

BRC Omni-Channel 2016 conference report

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1 Introduction to the BRC Omni-Channel conference

KETL was a sponsoring exhibitor at this year's BRC Omni-channel retail conference and we were keen to find out from delegates what their key customer data objectives are for the next 2 years. We also wanted to discover the pain points that retailers were experiencing when grappling with some of the key elements of a truly customer focused data journey.

The themes for the conference were:

- Adapting Business Skills and Leadership to the Evolving Consumer
- Exploring a Journey of Digital Transformation
- Putting the Customer in the Driving Seat
- Creating Personalised Experiences
- Building Bridges to Create New Moments in the Customer Journey
- Omni-channel Fulfilment Strategies
- Digital Disruption- What's Next?

Some of the other sponsors and exhibitors at the conference included Worldpay, pwc, MarkLogic and richrelevance.

We have put together this report on the presentations from the event for those of you who were unable to attend.

Many thanks

Helen Woodcock

Marketing and Business Development at KETL Limited

P.S

KETL will be at the next BRC event in London and we do have a discount for retail delegates that would like to attend the [BRC Customer Insight 2016](#) Thursday 19th May so just drop me and email for the code helen@ketl.co.uk

2 Shop Direct: Gareth Jones, Deputy CEO

Creating a purpose and values driven strategy that puts the customer in the Driving seat

'Make good things easily accessible to more people'

The Shop Direct value proposition is what keeps the customer at the heart of the digital transformation programme. The introduction of the Very brand to the group has enabled them to transform from a catalogue business to a digital online only retailer whilst maintaining scale. The group is in profit by being efficient and customer focused. This has meant some big changes for the Shop Direct workforce and their customers. The group no longer produces catalogues at all.

The 3 main challenges that Gareth says keep him awake at night are:

1. Strategic choices – where to and where not to invest
2. Data
3. Company culture – creating a culture of innovation in an established business

2.1 Making Strategic Choices

The business has a wide market place in which to position itself – somewhere between Walmart and Waitrose. Shop Direct has made some clear statements of intent in regards to market positioning and understanding its customer base really well. The customer base will inform the business decisions, investment, acquisitions, partnerships etc.

In order for the exec board to know what they are focusing on it is important that they know the following:

- Clear on purpose and vision
- Clear on where they are in the market and where they are not
- Ambition is clear – becoming a World-class digital retailer
- Customer understanding is key – what would our customers miss about us if we didn't exist? For Shop Direct it is the credit offer and the good value for premium brands.

Customer persona for Shop Direct: Female 'strivers' and aspirers between 24 and 45 years old who can spread their costs through credit. This is the key driver in everything that the brand does. The key problem for this target audience is too much information. The consumer is bombarded with similar products all fighting over price. So for Shop Direct it was vital to take the confusion out of shopping online for their customers and to make the choice a fun thing and not overwhelming.

The introduction of VE (Very Exclusive), has enabled Shop Direct to use the new brand to showcase some aspirational product ranges whilst maintaining other value brands within other ranges.

2.2 Data

Gareth explains that it was very important to him that the data insight is democratised within the company, not the data. He believes that actionable insight is only possible when the right data is shared with the right people in a way that is meaningful to them and their skills.

The data democracy at Shop Direct means that data is seen very much as a key real estate asset. Data is well-governed, good quality and shared with the right people within the business.

They use an IBM stack with SAS. Good leaders with great insight. They make good decisions. Can't just show them data feeds. It needs to be curated in the right way to make it meaningful to the business teams. They work with local universities in Manchester and Liverpool to develop the right data science talent, helping to sponsor courses and develop programmes within the universities.

2.2.1 Insight not data

The data insight teams help with the UI and UX testing. Shop Direct have thousands of customers signed up to their testing programmes that help them develop new product lines, new engagement campaigns, online presentation and user experience. The data team then uses that to feedback to the rest of the business. The UX feedback that this provides is essential to

identifying areas of friction with mobile app – the download times must be less than a second so important to monitor this all the time and to inform new product development requirements.

2.2.2 Personalisation

Collecting data is ok so long as the customer is shown that the data makes their ability to make choices and check out is made easier. Attract the customer and then get them inspired to get to the checkout.

Lifetime value of the customer – this video outlines the strategy in relation to fulfillment

<https://www.youtube.com/watch?v=H9fd7i60DaM>

2.2.3 So how to get personalisation right?

Who is Miss Very and how do we ensure everything that we do is for her? Get close to her and understand what makes her tick and that is the most important thing, even than margins and sales. This is the purpose of each employee.

Start by UI case studies from test groups of customers.

“I want to buy a child’s pink cycle. I can see the same cycle at Argos but there is only one at a store a long way away. Buy it from Very and it is delivered the next day and payment can be spread over months.”

2.3 Colleague Agenda

So this is a big focus for the company. Investing in the right people to help the company develop. Delivery of a customer-focused agenda is at the core.

The cultural innovation has been the biggest shift at Shop Direct. They have used ‘**hackathons**’ to discover new ideas and to allow different business teams to brainstorm together. This has been successful in engaging different teams with each other on an on-going basis. So useful not just for the innovation it produces but for the collegiate approach it fosters.

2.3.1 Encouraging a start-up mentality in a large organisation

The use of **disruptive innovation** allows teams to develop ideas, test them quickly and then park them quickly or implement them. Develops a culture of start-up mentality in an established business.

An example: Facebook client modeling. Identify a potential client through FB, collect data, feed into data model to identify likely decision pathway.

Emma starts to look at dresses that are presented to her. She drops out so that information is pushed back to the data model. The data model advises an offsite notification via email. Personalised content – the recommendation engine provides a history of Emma’s product searches that allows an email to be sent with credit offer and immediate check out options for the search choices that she has made in the past. The data models are updated in real time with the results of the interaction with Emma.

2.3.2 The introduction of the digital advisory board

The digital advisory board meets regularly and is made up of industry experts, software specialists, technologists, futurists and entrepreneurs. Brings together the senior management team with this board of advisors to challenge and develop strategy for innovation on the horizon.

Questions from the audience

What is Shop Direct doing in relation to new innovations in Artificial Intelligence (AI)?

Shop Direct is looking at AI for self-learning possibilities to help refine their decision and data modeling capability. They already have a prototype. They are also looking at Voice activated technology so that commerce can take place as a conversation. This is what KLM have done for their customers. The end-to-end booking process is done as a conversation. This is something that Shop Direct is considering for its credit agreement application process.

3 New Look: Jack Smith, Group Digital Director

Responding to changing customer needs and connecting the customer journey in different channels

The Biggest challenge facing the company is to change brand perception from cheap clothes to good value. This requires a multi-channel approach. They are also launching new products, such as cosmetics and menswear (in menswear only stores).

The future vision for New Look came via the Advisory Board that helped the senior managers to know where they should be focusing their attention and their development budgets. Don't try and do everything but what you do end up doing, do it well.

3.1 Reconstruction of the role of the store

How is each store used? Identify geographic patterns of customer behavior. Is the store a show room, or a collection point or a place to enjoy a browsing experience? Once you identify how a particular store is being used, then improve the experience of that function for your customer. So if it is mainly a store collection then you need to share your online knowledge with the store colleagues and they need to know how to upsell and cross sell with the purchased product. The changing rooms and collection points need to be upfront and central in that store too.

Customers want blended touch points so this is where New Look has been investing.

What is under our company's control? The website. So ensure that all the touch points within the website are under the company's control, this includes customer loyalty schemes, apps etc. For those touch points outside of the company's control, such as Facebook, Google and Instagram, you need to have a strong brand identity to differentiate from the other black dresses that appear on a potential customers search.

3.2 Machines, Data and AI

The operational and technical foundations must be secure and well planned. The data flow must be well managed to enable content and other assets to be mined accurately. It is a big thing to try to encourage a culture of test, fail and learn with the CFO. For those of us involved in tech there is a lot of things that we do that might not work and that need to get thrown away.

3.3 So how can you show the need for innovation?

User experience on the current systems – this is an invaluable way to show what works and what doesn't. This can help to justify future investment and it can save time in new development. Use some small front-end changes to see if they improve UI experience. If they work then it is easier to invest in back office or platform renewal.

All content from a brand's site should be seen as assets. Don't throw it out. Remember that content must be seen in a global context for brands like New Look so what works in London might not work in Beijing. This is very important when considering syndication and how brand assets can retain their integrity.

3.4 Data: how are you going to measure? What KPIs are you going to focus on?

If you focus on selling at all cost then you might serve that customer once but get no return sales. So measuring sales as a KPI may not represent the customer's value in that sales cycle. But that might be a legitimate KPI for some retailers (depending on their brand or product range). You need to establish your priorities prior to becoming data driven and then use your data to measure your performance against those KPIs.

New Look has invested in a Customer Director to make sure that UI is at the heart of the business.

4 Robinson Webster Holdings (Jigsaw): Kate Holt, Group Director of e-commerce

Examining the key changes made in the last year to drive the business's omni-channel strategy

Jigsaw's USP is that its clothes are designed and (mostly) manufactured in the UK. Brand and identity are really important. So Jigsaw has brought that even more in-house than before, e.g. buying back Jigsaw Australia brand license.

Stores: they are a huge opportunity to engage with customers in a variety of ways, not just as a retail outlet, but also for events and for amplifying brand content.

Biggest change for Jigsaw. They went through a brand refresh 5 years ago. They needed to reinvigorate the brand but keep to the same core values.

4.1 Brand refresh

The Jigsaw rebrand focused on truth and permanence. Making your own style not following fashion trends. This meant that they lost visitor numbers (online and offline) but they had a much higher conversion rate so less overheads. They had an external service that managed their website. But now they have brought it in-house. They use BT expedite, it is a fully integrated solution from order to fulfillment. But the one off design store, Bluebird, manages its own fulfillment and it is not integrated.

In 2015 they invested in the latest version of BT expedite (v6) and a new web platform. Australia and US are now on the same platform. The site was re-launched in Oct 2015 and saw a 115% increase in mobile sales and 57% increase in online sales. Mobile conversion rates continue to improve.

The Shop@Bluebird has a separate site there are distinctions between the 2 versions.

4.2 Omni-Channel for Jigsaw

This is a way to remove the friction for customers and the ease of the customer journey. They offer free click and collect to stores as it represents an opportunity to further interact with the customer.

4.3 Stores

Each store serves a different role. Each store is designed to be individual and linked to its local environment and its local market. If a particular store is being used as a pick up point for online then measure how that pick up is done – some stores is a quick lunchtime grab and go and at others it is using the pick up as an opportunity to try on and gives store colleagues an opportunity to upsell and cross sell.

4.4 Challenge: single view of stock

Currently the stock levels are refreshed every 2 hours for the main site. For Bluebird there is an inventory feed delivered every 15 minutes to allow staff to take product off of the shelves. Each store can have delivery of Bluebird products so this has increased footfall to stores.

4.5 Responsive emails

This has increased click through rates.

4.6 John Lewis Concessions

These are some of the underlying indicators for our store concessions. Where there is a JL concession there is a corresponding upsurge in sales for the local Jigsaw store.

In areas where we open a concession or a Jigsaw store the corresponding online sales in that region show an upsurge in activity.

4.7 Single Customer View (SCV)

Across channels still needs improving to help the customer convenience and experience to match their expectation. Efficiency of managing stock and managing trading peaks also needs constant improvement.

5 Boots (Walgreens): Matt Poole, Head of Omni-Channel Product and Digital Experience

Integrating Mobile and In-store

There have been two main focuses for the development of Omni-Channel strategy at Boots:

1. Customer
2. Context

5.1 Customer

So the customer can choose when, where and how to engage with the retailer. Over 90% of UK customers live within a 10-minute drive to a Boots store. Over 70% of online sales are collected in store.

Walgreens merger has presented opportunities as well as challenges and there has been some steep learning between the UK and US markets.

Brand = Trust and value. So for a pharmacy this is non negotiable. They cannot let people down.

5.1.1 Pharmacy versus retail

There are two very different types of customer. There is no point discussing beauty regimes with a customer who regularly just buys sandwiches. This is where the Boots loyalty scheme has been a real bonus as they have built up a huge capacity for customer data modeling. There are over 100 million customer profiles in the UK. So although there are multiple customer contact points – for our customer they want to be known across all the channels.

5.2 Case Study – Beautiful You

This was an ambitious development of the Boots loyalty programme that allows customers to build up their own profile, like a personal recommendation engine, that allows Boots to build up a detailed data picture of the purchasing and decision making process for key clients.

The profile allows Boots to combine store and mobile data to track customer interaction with content prior to purchase. The feedback they receive then goes on to drive the content development. Their experience is that an online visit via Beautiful You often leads to an in store visit which in turn leads to a further purchase. Boots are looking at how to combine e-receipt information

to link up with CRM email and track other sales outside of the profile. This could be further enriched to include purchases made at key partners; you buy an outfit at ASOS and then you might need to buy makeup. The challenge in this for Boots is the need for consistency and that is why they have teamed up with IBM and Apple as consulting partners to try and drive the necessary innovation.

Questions from the audience:

What can the Walgreens US experience of their consumer market bring to the experience of the UK market for Boots?

Matt explained that there has indeed been a lot of consumer experience exchanged between Walgreens and Boots at a strategic level and the findings are always very interesting. Matt felt that in general the UK consumers are more demanding than buyers in the US and they do expect a retailer to have a seamless picture of them as a buyer. This has led to a spirit of innovation at Boots, with test labs looking at emerging technology, to see how the customer experience can be enhanced. A big area of interest at the moment is in wearable technology and how that will impact on the consumer health market.

Colleague training has also been a key learning between the UK and US retailers. Consumers come to Boots expecting a high level of trust and knowledge from the Boots staff so this trust needs to be maintained throughout all of the consumer touch points.

6 Halfords: Katrina Jamieson, Digital Director

The Omni-channel Customer Journey

The omni-channel journey for Halfords begins with customer need. 98% of people in the UK know the Halfords brand. It has been around for a long time. The stores all look the same and are similarly laid out inside. The website has evolved from just a place to sell old stock to a key place for Halfords to engage with its customer.

The current website is being moved to a new platform and that is going to make much of the content that is in-store also available online. For example the vehicle registration lookup that is in-store to help customers identify the right part to buy, is now available online too. So there is a need to move technology between the real world and the online one.

6.1 How do customers use web and store?

90% of the Halfords online orders are delivered to store for build or fitting and collection. So the online sales point is being used to make sure there is stock available when the customer arrives at the store. This means that the online visitor can then be encouraged to buy more stock when they arrive in-store.

6.2 Too much data and not enough insight

Halfords has vast amounts of customer data but it needs to develop the sophistication of how it uses that data to inform decision-making. So they have launch e-receipts to link to email addresses on the CRM to allow a link-up with sales history.

6.3 Mobile First

Maintaining their strong mobile position is important for they type of customer that uses Halfords. So being able to grow conversion across all devices is very important.

6.4 Convenience for the customer

This is what drives innovation at Halfords. What will make life easier for our customer? If we build and store bikes ordered for Christmas until the week before they are needed that is a value added service and it is why a customer will chose to buy from Halfords.

6.5 IT development

So the technological changes that have to keep pace at the back end of the Halfords systems have been a challenge. There has been a history of waterfall design and that is not always a good way to innovate or be agile.

6.6 Innovation that is coming to Halfords – the e-diary

- A flexible and intuitive booking engine for customers to order online that will help you by suggesting things that you might need with items that you are buying.
- Cross channel bookings across all platforms so that you can purchase a product and book a build or fitting at the same time on any device.
- Customers can be assigned the right in-store expert to be available when they arrive in-store.

7 The Cambridge Satchel Company: Jonny Wooldridge, Chief Technology Officer

Removing silos for a unified commerce approach

The Cambridge Satchel Company gave Jonny the opportunity to architect a design from scratch with technology online, in store, in manufacturing and in the warehouse.

£10M+ total revenues for the company

Jonny comes from a software architecture background so that is what he has tried to emphasise in his retail roles. Retailers must care about software.

7.1 Data management is key

Looking at the numbers of data breaches around the world are a key example of why data and software needs to be a core competency of your business.

<http://www.informationisbeautiful.net/visualizations/worlds-biggest-data-breaches-hacks/>

7.2 Capability increasing

Retail is all about providing selling opportunities, taking payment, delivering goods, working across currencies (global selling), shipping, despatch locations and warehouse management.

But as the opportunity for expanding the sales channel gets more complex then so does the back office system that is needed to start coping with more joins and to a larger scale. The basic elements of the journey remain the same but stresses between the joins need to be monitored for efficiency and development.

7.3 Making it more convenient

As the complexity increases so do the demands on the individual components of the chain too – has the system you have created got the capacity to scale up?

Teamwork is also increasing. Teamwork can lead to information silos if you do not ensure that your teams have connectivity with the whole retail chain.

7.4 Retail excellence = software excellence

Your software architecture that manages the processes that drive the sales of your products must have a plan that is constantly monitored for improvement and investment. So CTOs need to be monitoring which areas will need constant reengineering and what areas are more likely to have a longer shelf life. This will impact on the solution design architecture. So most customer facing areas will need to be agile with the ability to reengineer to respond to constant change in demands. Finance and payment systems are going to be more embedded into the design architecture and will need reengineering less often.

Software architecture needs to be assessed on its ability to adopt and adapt to fast design and deployment cycles. Architecture teams need to be assessed against their ability to turn projects around quickly and have excellent testing practices in place. The design strategy needs to ensure that it can understand and measure the costs of good and bad software choices, factor in direct and opportunity costs in delays in implementation.

It is important to be realistic about the enterprise culture that you operate in but measure the costs of not working in a fast test and implement environment.

7.5 Team and technology strategy

How would you design your software design and architecture team if you could start from the ground up? Would your design include:

- Modern technologies
- Easy to develop software
- Easy to test
- Easy to recruit for
- Connected yet decoupled
- API driven

The main gain in working in this way is that you can start to reduce your software footprint.

8 Dixons Carphone: Phillip Ward, Head of Digital Experience & Development

Building an Omni-channel platform for the future

For Dixons Carphone it is important that the digital strategy understands the way that customers interact with the brand and the shopping experience.

8.1 Multi-channel silos

A big priority for the group was to ensure that the company structure does not get in the way of the customer interacting with the brand and the purchase journey. Considering that 75% of their customers research prior to store visit then it is important that the online information is clear and is not then delivered in a different way when the customer arrives in-store. The online profile is not shared with the in-store colleagues so that is a piece of work that needs to be addressed.

8.2 Tech solutions

- The tech solution must reflect your brand
- The IT department and the business must be aligned
- Explain the philosophy of the omni-channel platform in relation to how it will add value for customers and colleagues
- Don't be afraid to listen to your customer
- Make sure that all the tech basics are done brilliantly
- Create value and unlock new revenue streams
- Focus in on your current customers

8.3 Be clear about what the new platform can deliver

Producing a roadmap and deliverable targets of what the new platform is going to achieve will help different teams and customers see what the purpose of the delivery will achieve for them.

8.4 Single customer view (SCV)

The platform has to show value and one of the key ways to benefit customer and business teams is to focus on SCV. Things like promotion codes being

recognised online and in-store to help both colleagues and customers. Product and customer information should both be available online and in-store in a coherent way that is useful to customer and gives a consistent product view that compliments the work of in-store colleagues. SCV is complex so it is best to start in a small way and resolve some of these key issues and show benefit quickly. Agile delivery. Replace outstanding issues piece by piece. The user (either customer or colleague) must be key to the development. If the change helps to meet a customer need then colleagues are likely to be happy too.

Automate the testing process and have frequent releases on the new platform. It is a continuous investment.