopper has logged in, been identified and personal preferences, behaviour and recommendations noted, may make the difference between profit or loss so could be worth any flak about transparency.

While personalised offers, made both in-store and online, tend to be the preserve of luxury retailers where clienteling is the norm, today's millennials – familiar as they are with mobile apps, targeted geolocation promotions, and Amazon's stream of recommendations based on previous purchases – expect it every time. It's an area IBM is addressing with its “cognitive commerce” development. “Personalisation is a common theme,” says James Lovell, Retail Commerce Solutions Executive, IBM. “The step change is the ability to hyper-personalise the customer experience and actually learn from individual interactions. Cognitive systems learn and develop expertise as they consume data.”

Dan Murphy, Partner with consultants Kurt Salmon, is more cautious: “One-to-one relationships and marketing will certainly be the future at some point,” he says, “but a major problem is that retailers are currently trying to develop strategies for the 21st century using 20th century IT platforms.”

As Murphy points out, while every retail CEO would claim that “customers are at the heart of our business” only a handful at the luxury end, along with some of the pure plays, would be able to name their top 10 profitable customers. “Systems and reports are built around products, sales figures and SKUs,” he says, “and no-one wants to reconfigure all of that for the unknown ROI of customer centricity. Some are starting to look at the cost to serve – but even when systems are in place to identify loss-making activities they can still fall foul of human error on the shop floor.” ►



PFSweb envisions, creates, and supports world-class omni-channel commerce solutions that enable the world's leading brands to nurture customer relationships on a global scale.



PFSweb creates **Commerce Without Compromise** by merging customisable solutions to create branded online shopping solutions for all channels.

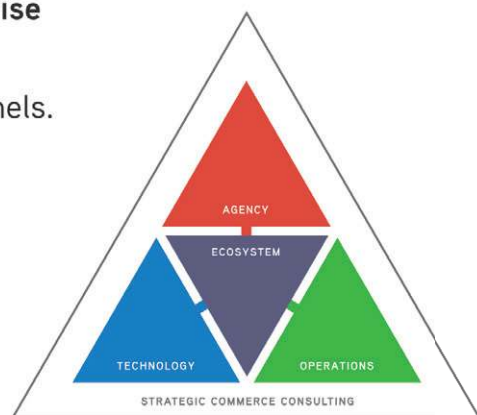
Agency Services

Technology Services

Omni-Channel Operations

Technology Ecosystem

Strategic Commerce Consulting



Commerce Without Compromise

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

Murphy cites top-end consumer electronics where the profit margin is minimal and has to be helped by add-on accessories – such as sound bars, TV stands, warranties or installation services. “You could have a system which identifies items that would become loss-making with a store-to-store transfer for click-and-collect,” he says, “but in-store will that inexperienced staff member faced with a customer asking for such items remember to check a restricted transfer list or recognise that this particular customer is a top-spending regular deserving additional service?”

#### CUSTOMER PROFITABILITY

Online it could be more straightforward with rules-based tactics to limit the availability of low stock items to certain geographies to avoid those expensive inter-branch transfers, restrict click-and-collect options to store-based fulfilment capabilities or only offer particular products to certain customer categories based on previous history or loyalty group classification. Loyalty cards may be very 20th century, but loyalty apps are proliferating as an ideal means of understanding customer behaviour. “That is one of the biggest paybacks of loyalty schemes,” adds Sears-Black, “although promotional targeting still tends to be by purchasing habits rather than customer profitability.”

Using loyalty card data to classify customers is not new: after Boots launched its Advantage card in 1997 it very quickly identified a number of customer types. Among them were “the deal seekers”, who only ever bought promotional lines, and “the stock pilers”, who bought in bulk when goods were on offer and then didn’t visit the store for weeks. In those days Boots used the data to assess the true cost of its promotions including loss of full-price sales as the “deal seekers” and “stock pilers” opted for discounted lines instead.


Today, loyalty apps play a similar role with technology driving rather more sophisticated targeting as a result. “We are seeing retailers look at differential pricing based on loyalty

“Promotional targeting still tends to be by purchasing habits rather than customer profitability”

card behaviour,” says Jason Shorrocks, VP of Retail Industry Strategy EMEA, at JDA. “For example, customers can use loyalty apps to give them a special price when they scan an item in-store.” Online, high spending loyalty customers can also be identified with some retailers using different card types – black, gold, diamond, etc – to trigger specific offers. “Diamond customers may be given free delivery, for example,” says Shorrocks. “It’s a very broad brush approach but it is starting to happen especially at the luxury end and with some clothing retailers.”

At NRF in January, JDA launched its Retail.me platform which uses cloud-based technology to enable assortments and promotions to be personalised to customer segments. The company is also working on the next generation of its fulfilment engine which will include various parameters nudging retailers towards that elusive cost to serve figure. It will answer those questions around the cost to service a particular order or satisfy an individual customer’s demands,” says Shorrocks.

Big data, cloud-based technology, clever analytics to extract and model data from multiple sources – the technology is certainly there to enable cost to serve and customer profitability calculations to a highly granular level. But will retailers actually start doing this in the near future? Dan Murphy adds a reality check: “In theory it’s possible. The data and systems now exist. But we all know that most large retailers buy too many slow movers, end up with huge markdowns and do promotions with such a broad brush that they have no idea which customers are affected. To believe that they will start measuring customer spending patterns on the molecular level would be crazy. For a start, they don’t have any data scientists working for them – and if they did the buyers would never take any notice of them.”

Until that happens rules-based fulfilment may be the preferred option for dealing with those loss-making shoppers. 



# Profiting from a convenient delivery

What impact does delivery have on improving the customer experience and increasing loyalty? *Emma Herrod* investigates.

**F**OR MANY shoppers, their main physical experience of a retailer is when a carrier knocks on their door and hands over a parcel containing something they've ordered. There's a lot hinging on that interaction: the handing over of the delivery and giving the customer the right experience on their doorstep. The customer should be expecting the parcel at that time, the packaging needs to match their expectations of the brand and the product should be what they ordered. These are all vital elements since the majority of shoppers say they will revisit a retail site if they receive a great customer experience.

"Customer experience is the emotional side of what goes on in your head," says Jeremy Waite, Head of Digital Strategy for Marketing Cloud EMEA, Salesforce. It's basically doing things on the customers' terms rather than on the retailer's he explains. The delivery experience, therefore, needs to result in the right emotional response from the customer, to leave them feeling good about the retail brand, and achieving this starts well before the final mile.

"Delivery comes with a context," Qaalfa Dibeehi, Vice President Customer Experience, Forrester, told the audience at MetaPack's Delivery Conference. He explained that shoppers don't go to a retailer's site for a delivery; they go because they're interested in what's being sold. "If we understand the context, that gives you the opportunity to make something out of the delivery," he added. It all has to start with the customer and an understanding of their journey.

Dibeehi gave examples of companies which have aligned their delivery experience with customer expectations. Russian consumer electronics retailer Mvideo, for example, has to contend with extreme weather conditions in the east of the country, where delivering a product once is hard enough without having to return a second time for a missed delivery or product return. The company simply ensures

that the product is working properly when they deliver it.

In the UAE, one telco has recruited and trained female service technicians who can install Wi-Fi for customers who prefer not to have a male technician enter their house while their husband is at work.

Retailers should ask themselves what they want customers to feel and whether they're delivering that. Also, they need to consider whether it is possible to deliver that experience and – just as importantly – whether it is worth it for the business.

## COLLECTION POINTS

At Marks & Spencer, the delivery strategy is all about consistency, convenience and communication. "Consistency is fundamental to our business," says David Walmsley, Director, M&S.com, explaining that customers have to believe that you will deliver on the promise.

Convenience means giving customers options and a range of delivery methods. The same customer may use multiple collection points or delivery methods depending on their needs and the products involved. M&S offers 630 collection points at stores, hospitals, train stations and motorway service stations, and is testing using Simply Food outlets at BP petrol stations. Returns options also need to be flexible, so M&S offers returns to shops and via CollectPlus and InPost points.

Walmsley also highlights the importance of email subject lines to ensure that messages about orders and delivery don't get stuck in the noise of the inbox. He says: "Customers want the right message at the right time and they want an email and regular SMS communication throughout the day to when their order gets delivered."

The experience is about the physical space, too, and M&S is using heat mapping at two stores to analyse how customers move in and out of the collection area.

The most valuable revenue per foot is our collection area

The retailer's concept collection area has lower podiums so customers can put their other shopping on these rather than the floor. It also has changing rooms so they can try items on and take them home or return them without having to go to a different area of the shop. Two sticky strips on the click and collect bags enable customers to open the bag and then easily reseal it without having to ask for a 5p carrier bag.

As the volume of click and collect orders grows for individual retailers, we're starting to see better signposted collection points, queuing systems and more areas specially designed for the right experience rather than a counter at the back of the store or down a stairwell. This is hardly surprising if other retailers' experience is the same as M&S's, which sees 60% of online orders collected and where "the most valuable revenue per foot is our collection area".

Argos took it one step further in November when it tested a fast lane on the pavement close to its store in the Liverpool One shopping centre. This removed a major bugbear for shoppers, according to the retailer's research, by enabling them to speed past people who were window shopping or dawdling.

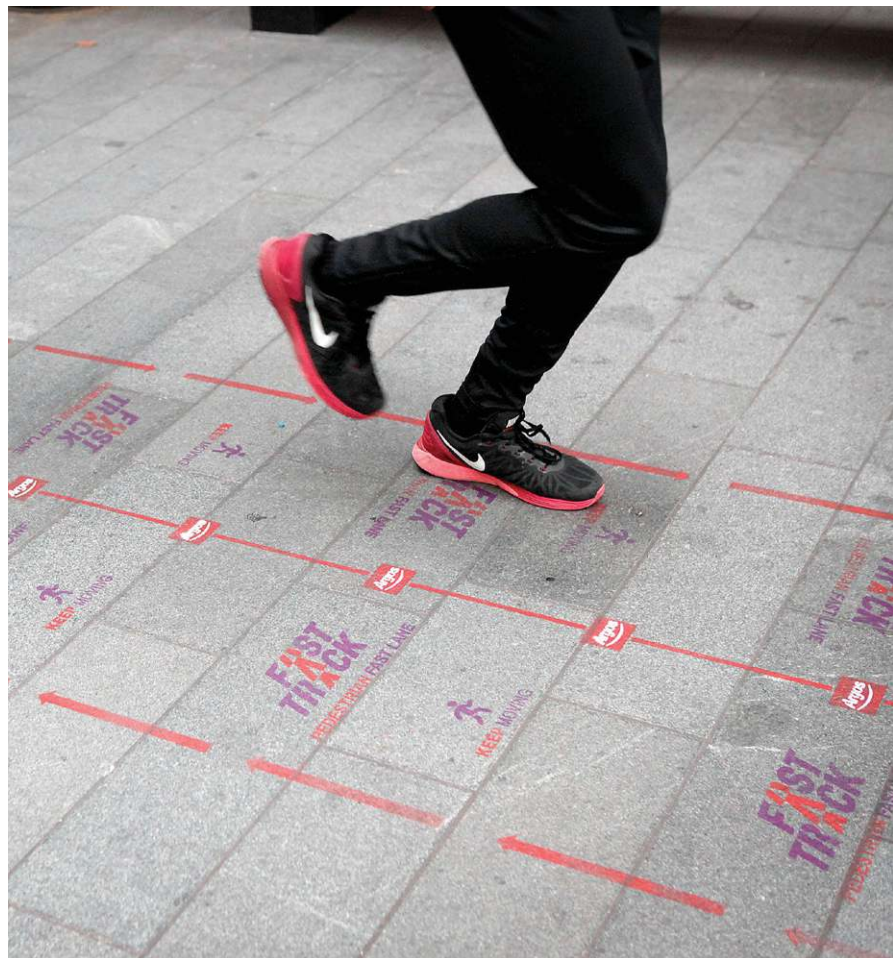
While retailers like to give shoppers a reason to visit their store and those collecting online orders are likely to make further purchases as they wind their way to the collection point, consumers also don't want to be left waiting too long. This means getting messages to staff is also important when it comes to click and collect services. M&S has developed an app which cuts 45 seconds off the collection time, while Argos Fast Track customers have their order ready and waiting for them behind the collection point.

Fashion retailer River Island is among the retailers testing beacons to improve the in-store experience for customers collecting orders. Staff are being told when the customer is approaching the store or when they have entered it so they can bring the parcel to the front of house, ready for pick-up, explains Helen Colclough, eCommerce Development Manager, River Island.

"They also don't like to collect," she says, especially on days when the weather is bad. So its customers can now use the Shutl delivery service to pick up their item from store and deliver it to them at a convenient time and location. ►



Retailers are making collection in store easier for customers





## WHAT IS CONVENIENCE?

House of Fraser is looking closely at the delivery experience its customers receive and how delivery and fulfilment impact sales. Its Chief Customer Officer, Andy Harding, told delegates at the MetaPack conference that “growth has been driven a lot by our delivery proposition”. He added that the retailer’s Buy and Collect service is “one of the cornerstones of our growth and remains such an important part of our proposition”.

Buy & Collect represents 35% of online orders and Harding said the retailer was continually pushing the boundaries of what it can do. Customers can now order up to midnight for midday collection the following day, 7 days a week, which he said has been a “huge success”. “However, we’re somewhat victims of own success,” Harding added, since the service creates enormous volume in store as well as queues at lunchtime when people go to collect their purchases. So how can House of Fraser stores improve the experience for customers? Offering incentives to collect at a different time is one of many options which could be tried, and it is currently working with Qudini, which has developed an in-store digital queuing mechanism.

Harding advised delegates to focus on customer satisfaction. House of Fraser has repeatedly received 90% satisfaction ratings for its Buy & Collect service – except for during one hour on Black Friday. “That’s when satisfaction drops to the floor and customers don’t make another incremental purchase,” he said.

Fulfilment is an area through which the retailer tries to differentiate itself and delivery is no exception. Its premium services, for example, include a pre-9am delivery option with most parcels reaching the customer by 8am.

Whichever fulfilment option each customer chooses, they are all looking for convenience and this is the main driver upon which retailers are agreed. This convenience, explained Harding, is made up of cost, speed and precision:

**Precision** – the customer has a specific requirement that they need the order at a specific time because that’s when they’ll be at a certain location;

**Speed** – I need it now. The closer we can get to getting that parcel to them as quickly as possible is critical in so many customer use cases. House of Fraser is trying to work

out how to deliver from stores;

**Cost** – A core factor.

Harding added: “Advocacy is what we are striving to achieve in terms of our customer journey, in terms of how we focus on our comms. Advocacy is absolutely the panacea, and delivery and our ability to service our customers according to the context with which they need to be serviced across cost, precision and speed, that’s a fundamental pillar in achieving true advocacy in our customer base. Advocacy will lead to more customers and more sales.”

It is the premium delivery services which drive frequency and loyalty from Asos customers, while free standard shipping supports international growth, according to the firm’s CEO, Nick Beighton. “Delivery choice and timely delivery are just as important as ease of ordering,” he says. The company has just launched with On the Dot to give customers the “ultimate convenience” of being able to select their desired delivery day and time slot.

“Customers want delivery fast, free and to be in control,” adds Beighton. He points out that they also want convenience and he believes that at Asos they need to give customers choice. Its customer focus, then, is to give them “options they can choose from rather than ‘here it is’ and ‘come and get it’.”

Tony Burley, Operations Director at boohoo, agrees that customers want to see multiple delivery options that are specific to them. “They want to be told quickly what their options are and they can then choose,” he says.

Convenience is still the key for delivery experience, but it’s also important to understand what that means for the individual customer in each instance. Maybe this will lead to more retailers filtering products shown to each customer based on delivery preference, in the same way that Amazon does with its Prime service.

As with everything else in a customer-centric retail organisation, delivery services need to start with the end point – the customer – and are worked backwards from there, not just in terms of the logistics of how and where and when the order is delivered but in the psychology of why the customer wants it in that place and at that speed and what the resulting experience will be like. If exceeding expectations helps boost loyalty and advocacy, then expectations have to be managed carefully throughout the entire journey, not just the final mile. 🇬🇧

Two sticky strips on the click and collect bags enable customers to open the bag and then easily reseal it without having to ask for a 5p carrier bag

18<sup>TH</sup> MAY 2016

The Platinum Suite  
ExCel London



**eCommerce**  
WORLDWIDE

# Looking to expand into overseas markets?

International online sales represent a huge opportunity for your business. Whether you are completely new to trading internationally, taking your first steps or building upon existing operations – the eCommerce Worldwide Cross-Border Summit will help you develop winning expansion strategies.

*Confirmed Speakers include:*

Virgin

Clarks

SKECHERS

L'OCCITANE  
EN PROVENCE

SHOP  
DIRECT  
Littlewoods  
Ireland.ie

HOBBS  
LONDON

RETAILER  
TICKETS ARE  
FREE!

## eCommerce Worldwide Cross-Border Summit

18th May 2016

Find out more and book your tickets now at  
**[ecommerceworldwide.com/event](http://ecommerceworldwide.com/event)**

**Follow Us**

 @ eCommerceWW



The following guest article has been written for InternetRetailing by Rosie Freshwater, Managing Director of Leapfrog. Leapfrog is an award-winning retail marketing consultancy specialising in the premium and luxury sectors. The company's research approach focuses on the experience consumers want from its retail clients, and Leapfrog's sector expertise allows it to plan the right marketing strategies to deliver that experience.

[www.linkedin.com/in/rosiefreshwater](http://www.linkedin.com/in/rosiefreshwater)  
[www.leapfrogg.co.uk](http://www.leapfrogg.co.uk)  
[@Leapfrogg](https://twitter.com/Leapfrogg)



# When data is not enough

*Rosie Freshwater, MD of retail marketing agency Leapfrog shares her thoughts on why empathy is the key to customer connection.*

**E**XPECTATIONS ARE at an all-time high. The UK's army of evolved shoppers is in charge, seeking to be understood and aware of the many tactics used to lure them in. So what can be done to build a long-lasting customer connection?

In the past, a retailer had a limited view of its customer. Before analytics and algorithms, a simple in-store transaction meant sole focus on physical customer service. Flash forward 20 years and myriad channels are available to increase connections with shoppers. While data is the bedrock of decision making, empathy is key when considering consumer needs.

Without truly understanding customers the connection is fabricated, which fast becomes obvious. Used skilfully, insight data can transform marketing into a conversation between a brand and its following, making shopping experiences personal and relevant. Retail strategies can be tailored to each individual by analysing transactional data and attitudinal insight.

Making the effort to be on a customer's level is, behind the scenes, an in-depth and complex action, while on the surface they experience a simple and memorable transaction. Retailers must distinguish between functional and empathetic data, and can encourage loyalty by recognising and responding to consumer behaviours and motivations.

With customer data and insight roles springing up across the industry, there is no doubt retailers are moving towards a place where business decisions are based on customer data. In theory, they're giving shoppers what they want.

There is an enormous amount of data being collected across multiple channels and retailers are starting to use it to inform daily actions. For example, ECRM programmes are segmented and tweaked according to previous purchases and online behaviour, while catalogues are being sent to different customer segments with tailored messages or product selections. People are now being served different versions of a website based on data the retailer has gathered during previous visits, or how they have behaved in other places on the web.

All of these channels are no doubt seeing an improvement in ROI as a result of retailers becoming more data focused. Data driven personalisation has definitely improved connection with customers, but the additional revenue it brings is only part of the impact a true understanding of the customer can have.

No data will tell you what is personally important in life to your customers, and how in an ideal world they would like to engage with your brand. Yes, data will tell you how they have engaged in the past, how they came to find and interact with your channels, what they bought and how often they came back. And while all of these things are useful to know, that data is based on the experience you offered them, not the experience they really want when shopping with you.

It's not enough to have an analyst in house who can crunch numbers to predict future behaviour. It's about building on that knowledge to create a level of real customer intelligence that enables you to get inside the minds of your customers and who they are as people.

## CUSTOMER INTELLIGENCE

Empathetic insight is the missing part of the customer intelligence jigsaw. Many retailers say they know their customers, but quite often this is based on a set of assumptions or some very top level demographic profiling. What they don't know about are the personal values that come into play with each brand engagement, or the types of behaviours their customers demonstrate when considering a purchase. They don't understand the type of content that will engage on an emotional level and lead to brand empathy.

Without this knowledge, retailers are not reaching shoppers in a way where they can become a part of their everyday enjoyment, instead of a place to buy things. The holy grail of customer intelligence is finding the 'happiness place', where function, message, product, time and place all collide to deliver that moment of fulfilment.

This place is difficult to find and the more customers a retailer has, the harder it gets on a micro level. However, a good range of emotional insight about the different segments you have will, at a more general level, allow you to deliver a really relevant shopping experience.

Before carrying out any emotional insight, use the data you have to segment your customer base. Regardless of database size, there will be different types of customers within it that can be grouped together. Many retailers segment by financial value and activity, for example they will have high value loyal customers, new recruits, inactive and so on. Others may also have segments based on type of product bought, gender and age.

Once your database is segmented, you can start overlaying emotional intelligence. Using a combination of surveys and focus groups, retailers should be looking to discover demographic information, personal values, life stage as well as lifestyle and hobbies. Other areas to cover are on and offline media habits, what inspires and who influences them, preferred types of content, buying behaviours and channels, what they want from you plus other brands they love and why.

Overlaying all of these insights with good data is the foundation of becoming a truly customer centric marketer.

We recently carried out a project for interior lifestyle retailer Rockett St George, mixing emotional insight and solid customer data. It contributed to a 20% rise in sales over one month.

In depth profiles for key segments, including active high value, inactive and new customers, were created to help refine communication around social media, email newsletters and catalogues in the run up to the launch of a new Christmas look book.

A bespoke survey was used to fully understand the experience customers wanted at each stage of their buying journey. Each segment demonstrated similarities and differences in the experience they wanted when shopping with Rockett St George.

“It's not enough to have an analyst in house who can crunch numbers to predict future behaviour”

Findings showed that shoppers browse and buy at very different times, while a large proportion described themselves as creative, which led to a change in the way merchandise is displayed online.


The research looked at buying decision drivers, values and content consumption, allowing Rockett St George to communicate with customers in a personal way. It's now sending out far less but to the right people, and is printing a catalogue again as its audience wanted this. Words that resonated with shoppers included quirky, eclectic and family, so the retailer's Christmas catalogue took the shape of a look book full of creative ideas, recipes and products.

The same methodology can be applied to any size retailer: a customer base can be split using past and current transactional history into segments of different value to the business, bespoke surveys are sent to each segment, with profiles created accordingly from the data. Individual customer preferences can then be addressed more closely. A larger retailer will naturally have a larger database to segment, but the process of understanding trends of emotional needs across those segments remains the same and can be used effectively in similar ways.

A wider product range may create more segments on which to overlay emotional insight. The increasing number of tools and skills available to retail businesses means it can be converted into a level of data that can then be fed into these tools, which allows mass personalisation on an empathetic level across a database.

The results? Show an image-heavy version of your website to customers you know are influenced by and enjoy that type of content. Tailor email editorial around what they are likely to be doing when they read it.

Socially speaking, you can create the right engagement for the segment most likely to be using each channel. Your millennial customers may be on Snapchat, but Facebook and email is where you'll likely find generation Xers. How will you know unless you find out? Just ask them. You'll be amazed how many of your customers want to tell you more about themselves.

Stop engaging with customers based solely on data or assumption; create moments of happiness and connection by really understanding them as people. Happy people spend more and remain loyal. 



The following guest article has been written for InternetRetailing by Jo Coombs, the Managing Director of OgilvyOne in the UK. OgilvyOne is a leading Customer Engagement Agency that helps its clients – including American Express and Unilever – to unlock the full value of their customers. Part of the global Ogilvy & Mather group a WPP company, OgilvyOne has offices in over 50 countries with over 350 employees in the UK specialising in CRM, digital & social engagement, innovation and service design.



[www.ogilvyone.co.uk](http://www.ogilvyone.co.uk)  
[@ogilvyoneuk](https://twitter.com/ogilvyoneuk)  
[@joc00mbs](https://twitter.com/joc00mbs)

# The store is dead. Long live the store!

*Jo Coombs, Managing Director of OgilvyOne UK shares her thoughts on reviving the store for the connected age.*

I STARTED SHOPPING in the 80s when the high street featured the likes of Our Price, C&A, Etam & Chelsea Girl, Bejam, Comet, Wimpy and, of course, Woolworths. On Saturdays, I spent the money I earned working in a greengrocers on rainbow laces and Smiths tapes. Petrol was 30p a litre, a pint of beer cost 40p and milk was 20p a pint.

Oh, how things change. I'm not just reminiscing; it's more morbid than that, I'm talking about death - Ratners & Radio Rentals RIP, Our Price & the cassette tape 10 feet under. Seven of the eight biggest US retailers in 1980 are now out of business and this year in the UK, Morrisons, Dixons and Tesco are reportedly killing off, or reducing hours at, nearly 200 stores.

So is the store dead?

Despite recent demises, the 'store' has never been more alive. In the connected age, the store is more vital and more relevant than ever before. In fact, I would argue it's the most exciting time ever to work in a shop – and in retail at large.

## THE DIGITAL DEFIBRILLATOR

Resurrecting the store is the very thing that people predicted would kill it (and our high streets) – the internet.

In this connected age, consumers want the best of both worlds; to be able to interact with products and staff in person whilst being able to have instant access to reviews from other consumers, the ability to compare prices and

download discount codes now. This rise of continuous commerce requires retailers to provide connected experiences, curation, content and customisation. And they have to be omnichannel not just multi-channel with the subsequent renewed focus on the store.

Let's be clear; most stores need a bit of a refit to stay alive in the connected age. We're not just talking about new layouts, signage, furniture, new training for staff or even a new dress code. It MUST go much deeper. Indeed, the definition of refit is 'to make something ready for use again especially by adding new parts.'

At OgilvyOne we talk about seven different components of store refit for the connected age to help brands create great customer experiences that increase loyalty. These 'Magnificent Seven' are as follows:

■ **The relationship refit:** Consumers today expect retailers to bring together cross-channel insights through technology to develop deeper, more personalised service. The easiest way to do this is to arm in-store staff with meaningful information, like purchase histories, so that their interactions with consumers are judged on the added value they bring rather than the basics. River Island is one retailer arming all of its staff with Android devices to help customers, but are they completing the loop and feeding back in-store interactions into the system? Two-way data transfer is key. In this continually evolving connected age, retailers can (and should) automatically access and update a shopper's profile, customer preferences and buying history to provide a better experience. In fact, with the advance of predictive analytics, they should know and respond to what a customer wants before they ask for it.

■ **The service refit:** On-demand customer service is the order of the day. Assistants are out from behind the till. Armed with customer and product info, they are guiding customers through the curated store experience, helping them order from an extended online range or greeting them when they collect products reserved via apps.

Recruiting staff based on their service attitude will be key. Take Apple as an example – in-store service is a key aspect of their brand.

Another retailer with service experience at its heart is Wingtips the San Franciscan menswear store that is also a barbers, tobacconists, shoe shiners and private

members club (which is also a living retail experience as everything from the glasses you drink from to the pocket squares you can borrow are for sale).

■ **The recognition refit:** Customers will expect recognition in-store for their other interactions with the brand. Some retailers (for example, Burberry) have created closed ecosystems around brand loyalty that combine the user's mobile and web behaviour to offer targeted in-store experiences and offers.

In the US, Target is creating personalised experiences for customers that mimic online experiences. Casino in France allow customers to use their smartphones to access information on products and pricing via NFC-enabled shelf edge labels, and scan items to add to their basket.

■ **The social refit:** With 82% of smartphone users consulting their phone while in-store, being able to combine the intelligence of online shopping and social recommendations with the tangibility of physical retail will be key to success in-store.

Nordstrom recently launched a program where it displays merchandise that's popular on Pinterest more prominently, which is something I expect to become more popular this year.

I would love to see brands allowing stores to take over their social channels and letting us know what's trending in Shoreditch right now for example.

■ **The payment refit:** One of the most frustrating parts of in-store shopping, is waiting to pay. Many retailers are already following Apple's lead with its EasyPay self-mobile checkout, enabling customers to find, scan and pay for items without waiting in a line or talking to an associate unless needed. As consumers become increasingly comfortable with contactless payments, expect to see more retailers mimicking Kohl in the US, who are focusing on offering discounts and rewards alongside the varied payment options.

■ **The innovation refit:** Topshop has adopted digital with gusto, and uses tech and social in store regularly, such as in its 'Wish you were at Topshop?' campaign. Its latest campaign, where they live streamed a virtual reality 'experience' of its London Fashion Week show, took the experience to a new level.

Similarly, Selfridges and House of Fraser are



**Morrisons, Dixons and Tesco are reportedly killing off, or reducing hours at, nearly 200 stores**

experimenting with tech – using augmented reality to make windows “shoppable” to capture passing trade.


In-store tech should be used appropriately and not just for tech sake. Just because mirrors can show you enhanced product info doesn't mean that I want that when I'm standing in front of it.

■ **The delivery refit:** Delivery is one of the biggest battlegrounds in the omnichannel battle. Drones are not the future and free delivery is unsustainable so retailers need to be investing in adding value to the click and collect proposition. It's a massive moment of opportunity and proactive sales assistants will use it as such. For many retailers, this will require collaboration with some unconventional partners to improve speed and quality of service while providing additional choice for customers.

The key will be to collaborate with non-competing chains that share an overlap in customer demographics. This will allow retailers to benefit from increased footfall and shopper satisfaction without the risk of sales cannibalisation.

All seven refits are important, but the order they are tackled in will be different for every retailer – the important part is to maintain a focus on reimagining the role of the store within the overall experience.

In order to stay alive retailers must put the customer first. Whether they survive, thrive or fall by the wayside in the connected age will come down to retailers' ability to reframe the role of the store in the continuous commerce journey with the customer at the heart of the whole experience.

The opportunity is unprecedented but retailers need to stop themselves overcomplicating things. Going back to basics is key. By focusing on understanding the needs and wants of the customer and designing store experiences accordingly will ensure that retailers continue to meet – and exceed – the needs of each and every customer which, ultimately, is what we want. 

“Seven of the eight biggest US retailers in 1980 are now out of business”



# Where apps and loyalty collide

Connecting with the customer has always been key to retail, but these days connecting in the right way at the right time with the right information and above all the right experience is increasingly becoming key. *Paul Skeldon, Mobile Editor, InternetRetailing explores further.*

**C**ONNECTING WITH customers has created something of a surprise mini-trend in early 2016: shoppers are increasingly making more use of apps to 'do' mobile commerce, with the upshot that more retail is being done on mobile than ever before.

This is all because experience and convenience have finally merged – at least in consumers' minds – and many apps are starting to deliver.

This rise in app use is not only fuelling the growth of m-retailing past the 50% mark, according to IMRG's latest figures, but is also starting to see renewed interest among retailers in loyalty and how to build that into the mobile experience.

According to a study by Criteo, published in its Q4 2015 State of Mobile Commerce Report, four in 10 purchases occur across multiple devices or channels and of that, close to one-third are completed on a mobile device. And apps are playing a key role, says Jonathan Wolf, Chief Product Officer, Criteo. "Retailers and brands with intuitive apps that highlight relevant products to consumers and remove barriers to purchase see stronger sales and higher values. Building an app that displays useful products and streamlines the path to purchase is necessary to driving engagement, conversion and revenue."

Of those retailers that have prioritized the mobile experience, mobile apps accounted for 54% of all mobile transactions in the retail industry, and 58% of mobile transactions in the travel industry, says Criteo's study of 1.4 billion online transactions worldwide. Shoppers using mobile apps browsed 286% more products than mobile web shoppers, contributing to an add-to-basket rate 90% higher than mobile browsers. The overall conversion rate on an app was 120% higher than mobile browsers.

These are impressive figures and make an even stronger case for apps when compared

to other studies. The heads of 100 leading retailers quizzed by Urban Airship, for example, show that between 21 and 50% of web sales now come from apps.

Another study by IRUK Top500 Knowledge Partner Poq Studio shows that the average person shopping from an app generates 2.6 times more revenue for a retailer than someone shopping from a mobile site and 1.5 times more than someone using a desktop device. Customers using apps also interacted with retailers 2.8 times more often than customers using the mobile website.

As ever the shopper demand is there for interaction – and apps increasingly can offer what they want: a personal, rich, efficient and timely way to interact and buy. Consumers are also wising up to using apps as they appear in Google searches, as well as many smartphone users using the phone's internal search functionality to search out the brand they want to interact with and using the app.

There is also the rise of more targeted marketing, which is making apps the natural end point of much more personal marketing campaigns.

Mobile advertising is starting to become more accepted by users – despite the rise in ad blockers, which themselves are making retailers up their marketing and interaction games – with some 64% of consumers surveyed by Quantcast claiming to have been influenced to purchase by a mobile ad – a figure that rises to 80% among millennials.

"New technologies that enable more targeted shopping experiences will help to significantly improve the way in which retailers engage with their customers during peak trading in 2016," says Poq Co-Founder, Michael Langguth. "We predict that campaigns that take into account contextual influences such as geography will drive the most outstanding results this year."

## MARKETING LOYALTY

Where it gets interesting is where the worlds of targeted mobile marketing and app experience collide with loyalty schemes: a collision that is ever more likely as forward thinking retailers react to the shift to apps shopping.

A study of 1,000 people in the UK by leading mobile app developer, Apadmi, found that 8 in 10 Brits would like to start collecting loyalty points on a retail app. The research also found that 29% of shoppers would be happy to share their location with a retail app to gain incentives and loyalty points when they walk around the store.

Customer loyalty card schemes are currently a big hit with shoppers, with more than half of consumers (51%) claiming they own more than one loyalty card, and 46% stating that they regularly collect and spend points on a reward card.

However, at present, only 20% of UK smart phone users interact with a retail loyalty scheme on their phone.

Bringing the loyalty idea into the app, then eventually combining it with payments, you have the making of a compelling, all encompassing experience for the consumer – and a compelling experience is what makes money.

In a world where choice is rampant – to the point of rendering people incapable of choosing – hooking them into your ‘experience’, rewarding them and making it relevant is a clear winner.

Get the experience wrong though and as many as a third won’t purchase from you again. Ever.

## CLOSING THE GAP

Alternatively, when a good mobile experience is achieved, 76% report that it has an influence on their loyalty to a brand, says the study from Sitecore and Vanson Bourne.

Scott Anderson, CMO, Sitecore comments: “The Vanson Bourne research reveals vast unmet consumer expectations and a very real need, in terms of loyalty and sales, for businesses to close the gap between consumer expectations and what brands deliver today.”

“People expect businesses to design a thoughtful mobile experience that helps them go through their journey,” adds Brian Solis, analyst and author of the Sitecore ebook, *Mobile is Eating the World*. “They want businesses to understand their intent and design content, paths, and outcomes that align with the context of each moment of truth. They

don’t want generic click paths, 1990’s websites, marketing-speak, gimmicks, or friction.”

This is where the consumer mind set is, at least. In the retail world there is still some catching up to do. Despite the hype over apps five years ago – admittedly when they weren’t really worth the money people were spending on them – there has been surprisingly little movement.

Poq’s research for the 2016 IRUK 500 also shows that just 23% of Top 500 retailers in the UK have a transactional app in 2016 – with only a fifth having an app at all. This is only slightly better than the IRUK 500 in 2015: progress has been glacial.

Consumers now want apps and demand an experience that only apps can deliver. The likes of Missguided, which caters to a very young audience, has launched an app that not only is transactional and slick, but also features a Tinder-like swipe-to-like feature.

According to Langguth from Poq, which built the app for Missguided, this is the way retail apps are going to go.

“The next generation of customers uses apps for everything,” he says. “Great apps are often either very engaging – like Instagram and Pinterest – or they are super convenient – like Uber and Citymapper. Missguided has built a retail app on our platform that combines both of these attributes: it is extremely convenient and deeply engaging. This is the perfect example of what a cutting-edge retail app can offer: Customers are always logged in to an addictive and personalised shopping experience, and can check out using just their fingerprint.”

This sort of ‘value-add’ in retail apps is going to become standard and part of what will make consumers loyal to any one brand – perhaps even more so than price.

According to Andrew Bray, Managing Director at retail technology specialist K3 CRM: “We are seeing a shift away from traditional price wars as retailers explore new ways to engage with their customers to build loyalty. Retailers are looking for ways to show existing customers they are loved, ensuring they remain loyal to their brand. If they make it easier for customers to shop with them, for example by giving them unique deals as a reward for loyalty and by opening up stronger lines of communication to engage with their brand, then a customer is likely to return again and again. A happy customer is also a customer who will refer their favourite brands to their friends as well as remaining loyal themselves. This can have a positive impact on bottom line figures for retail businesses.” 

“The average person shopping from an app generates 2.6 times more revenue for a retailer than someone shopping from a mobile site”



The following guest article has been written for InternetRetailing by Igor Faletski, CEO at Mobify. Mobify's mobile customer engagement platform helps retailers and brands engage connected consumers to increase revenue online and in-store.

<https://uk.linkedin.com/in/igorfaletski>  
[www.mobify.com](http://www.mobify.com)  
@igor



# Contextual engagement

*Igor Faletski, CEO, Mobify examines the art and science of creating extraordinary shopping experiences through the unique capabilities of modern mobile devices*

**B**ACK IN 2007, just before the iPhone changed everything, Mobify began by developing what can be thought of as an early “contextual mobile marketing” software product. It was a simple system designed to tell mobile phone users, through SMS text messages, when their next bus was due. Back then, contextual mobile marketing wasn't a bona fide marketing model, but the genesis was there: we knew who we wanted to reach (people with a mobile phone), what they wanted (bus schedule), when they wanted it (upon texting a code), and the “where” and “why” were obvious. The story evolved to a global one when lines for the iPhone formed at Apple stores, and we began to help some of the world's largest brands launch adaptive mobile websites to improve mobile conversions and increase revenue.

Now is a time of tremendous transformation in how retailers engage customers with a mobile device that has become a truly personal, ever-present, contextual connection to the world around them. Most retailers are now somewhere along the path of understanding how mobile influences the non-linear shopping journey. Our best customers recognise how mobile influences offline purchasing, and they are reorganising their businesses with it as their core.

Wherever you are in the process of engaging customers through mobile, it's important to think about how we can use mobile, not just as a channel to reach

shoppers, but to form a lasting relationship that makes shopping a better experience. We all want the same thing: to engage shoppers in the right place and time, remove roadblocks, and make it more likely that they will check in often and check out more.

To understand how the art that is marketing and the science that is technology can engage customers, we need to examine what effective mobile customer engagement looks like. We know that mobile shoppers' needs – and the opportunities to engage meaningfully at each point along the way – are in the moment. Consider this example:

A woman sits in a garden, planning the first outdoor party of the summer. She is scrolling through picnicware on a mobile site on her phone when she receives a Facebook message from a friend suggesting they host a tropical theme party together. Next, she's looking at punch bowls on a department store site, selects one, buys it and arranges to pick it up at a local store. That afternoon, she's with her friend at a



**Mobile gives shoppers a truly personal, ever-present, contextual connection to the world around them**

gourmet coffeehouse buying beans, then off to the department store to pick up the punch bowl. Her Facebook profile identifies her as a “coffee fanatic,” so as she nears the department store, she receives a push notification right on the front of her phone, with a digital coupon for a state-of-the-art espresso machine. As she approaches the espresso machine, she pops open the store app, scans the espresso machine’s bar code to get more information, then decides to order it, in a different colour. She pays with Apple Pay and has it sent home to avoid carrying the heavy item. On the way out, she gets a beacon notification for an in-store demo of the new machine, which they attend before heading home. Back in the garden, the espresso machine arrives while she and her friend are decorating for the party.

This shopper’s experience is highly contextual and enjoyable because we’ve been able to gather every data point along the way, from which sites and stores the shopper searches to how long she physically spends in each department or aisle, as well as where she completes her transaction. We can correlate her online and in-store behaviour and tailor a unique experience designed just for her. This is a loyal customer because the native app she uses is fast, optimised for her mobile phone, and ready to take advantage of everything that makes a smartphone so different from a desktop. Her journey is an integrated one across web, apps, messaging, social, location, in-store, at home and in between.

#### ARTFUL ENGAGEMENT

The shopping example makes it easy to see why marketers view themselves as purveyors of creativity, innovation, design and experience, in short, art. People prefer to engage with brands and retailers that do things that are not simply relevant but remarkable, even amazing in their connection to personal desire. “Look, they know me, they understand me, and they’ve connected with who I am!” represents the ultimate in marketing art. Customer loyalty, can be thought of as the result of ongoing, artful engagement.

But what about the technology, the science that powers mobile customer engagement? What steps can retailers take to exploit these technologies to amaze their mobile customers?


The first step is to provide the best mobile customer experience, whether through a mobile-optimised website, an app or both.

“Look, they  
know me, they  
understand me,  
and they’ve  
connected with  
who I am!”

Increasingly, customers expect an AirBnB or Uber-level mobile experience. Expectations are growing fast. Launching a fully custom mobile experience is a big job, but it is absolutely essential to give customers the easy shop and pay experience required to drive revenue, conversion rates and customer lifetime value.

In the second phase, retailers can begin to deliver mobile customer engagement. This involves integrating messaging and location marketing, for example, to reach customers beyond the capability of email newsletters. What is most fundamentally different about this technology compared to the early days of mobile is the way in which we communicate. Email is now 35 years old and clearly can’t exploit interactive opportunities as chat commerce, apps, messaging and social networking can. Now we have so many channels, including the latest push technology that makes it possible for retailers to send a message in context, direct to the front screen of a shopper’s mobile phone. The customer likes it because they have opted in, the message is timely, relevant, and personal, and it comes without the need to download an app. Retailers are intrigued by it because it brings agreeable customers into the mix fast, without integration work or app development.

We are already seeing a major shift in the way retailers engage as they move from the old mode of desktop based, email driven communication to a model based primarily on mobile-first app heavy messaging that is context sensitive and personalised for the user. Where we are headed next can be described as “headless commerce,” in which we separate the front end of the ecommerce platform focused on users from the back end, tuned for transactions. This enables retailers to create a face to the customer that is much better suited to the mobile experience. The resulting mobile experience is far better suited to engagement with customers than today’s shopping cart and storefront metaphor.

We already know that customers love great, personal and timely messages that are context sensitive and help them make the purchasing decision and shopping processes easier. It wasn’t clear at the start how mobile would advance from its humble roots delivering the bus schedule. But we know now it’s the right platform to connect businesses with customers in the most distinctive and personal ways. 

# Insight around the world



## **AMIT KUMAR VERMA, ANALYST, TIMETRIC**

According to a new report by Timetric, the rising ecommerce market is forecast to push the growth of Saudi Arabia's electronic payments industry over the next couple of years.

The study finds that the value of ecommerce transactions grew rapidly in Saudi Arabia during the review period, from £329.7m (SAR1.7bn) in 2010 to £1.43bn (SAR7.5bn) in 2014, and was estimated at £1.86bn (SAR9.8bn) in 2015. By 2019, Timetric expects the country's ecommerce transactions to double, to reach £3.73bn (SAR19.5bn). This rapid expansion will continue to encourage the Saudi population to shift to online payment methods.

The government's initiatives to develop the ecommerce market will support the growth of electronic payments in the country. For example, the Ministry of Commerce and Industry introduced the first draft of the eCommerce Law in February 2015 to increase the competitiveness in the ecommerce market as well as to enhance customers' trust in online shopping.

In addition, an increase in purchasing power in the wake of rising disposable income, coupled with high mobile penetration, is anticipated to push the online purchasing behaviour of Saudi residents. Many banks – such as Al Rajhi Bank, Riyad Bank, the National Commercial Bank and SABB – have started to offer cards exclusively targeted at online shoppers. These cards are offered as supplementary cards to their primary cards and share the credit limit of the primary card. Moreover, they are embedded with Chip and PIN technology and 3D-Secure features to allow secure online transactions.

As more than half of the Saudi Arabian population is below the age of 30, the technologically advanced young Saudis readily adopt digital channels. Moreover, with banks launching Sharia-compliant credit cards, the rise in uptake of credit cards is likely to boost the online purchasing behaviour of young Saudis. This trend is anticipated to drive the growth of online transactions further as well as support the expansion of electronic payments in the country.



## **PAUL SKELDON, MOBILE EDITOR, INTERNETRETAILING**

Retail ecommerce sales in Asia-Pacific were expected to hit £601bn (\$877.61bn) in 2015, up 35.7% from 2014. For the first time, the region will not only have the largest digital retail market in the world, but its share of global retail spend will also reach 52.5% – the first time it holds an outright majority of the world market.

This rapid growth from Asia-Pacific predicted in eMarketer's latest forecast for retail sales around the world is in part driven by the rising middle classes in China, India and Indonesia, and the increasing popularity of mobile devices, which is driving more people online throughout the region.

Digital retail sales in Asia-Pacific are also growing faster than any other region, and more than 10 percentage points faster than the worldwide average rate. China, India and Indonesia are the main drivers of growth in the region, with the latter two markets enjoying growth of 129.5% and 65.6%, respectively, in 2015.

China alone will have accounted for over 40% of the world's retail ecommerce sales in 2015, up nearly 5 percentage points from 2014. China will continue to gain share of the worldwide market, exceeding 50% in 2018 and reaching 55.1% by 2019, the end of eMarketer's forecast period. Ecommerce is the primary driver of overall retail sales growth in the country.

"This rapid growth in Asia-Pacific coupled with faster internet service and greater mobile uptake, is heating up the competitive landscape where large local players are increasingly vying for market share by improving their logistics and mobile platforms, and in some cases moving entirely to an app-only service," said Monica Peart, eMarketer's Director of Forecasting.

Asia-Pacific also outperforms the rest of the world in terms of the share of its total retail market transacted online. Retail ecommerce now accounts for 10.2% of all retail sales in Asia-Pacific and is projected to rise to 20.4% of the total by 2019. That compares to 7.4% on average worldwide, and a projected 12.8% in 2019.

These markets are also of vital importance to UK retailers. As we reported in November, 47% of Chinese online shoppers hit UK websites, with 83% of them doing so on mobile.



**EMMA HERROD, EDITOR, INTERNETRETAILING**

Ecommerce in France continues to gather pace as the market grew by 14.3% in 2015. In total, the French spent £50.61bn (€64.9bn) online during the year, according to French ecommerce association Fevad. The number of transactions increased by 19%, rising from 700 million in 2014 to 835 million in 2015.

Online sales grew more quickly in 2015 than in the previous year (+11% in 2014), in particular thanks to much higher sales than those forecast in the first nine months and in the run up to Christmas. Sales online during November and December increased by 12% over 2014's level to reach £9.98bn (€12.8bn).

However, the average spend per transaction continues to decrease. Basket sizes fell by £3.90 (€5) compared to the 4th quarter of 2014, thus bringing the annual average basket down to £60.83 (€78), the lowest amount ever recorded. This decrease in the average basket confirms that online purchasing is becoming the norm for French consumers; each year, online is growing closer to the average amount of purchases made via other sales channels.

The decrease continues to be offset by an increase in buying frequency as well as the growing number of new consumers shopping online for the first time. The number of online shoppers increased by 2.3m, according to audience measurement company Médiamétrie.

On average, each consumer shopped online 23 times during 2015 and spent a total of £1,388 (€1,780), compared to £1,279 (€1,640) in 2014. This represents an increase of 13% in the annual number of orders per buyer and an annual expenditure which has increased by 8%. Over the past four years, buying frequency has increased by 68% and the average amount spent has grown by 45%, says Fevad. There are also 20% more buyers than four years ago and the number of ecommerce sites continues to grow.

Sales via mobile devices and marketplaces are gaining market share in France as sales through marketplaces is estimated to have reached about £2.34bn (€3bn) in 2015, accounting for 9% of online product sales. Sales via smartphones and tablets increased by 39% and are estimated to account for more than £4.68bn (€6bn) or 10% of the ecommerce market.

Ecommerce is predicted to grow by 10% in 2016 to pass the £54.59 (€70bn) barrier.

**NIR DEBBI, CO-FOUNDER, CMO AT GLOBAL-E**

China's total ecommerce market is expected to increase by 50% to £1.06trillion (\$1.5trillion) by 2020. With increased interest from Chinese shoppers for foreign products bought on international websites this is a great opportunity for UK retailers.

Over 36% of Chinese shoppers are already purchasing cross-border. This trend is driven by China's growing middle class population, accelerated internet and smartphone penetration and in part by fears over the scale of counterfeit or poor quality goods on sale domestically. China's rapidly growing ecommerce market offers great opportunity for trusted international retailers to grow sales. UK brands, in particular, are really quite coveted in China.

However, most western retailers are ignoring this opportunity. Research that Global-e commissioned recently shows that almost half (45%) of the UK's largest online retailers are completely ignoring China's burgeoning ecommerce market, with just 55% of retailers offering shipping to China.

The study of the UK's 150 largest online retailers found that just over a quarter (26%) of retailers that ship to China offer shoppers the ability to pay in Yuan and present prices in local currency. The remainder are leaving shoppers in China to estimate for themselves how much products will cost to buy, which means shoppers could be hit by sudden currency exchange fluctuations or fees from their bank.

Similarly, only 22% of retailers that ship to China offer Chinese shoppers the ability to pay using local payment methods, such as e-wallets and bank transfers like Alipay or Tenpay, which account for more than 80% of ecommerce payments, or Chinese payments cards such as UnionPay. Of retailers that do accept Chinese payment methods, 42% offer a single option, barring some prospective customers from making a purchase.

Merchants selling in China must consider shipping and returns, localised pricing, local payment methods and prepayment of taxes and duties. Delivering a localised shopping experience needn't mean building standalone websites or negotiating deals in each market. Retailers can work with specialist partners to achieve this level of personalisation, reducing the time and money spent on cross-border commerce.

E-COMMERCE

**NEW MARKETS...** // Expand beyond borders  
**NO LIMITS...** // Be found on search engines  
 Powered by ChannelAdvisor // Sell on comparison shopping  
 // Sell on eBay, Amazon and more

 **+44(0)203 014 2700**  
[ukteam@channeladvisor.com](mailto:ukteam@channeladvisor.com) // [www.channeladvisor.co.uk](http://www.channeladvisor.co.uk)

E-COMMERCE

 **Maginus**

**We provide solutions and expert advice to help retail and wholesale companies sell more online**

- Experts in eCommerce
- Digital marketing
- Multi-channel solutions
- Multivariate testing
- Leading EPiServer partner
- Creative design & build

**0161 946 0000 | [info@maginus.com](mailto:info@maginus.com) | [www.magus.com](http://www.magus.com)**

E-COMMERCE

 **COMPLETE commerce**

Everything you expect in an eCommerce solution

**Plus this**  
 integrated financial accounts, advanced stock control, sales order and back order processing, pick, pack and despatch CRM & marketing

**0845 25 75 111**  
[www.completecommerce.co.uk](http://www.completecommerce.co.uk)

the absolute end-to-end multi-channel solution  
Invigorating on-line shopping

E-COMMERCE

 **Salmon** Unique Approach • Unique Solutions

Award-winning eCommerce digital agency, providing consulting, design, delivery and support services to leading multi channel retailers including:

**+44 (0)1923 320000 | [info@salmon.com](mailto:info@salmon.com) | [www.salmon.com](http://www.salmon.com)**

E-COMMERCE

 **VOLO**  
 Adventures in eCommerce

**Transform your multichannel growth**

Sell more stock  
 More efficiently  
 Across more marketplaces

**+44 (0)207 203 8430 | [www.volocommerce.com](http://www.volocommerce.com)**

E-COMMERCE

 **neoworks®**

Call us to discuss your global project in the following regions: APAC, EMEA, United Kingdom, China, Japan.

Straight talking multichannel consultancy and leading hybrid integrator providing enterprise commerce software solutions and digital commerce consultancy to leading global brands and retailers.

 **+44 (0) 20 7025 0950**  
[Info@neoworks.com](mailto:Info@neoworks.com)

E-COMMERCE

 **onTap**

 **Magento®**  
 eCommerce Platform for Growth

**The UK's longest serving Magento Gold partner**

Design/Customer experience Build Support Training Optimised Hosting

Fully multi-channel CRM/ERP integration Warehouse management Marketing integration Personalisation

 **SOLUTION PARTNER**

**[info@ontapgroup.com](mailto:info@ontapgroup.com) 0207 183 3183 [www.ontapgroup.com](http://www.ontapgroup.com)**

E-COMMERCE

 **Paraspar** Integrated eCommerce & eMarketing

• Affordable solutions for multichannel retailers  
 • Fully Integrated content, merchandising & promotions management  
 • Reliable, flexible & scalable solutions

**0845 2305665 [www.paraspar.co.uk](http://www.paraspar.co.uk) [info@paraspar.co.uk](mailto:info@paraspar.co.uk)**

E-COMMERCE

 **Reply**  
 portaltech

 **hybris partner**  
 PLATINUM ELITE

**The world's leading hybrid integrator and implementer of world class multi-channel solutions for Retail, Travel, Telco, B2B.**

**[www.replyltd.co.uk](http://www.replyltd.co.uk)**  
 Tel: +44 20 7730 6000 Email: [portaltech@replyltd.co.uk](mailto:portaltech@replyltd.co.uk)

E-COMMERCE

 **etail systems**  
 .com  
 eCommerce solutions

**Online Shopping Specialists**  
**eBay and Amazon Integration**  
**Grow your profits and improve business efficiency**  
**End to end B2C & B2B capability**

**[www.etailsystems.com](http://www.etailsystems.com)**  
**0844 482 0908 • [info@etailsystems.com](mailto:info@etailsystems.com)**



ECOMMERCE




**QUIKSILVER**

Quiksilver – along with more than 500 other leading online shops – is powered by Demandware's digital commerce platform.

+44 (0)208 895 4867 info@demandware.co.uk www.demandware.com

OPERATIONS, LOGISTICS & ORDER MANAGEMENT



European Market Leaders of:

- Warehousing & Distribution
- Online Payment Platforms
- E Commerce Solutions
- Product Management
- Reverse Logistics
- Analytics

Contact:  
T: (+44) 1993 770 600  
E: info@docdata.co.uk  
www.docdata.co.uk

ECOMMERCE

**postcoder**  
web

address lookup  
for your website

www.alliescomputing.com from **allies**

OPERATIONS, LOGISTICS & ORDER MANAGEMENT

**Jungo...fulfilment solutions**

Whether you are a multi-channel high street brand or a serious start up e-tailer we can provide a tailored fulfilment solution for you.

www.jungo.co

Contact Ged Newman or Roger Crosse on  
Tel: 0116 2344411  
Web: www.jungo.co  
Email: gednewman@jungo.co

**fulfilment solutions**

**jungo**

OPERATIONS, LOGISTICS & ORDER MANAGEMENT



**making complexity simple**

KNAPP is a leading global supplier of warehouse automation solutions, with over 1600 active systems worldwide. Projects in the UK include systems for John Lewis, Boots, Staples and Clarks.

Integrated warehouse automation

KNAPP UK Ltd  
Tel: 01844 202 149  
sales.uk@knapp.com

**KNAPP**

OPERATIONS, LOGISTICS & ORDER MANAGEMENT

**Performance, expertise and reliability.**

Power your eCommerce strategy with Rackspace.

www.rackspace.co.uk/ecom  
0203 553 1403

**rackspace**

OPERATIONS, LOGISTICS & ORDER MANAGEMENT

*CitySprint Retail, we deliver*

**CitySprint**  
Retail

As the UK's leading same day distribution network, we deliver a full range of retail distribution services.

- Evening and weekends
- Store to home
- Logistics partner support

Our national network can reach over 81% of the UK population within 60 minutes, opening a world of delivery options up to you!

Contact us by email at retail@solutions@citysprint.co.uk to find out how we can bring a fresh look to your delivery arrangements.

OPERATIONS, LOGISTICS & ORDER MANAGEMENT



create a circle of success

MNP's order management, warehousing and purchasing software systems will transform the operational performance of your multi-channel or direct commerce business and keep you ahead of the competition.

**MNP**

www.mnp-media.com

OPERATIONS, LOGISTICS & ORDER MANAGEMENT

**PRIORY**  
DIRECT.co.uk

**UK & EUROPE'S NO.1 SUPPLIER**  
of integrated labels and eCommerce packaging

**1**  
BEST IN CATEGORY

**HUGE RANGE OF QUALITY PRODUCTS**

- ✓ BESPOKE LABELS & PACKAGING
- ✓ SAME DAY DESPATCH UP TO 5PM

Market Leading INTEGRATED LABELS

Bubble Lined Bags FROM 2P

**ALL YOUR E-COMMERCE PACKAGING NEEDS COVERED**

Visit priorydirect.co.uk or call 01892 839260

RECRUITMENT



**Commerce**  
Technology Staffing Solutions

**Permanent and contractor hiring**

Commerce technology team enablement

Workbench delivery model

**hybris partner**  
EXTENDED WORKBENCH

**c4commerce.com**  
cbc@c4commerce.com



OPERATIONS, LOGISTICS & ORDER MANAGEMENT



**Elucid – the complete multi-channel software solution, helps you:**

- ▶ Convert enquiries
- ▶ Sell more products
- ▶ Increase order values
- ▶ Sell across all channels

**024 7655 5466**  
[www.sanderson.com/elucid](http://www.sanderson.com/elucid)



**Choice | Customer Service  
Convenience | Consistency**

CUSTOMER EXPERIENCE



**Deliver a More Relevant Customer Experience**

 SITE SEARCH & NAVIGATION
  MOBILE

 USER-GENERATED SEO
  MERCHANDISING

Learn More at [sli-systems.co.uk](http://sli-systems.co.uk) or call +44 (0) 203 217 0321

OPERATIONS, LOGISTICS & ORDER MANAGEMENT




*UK company with US storage & distribution facility. Local pick & pack fulfilment & clearance.*

**USA Distribution Specialists**

*Discounts for volume shippers / Special rates for books & media*  
*Minimum of 50 parcels per week to USA*

**USA +1 732 965 5404** **UK +44 1844 337869**  
[info@MailRightInternational.com](mailto:info@MailRightInternational.com) [www.MailRightInternational.com](http://www.MailRightInternational.com)

CUSTOMER EXPERIENCE



**Insight-led design**

Beautiful & intelligent websites, mobile and in-store interactions in four simple steps

Get in touch to see how we can improve your customer experience

[www.webcredible.co.uk](http://www.webcredible.co.uk)  
 020 7423 6320  
[hello@webcredible.co.uk](mailto:hello@webcredible.co.uk)



ACQUISITION MARKETING

**“66% of companies rated email as ‘excellent’ or ‘good’ for ROI.”** (2015 Email Census)

**Do you?**

Get insight into the email industry's latest results  
[adestra.com/census](http://adestra.com/census)

 **adestra**

CUSTOMER EXPERIENCE

**Interactive Merchandising Solutions**





Interactive content everywhere.  
*Smartphones, Tablets, Online*

*“simplifying the shopping experience to drive sales online and off”*

[info@easy2.com](mailto:info@easy2.com) / 1-216-812-3200 [www.easy2.com](http://www.easy2.com)

ACQUISITION MARKETING

**Smarter marketing turns shoppers into repeat customers.**

**Learn more at [bronto.co.uk](http://bronto.co.uk)**

 **Bronto**  
 Email Marketing for E-Commerce

MARKETING

 **OMETRIA**

**CUSTOMER INSIGHT AND MARKETING AUTOMATION**

CUSTOMER EXPERIENCE

**Drive More Revenue from Personalized Recommendations**



 **CERTONA**  
 Personalization Anytime, Anywhere

[certona.com](http://certona.com)

MARKETING

**RedEye**

**RIGHT CUSTOMER. RIGHT CONTENT. RIGHT MESSAGE. RIGHT TIME. RIGHT CHANNEL**

RedEye provides the tools digital marketers need to increase revenue. Our unique solution is called **Contour**, and it's driven by a database that combines all customer data, online and offline. **Impressive?** Our customers think so.

[www.redeye.com](http://www.redeye.com) 0207 730 9958 Come and join the conversation   



# Say hello to your next customer



## We know your shoppers.

We can reach your target. And we can boost your performance. Shopping patterns are the best predictors of consumer behavior. We've learned a lot about *your customers* from their choices: about what they'll buy next, how to identify new in-market customers and what will keep them coming back.

Programmatic Media - CPC Listings - Publisher Monetisation

 **connexity**

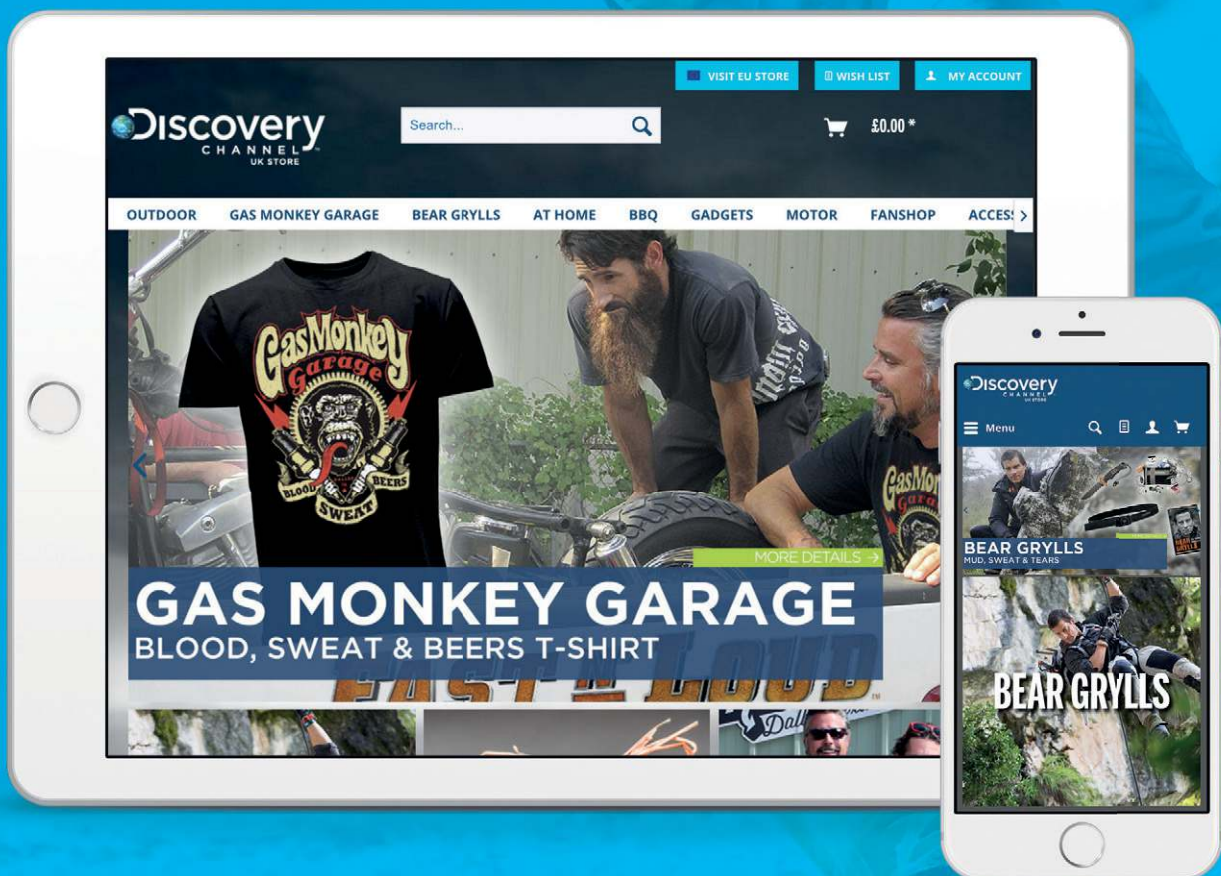
POWERED BY SHOPPING

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





The trendsetting eCommerce software to power  
your online business



Meet us at **Internet Retailing Expo** in Birmingham  
and discover your opportunities

**Booth F33**

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