

CUSTOMER ENGAGEMENT

NEW TECHNOLOGIES

IN THE BATTLE FOR HEARTS AND WALLETS

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FROM THE CHAIRMAN

I am a big fan of change. When there is change, there are often opportunities for business upside! One of the areas where I am seeing change today is in customer engagement, be it business-to-business (B2B) or business-to-consumer (B2C) interaction.

The ever-growing trust, convenience and adoption by consumers of online research and shopping, combined with the mobility and instant access to information that now-ubiquitous smartphones and tablet computers provide, continue to transform the business landscape for retailers, hotels, restaurants and many other firms.

We are all consumers, and no doubt are participating in this technology and behavioural transformation. The effects on the underlying industries run deep. In some cases, marginal retailers have been pushed over the brink of business viability. In other cases, opportunities have emerged for bright entrepreneurs to bring new products and services to market in innovative new ways.

In between, virtually every seller of goods and services has had to rethink the ways in which they target, engage, serve, support and retain existing and new customers. Or at least, they better have.

Beyond eCommerce

It's hard to think of a B2B or B2C transaction today that is not influenced in part or in whole by new technologies and new ways of conducting business. It is not merely online shopping and eCommerce that I am speaking of. Those technologies have been re-making the retail industry for more than 20 years now — the first secure online transaction took place in August 1994¹.

But it is worth noting how staggering the volume of transactions conducted online today actually is. In just one 24-hour period this past November, shoppers using China-based [Alibaba's](#) two eStore merchant marketplaces conducted \$9.3B U.S. in online purchases, setting a new record for the world's biggest single shopping day². Not coincidentally, this past September the company also set a record for the biggest IPO in the world, valued at \$25B U.S. on the New York Stock Exchange³.

Alibaba is now the world's biggest online commerce company, followed by Amazon and eBay. These three companies now ac-

count for hundreds of billions of dollars of online transactions annually. The trends within these sales are key. Upward trends, toward ever-more mobility.

The trends within these sales are key — upward, and towards ever-more mobility.

Alibaba data showed that record \$9.3B in sales was a 60% increase over last year's event — called 'Singles Day' and held annually on November 11. It also showed that shoppers on smartphones or tablet computers accounted for 42.6% of those sales, another record and up from 21% in 2013.

These same data points were mirrored in results from the latest Cyber-Monday retail event that takes place during the U.S. Thanksgiving holiday in late November each year. Online sales there grew 8.5 percent compared to 2013, and mobile sales were up 27.6 percent year-over-year⁴.

Yes, these are examples of individual, much-hyped holiday events, focused on online commerce, but they are also strong indicators of broader trends.

It's Easy to See Why

These giant, global web retailers are vehicles to market for many product companies. But they are competition for many others. And they are free from the 'bricks-and-mortar' cost structures of more traditional retailers. They also manage to set the bar very high in terms of customer service:

- They exist in an environment for almost limitless product research and education.
- They offer extensive product choice/selection.
- They provide comfort via other-customer reviews/references.

- They offer competitive pricing, and flexible delivery/fulfillment.
- They wrap it all in a convenient, easy customer experience.

These new realities affect the automotive industry, the airline industry, the hospitality industry, the services industry, the banking industry and beyond. And the technologies for even greater customer convenience and support continue to evolve. Look at the latest advances in mobile payment tools, for example ([Apple Pay](#), [Google Wallet](#), [Samsung and LoopPay](#), etc.).

The Power Shift

As a result of all this, for many vendors, the traditional balance of power has shifted — into the hands of the consumer.

In a 2012 Motorola "Retail Vison Survey"⁵, more than 60% of respondents felt they were better informed than store associates, and nearly 75% preferred to use their smartphone as opposed to seek help from those associates.

Interestingly, 67% of respondents to the survey also cited a better in-store experience when they engaged with associates or managers who also used the latest mobile technologies.

According to a Google "Shopper Marketing Agency Council" report⁶ in 2013, 79% of smartphone owners were already 'smartphone shoppers'. To give that point some scale, there were more than 1.43 billion of those phones out there by the end of 2013, according to eMarketer⁷.

- 1 [CNET](#)
- 2 [TechInAsia](#)
- 3 [Reuters](#)
- 4 [IBM](#)
- 5 [Motorola Solutions](#)
- 6 [Google](#)
- 7 [eMarketer](#)

According to Google, users felt empowered by these devices. They used them for pre-shopping activities such as searching for, locating, comparing and pricing of products, as well as for finding product promotions.

They also used them in-store, browsing online product information or reviews, and conducting price or feature comparisons in real time.

Today's consumer is a connected consumer. They know what they want, and where to find it. They expect personal service, fast answers, convenient processes. They need a seamless, integrated experience across web, mobile and Wi-Fi-enabled brick-and-mortar environments.

Vendors across all retail industries need to regain the 'voice' with today's consumer.

The message is clear. Vendors need to regain the 'voice' with these informed, mobile-assisted consumers. In my view, that can best be done by engaging better with them, in ways they have come to expect.

That means embracing evermore innovative customer-facing technologies. Technologies that exploit mobility and incorporate popular advancements such as social media, or online incentive/reward/loyalty programs. Yes, even games are being introduced into business development processes today — into sales, support and retention programs.

The Opportunities

Wesley Clover is investing in technologies and tools that enable improved customer engagement. Applications and services that help bring more consumers into an establishment, help keep

them there longer, and help ensure they keep coming back. Technologies that improve communications, customer experience and business operations, across an 'Omni-Channel' retail environment (see inside).

We have dedicated this issue of our Newsletter to the subject. We have contributions from a number of our portfolio companies who are well versed in this new retail world, and whose products are well positioned to

help their customers succeed in it. As always, I trust you will enjoy the read.

Kind Regards,

Terry Matthews.

SHIFTING THE BALANCE OF POWER, AGAIN

This we know: the Internet changed everything. One of the undeniable benefits it brought about is fast, easy access to almost any sort of information and data. Add in the anywhere/anytime access to that information brought about by the explosion of wireless technology, smartphones and tablet computers, and you have a very powerful enabler for change. And one area of society that has exploited and benefited particularly well from this change is each one of us as a consumer.

We can now locate, research and compare almost any product or service like never before, from the comfort of our home, office, car, the mall, wherever. We are no longer at the mercy of print, television or radio ads, store flyers or catalogues for our information. We are not dependent on vendor staff for the honest, open transfer of details and guidance to help with our purchasing decisions.

We can pre-determine exactly what we want, when we want it, and where we want it from ...

We can ensure we are informed, educated, armed when consume. We can pre-determine exactly what we want, when we want it, and where we want it from, as well as what sort of deal we intend to get for it. We can self-serve online, or enter a vendor premises in a position of control.

The balance of power in the buyer-seller relationship has shifted undeniably to the buyer. This is the modern reality for virtually all businesses. Their 'voice' directly with their consumer has been muted, and morphed into one that is digital, online, mobile, and in many cases, third-party.

The competition in this changed dynamic is also more fierce, and no longer limited by proximity. Once-coveted local supplier relationships are threatened by the accessibility and efficiency of global sales, shipping and support practices. Differentiation is harder. Customer loyalty is weaker.

Cost structures that once dictated pricing and margins have changed.

It's an age of selection, knowledge and convenience from a customer perspective, but one of tooth-and-nail battles for mind-share, market-share and profit for vendors. Winning or losing often comes down to how effectively sellers engage with customers.

Driving targeted awareness, creating personal incentives, rebuilding win-win relationships.

And the process for the vendor needs to start by gaining back that lost 'voice'. Standing out from the noise. Driving targeted awareness, creating personal incentives, rebuilding win-win relationships. The quality goods must still be delivered, and all other promises must be kept, of course, but the focus has shifted to getting the consumer to that point. And to maintaining a relevant, effective engagement post-sale, to drive recurring business.

The objective is not actually to gain back all the lost power, but more to meet the new consumer half-way. Vendors can't really do more than that, actually. Online commerce has now been with us for 20 years, as was pointed out on Page 1, and is only going to keep growing. Vendors can't fight that reality, but they can do a better job of embracing it.

For example, as noted, Alibaba, Amazon and eBay drive hundreds of billions of dollars of transactions annually. By comparison, a Deloitte [Global Powers of Retailing 2014 Study](#), using 2012 data, showed:

- eCommerce represented only 1-2% of revenue for big mass merchants and food retailers.
- It represented only 5-15% of revenue for many big department stores and specialty apparel retailers.
- It only reached 15-20% of revenue for several consumer electronics retailers.

There is clearly much growth to be found in these numbers. But for most brick-and-mortar establishments, while it may be good to diversify revenues, the mission will never be to displace on-premises sales with those online. A balance is required. An integrated business approach using the best online and mobile features and services to drive customers to a complementary on-premises or in-store experience. There are rewards for those who do.



Consumers are not abandoning brick-and-mortar in favour of online shopping. This is supported by a number of data points. For example, according to a report released by the [Real Property Association of Canada](#) at the end of 2014, retail property owners invested a total of \$6.9B Cdn. last year in constructing new buildings and renovating existing ones.

As the CEO of one such firm, First Capital Realty, put it, “You’re not going to go to the dentist online”, a euphemism pointing to the fact that certain goods and services will always need an in-person transaction. He added that, “Particularly in urban areas, there is also a social aspect in going to stores, that goes beyond just doing your shopping.”

But current consumers certainly use web and mobile technologies to enhance their traditional shopping processes. eMarketer⁷ reported that there were more than 1.43B smartphone users by the end of 2013. And according to the Google “Shopper Marketing Agency Council” report⁶ that same year, 79% of smartphone users were ‘smart-

phone shoppers’. Of those:

- 90% used their phone for pre-shopping activities (e.g., researching where products are sold, store hours, price comparisons, promotional offers, reviews, availability).
- Only 19% indicated they used their phone to make their actual purchases.
- 84% continued using their phone in-store.
- 40% (or more, depending on product type) used it instead of seeking help from a store associate.
- Critically, smartphone shoppers actually bought more — 25-50% more in certain cases.

“Only 19% used smartphones to make their purchases ...”

— Google Shopper Marketing Council, May 2013

So, brick-and-mortar vendors and other establishments like hotels, restaurants, and others need to find a way to leverage these new consumer behaviours in a mutually beneficial form of customer engagement. A way that:

- Continues to provide consumers the information they want, when and where they want it.
- Unifies the consumer experience from web to mobile to on-premises, taking advantage of digital media and applications as part of that.
- Creates greater balance in the seller/buyer dialog, including two-way interaction.
- Provides sellers with deeper, accurate information about their consumers in order to better personalize the relationship they offer.

The latest terminology for this new panacea of customer engagement is “Omni-Channel Retailing” — a seamless, cross-channel approach to the customer experience. Let’s look into this a bit more ...

“OMNI-CHANNEL RETAILING”: THE BASICS

Using the definition in Wikipedia, “[Omni-Channel Retailing](#) is the evolution of multi-channel retailing, concentrated on a seamless approach to the consumer experience through all available shopping channels, i.e., mobile internet devices, computers, brick-and-mortar, television, radio, direct mail, catalog and so on.”

The key in this definition is “a seamless approach to the consumer experience”. Engaging with your customers in the most integrated, easy, effective manner. The way they want. Across ‘all’ engagement channels, not just ‘several’ or even ‘many’ channels. A small but important difference, and one that has come to be expected by today’s shopper.

The 'Why?'

The benefits of an omni-channel approach are significant. According to [IDC Research](#), these highly sophisticated 'omni-channel' shoppers are now the gold-standard of consumers.

"The omni-channel shopper is now the gold-standard of consumers."

— IDC Retail Insights, December 2010

While a multi-channel shopper will spend, on average, 15 to 30 percent more than someone using just one channel, omni-channel shoppers outspend multi-channel shoppers by another 20 percent or more. Omni-channel shoppers also exhibit strong loyalty and are more likely to influence others by endorsing a preferred vendor.

Further, per that IDC report, in-store sales that have been influenced by online customer research are up to four times greater than eCommerce sales. So there are clear benefits for the omni-channel retailer. But getting there is not necessarily simple

The 'What'

There can be at least three dimensions to omni-channel retailing:

- 1) **Brick-to-Click** — tight integration between the retailer's web and store environments, including, for example, enabling customers who buy online to get support in-store and vice versa.
- 2) **Device-to-Web** — enabling customers to reach web stores through a full range of connected touch-points (smartphone, tablet, kiosk, etc.).
- 3) **Online-to-Web** — linking various online marketplaces (e.g., GroupOn, eBay, Amazon, Google Products, etc.) and centralized databases for Order ID, Customer ID, etc., streamlining customer services across web, store, device.

Effective omni-channel retailing requires specialized supply chain strategies and tools. All shopping channels must now work from the same database of products, prices, promotions, etc. Instead of perceiving a variety of touch-points as part of the same brand, consumers need to experience the full, unified brand, not just one channel within a brand.

Merchandise and promotions are no longer channel specific, but instead are consistent across all channels. The brick-and-mortar stores become an extension of the supply chain. Purchases may be made in the store, but are researched through

other channels first. Marketing can be made more effective by providing more relevant offers to specific consumers, as determined by purchasing patterns, social network affinities, website visits, loyalty programs, and other data mining techniques.



The result is, digitally-savvy consumers now enter brick-and-mortar stores better-informed about products, features and prices. But they still expect store employees to know more than they do. This affects the nature and skill set required of store associates, but it does not eliminate the need for them, as we will discuss.

At this point, retailers may mistakenly fear 'showrooming' — shoppers visiting their stores in person to see products and consume associates' time, but then leaving to make their purchases at other stores or online. True, more than half of smartphone owners will also continue to use their phones in store, most for comparing prices. But in reality, while price is still extremely important, the in-store service and experience continue to play major roles in final purchase decisions.

"The share of sales influenced online is much greater than the sales actually made online."

— McKinsey and Company, December 2014

According to a December 2014 [McKinsey and Company report](#), a majority of people still end up buying from brick-and-mortar stores, and most do so at the very store where they started their shopping. So, while some 56 percent of all consumers who have made a purchase (online or offline) conduct research online, the share of sales influenced online is much greater than sales actually made online.

Digital tools may allow retailers to employ fewer people in certain areas — perhaps, for example, in inventory or checkout roles. But new digital tools may make other employees even more valuable.

To that point, six in ten mobile shoppers believe that sales assistants with the right digital tools can help them find products, explain options and features, order out-of-stock items, etc. These shoppers see mobile-enabled sales assistants as enhancing their shopping experience, underlining the need for retailers to find and train motivated, well-prepared, well-equipped employees. We will add more colour to this point shortly.

The Risk in Resisting

So, omni-channel retailing is not simple. However, resistance on the part of retailers is increasingly futile. The effects of customer migration online are evident across all retail categories.

According to that [McKinsey and Company report](#), in the U.S., apparel retailer Gap closed more than 250 stores in 2013, and department-store chain Sears closed almost 200. Walmart's new stores are about a third smaller than they were five years ago.

In Canada, several large retailers have closed shop recently. In the U.K., the number of vacant retail shops rose by 355% between 2008 and 2013. In 2013 and 2014, three of the "big four" supermarkets had combined write-downs of £1.2B (approximately \$2.0B) on the value of their undeveloped property.

And perhaps the most dramatic example: consumer electronics, where a 20-30% drop in physical retail space between 2006 and 2012 was offset by an equal increase in "virtual space" (online shopping and eCommerce revenue generation).

The world over, improved customer engagement is proving to be increasingly critical. Here are some examples of how that can and is being achieved by progressive retailers today.

DIGITAL CUSTOMER ENGAGEMENT

With so many 'connected consumers' out there now, establishing a digital relationship with them is critical for a retailer. That can take several different forms.

The first thought might simply be to use digital advertising, through third-party vehicles, your own website, or targeted outreach to a (hopefully) willing database. But the state of that art has definitely evolved, for several key reasons.

It Doesn't Work

Chief among them — it doesn't actually work! At least not in the traditional sense. 50% of digital marketers responding to an April 2014 [industry study](#) agreed that "Digital advertising held tremendous promise initially, but never delivered as a branding vehicle".

A further 30% of respondents suggested that, "Ads bought through programmatic methods likely even have a negative impact on customer experiences, brand loyalty or branding objectives".

"... it never delivered as a branding vehicle."

— Millward Brown, April 2014

By 'programmatic methods', they mean automated audience targeting services. Most of us have become blind to this deluge of retail banner ad/email campaign/online promotional noise that invades our digital world today.

We have also become legitimately concerned with issues like click fraud, privacy protection, data security and other risks. Retailers must find new ways to crack this online and mobile consumer fear, numbness and resistance.

In addition, despite the volumes of money spent on marketing and advertising to attract us to websites or digital storefronts, the processes for converting those of us who do visit to customers also appears to be sadly lacking.

According to the Baymard Institute, an independent web usability research group which tracks eCommerce customer abandonment statistics (among others) across a range of companies and industries, as of December 2014, the ["average documented online shopping cart abandonment rate"](#) was an ugly 68%! They ran away!

Emotional Connections

What is absent, those experts surveyed suggest, is a means of making emotional connections between vendors and customers. Connections that will build brand recognition, loyalty and trust. It is emotion that underlies our ad experiences (good or bad), product recall, brand perception and vendor engagement.

As Felix Winstone, working with a start-up company in our [Alacrity Foundation in the U.K.](#) puts it, "People still buy from people. The value of human interaction,

especially face-to-face, is well recognized, but completely absent from most eCommerce sites and apps. There are huge opportunities to bring the unique aspects of physical retail to these digital customer contact points."

"Static digital contact points lack typical dynamic interaction, often leaving customers dissatisfied."

— Felix Winstone, Alacrity U.K.

Felix's company is working on a customizable, interactive communications platform that combines voice, video and IM with co-browsing, annotation and documentation sharing to provide online consumers with a more interactive and personalized shopping experience.

"With one click of your mouse, you can connect with a sales associate", continues Felix. "No telephone or legacy IVR system to navigate and bog you down. No downloads or plug-ins required. All in line with modern consumer demands."

Another great way to build emotional connections with audiences, according to Jim Hayhurst, President of Wesley Clover affiliate company [Pretio Interactive](#), is by rewarding them.

"No good moment should go unrewarded."

— Jim Hayhurst, Pretio Interactive

"We believe no good moment should go unrewarded", says Jim. "Unfortunately, too many do. In loyalty programs. In apps and games. On mobile, desktop and tablet. Hundreds of millions of achievements and activities

where people could be recognized go unacknowledged."

Hayhurst saw this as an opportunity for innovative new technology and services that would enable retailers to differentiate themselves and better connect with their customers.

Pretio Interactive now aggregates online engagement programs and reward networks together, bringing placement power to brands who want to reach hard-to-get consumers, when and where they want to be reached. Not with ads. But with rewards.

From Target to Dunkin Donuts to Ford, more than 100 retailers of all shapes and sizes are already realizing the difference this type of digital outreach can make to their customer engagement and retention programs.

Will Fraser, CEO of [Referral SaaSquatch](#), another Wesley Clover affiliate, has this perspective to add. "Personalization and Big Data made big leaps in 2014 as far as new, digital customer engagement tactics."

"I expect these to keep going strong over the next few years. The idea is to make every brand interaction highly relevant and tailored to a specific individual, based on his or her online, social or app behavior, shopping history, preferences, tastes, family and lifestyle details."

The Most Powerful Marketing

Will and his company focus on the aspect of customer referrals, the most powerful form of product or service marketing.

Their platform and services power referral programs that reward clients' customers for endorsements. The increased numbers of referrals creates an increased flow of new customer leads for client companies to engage with.

"Referral programs can accelerate new customer acquisition and delight current customers."

— Will Fraser, Referral SaaSquatch

"We're proud to work with amazing product and marketing teams from Fortune 500 companies to high-growth start-ups, across a range of industries," says Fraser.

In working with these clients, he has the following observations:

- Creating high quality content is still key to generating leads and engaging with customers.
- Interactive content is becoming a promising channel for driving online visitor engagement.
- There are an increasing number of tools available to segment your online traffic and user behaviour based on specific attributes you control.
- Using data to understand customers is not new, but the ways that analysis can be done is evolving. Better lead scoring and prioritization can now be achieved without hiring a team of data scientists.
- Honesty, openness, transparency remain key to gaining customer trust and facilitating dialog and engagement.

Taking queues from companies who have only ever engaged with customers online, one of the world's biggest e-tailers, Amazon introduced their [Mayday](#) technical support service for their Kindle eBook product in 2013. This collaborative service enabled customers to interact with live support agents when required, giving the otherwise faceless online behemoth its first human element.

“Twitter users can add items to their shopping cart automatically — and impulsively.”

In 2014, Amazon also extended its digital outreach to include Twitter. The company embraced the social shopping space with features called [#AmazonCart](#) and [#AmazonWishList](#).

The hashtags allow Twitter users to add items to their Amazon shopping lists and carts automatically — and impulsively — without the process of link clicking. In addition, the tweets become social advertisements for both Amazon and the product supplier.

These initiatives underscore Amazon’s efforts to remove any and all obstacles between shoppers and their buying behaviors, both planned and unplanned.

The Quest for Consistency

According to a 2014 report by [The E-Tailing Group](#) however, only 15% of multi-channel retailers have so far been able to achieve the essential con-

sistency in customer messaging across all their channels.

The key to consistent cross-channel messaging is to build a foundation at the back end. Back-end processes that draw from a single data hub can share and deliver the same customer engagement messages across the organization.



One product promotion can now be pushed to as many or as few touch-points as needed, with ease, speed and consistency. Including, of course, those digital touch-points.

Interestingly, several previously online-only retailers have recently moved into the brick-and-mortar environment to drive home this messaging consistency, brand building and extended customer engagement. Examples include Amazon again, as well as Clearly Contacts, Google and others. Further validation that consum-

ers are not abandoning in-store shopping.

As in many other areas of business, we can also take further lessons from [Apple](#) — a forerunner in delivering consistent messaging across multiple channels and tailoring them to specific touch-points.

Apple offers unique promotions and information to consumers based on the combination of channels they use to complete their buying cycle (e.g., in person via Apple stores, online via Apple.com or iTunes, mobile via the App Store or iTunes).

Unified commerce data allows Apple to market via their many channels differently, but to maintain consistent branding and messaging based on:

- what customers buy in those channels (i.e., hardware, apps or content – music, movies, or books).
- how they buy it.
- what others have purchased, reviewed or recommended.

These are a few examples of how digital engagement with customers has and continues to evolve. Now let’s look at on-premises customer engagement ...

ON-PREMISES CUSTOMER ENGAGEMENT

As Mr. Winstone with the Alacrity Foundation points out, “While companies look to streamline processes and optimize the use of staff wherever possible, the right staff, with the right technology, in the right place, are becoming more valuable than ever.”

“The right staff, with the right technology, in the right place, are becoming more valuable than ever.”

— Felix Winstone, Alacrity U.K.

Excellent employees are a critical asset to all companies. And as stated earlier, an omni-channel retail experience must be consistent and seamless. As a result, for brick-and-mortar vendors, their in-store employees need to be leveraged by the online touch-points that surround them, where their hospitality, added knowledge and soft skills can serve as further ambassadors for the brands.

By offering a clear, consistent and honest message, from online to in-store, retailers can ensure not only that their ‘voice’ is heard by consumers in the desired way, but that their personality and service is remembered as well. Best-practices for continuing

the engagement process with existing or prospective customers once they reach the physical premises are evolving as well, as we have likely experienced in person.

In-Store Connectivity

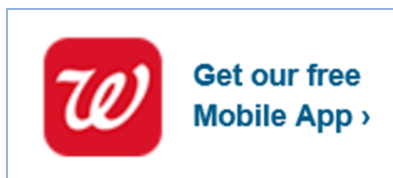
A growing number of vendors are offering free in-house Wi-Fi, for example, in recognition of the ever-more-connected consumer we have described, and the new standard in 'shopping experience' that is being chased.

This is no longer limited to cafes, hotels and those traditionally more social establishments where the trend started, but now includes department stores, grocery chains, and many more establishments. It facilitates the continued research, comparison, price checking behaviour that increasingly defines today's smartphone or tablet-equipped shopper.

Mobile Retail Apps

Layered on top of free connectivity, mobile device applications are also growing in popularity. These can be custom developed, or built using an increasingly powerful selection of out-of-the-box tools.

As an example, in an effort to create a more personalized experience for cross-channel shoppers, the U.S. pharmacy and variety retailer [Walgreens](#) recently deployed their upgraded mobile app that offers personalized and store-specific promotions to customers who shop via mobile and in-store channels.



This app offers extensive product information and inventory details to in-store shoppers — something that was previously only available to online users. The new app also offers:

- Store maps
- Barcode scanning
- Weekly ads
- Paperless coupons
- A coupon viewer/manager
- Loyalty rewards management across channels
- Photo editing and printing
- Pharmacy chat and refill reminders

"Walgreens customers live in a digital world," said Rich Lesperance, Senior Director of Personalization and CRM for Walgreens, in a press release. "We are always looking for ways to provide a top-notch customer experience, whether online, through a mobile device or in-store."

"Mobile Clienteling"

This reality is echoed by Tony Busa, Director of Marketing for [Benbria](#), another Wesley Clover affiliate company. "Connected consumers want shopping experiences that are fast, efficient and relevant to their needs," Busa says. "Mobile clienteling enables retailers to give shoppers exactly that — before, during and after the store visit. By using mobile technology to engage, understand and satisfy shoppers, retailers can increase loyalty, average spend and same-store sales."

Benbria and their Loop[®] technology help omnichannel retail, hospitality and restaurant clients enhance customer experiences by leveraging their channel of choice — SMS/MMS, web app, email, kiosk — to establish a personal dialog regarding needs, concerns and insights throughout the buying/consuming journey.

This dynamic interaction is what Busa refers to as 'mobile clienteling'. It works in real time and gives both customers and vendors the freedom to choose how and when to communicate with each other.

It's All About the Data

Engagement can happen anywhere, before, during and after the store visit. And it is a two-way street. Customers feel more appreciated, and the dialog allows vendors to gather insights into their wants, needs, opinions, buying history and behavior, all captured automatically through the Loop software.

Analysis of this data then forms the basis for further, customer-specific engagement. Trends, patterns, relevant customer information are extracted and made available to associates when they are having further communication with the customer.

"... to understand what makes each shopper tick, and how best to turn them into a loyal customer."

— Tony Busa, Benbria Corporation

They can use the information to make smart and timely product recommendations, to address issues before they drive customers away, to understand

more about what makes each shopper tick, and how best to turn them into a loyal customer. We will explore this area of data collection and analysis a bit more in our next section.

Beacons in the Retail Night

Back to Apple for another moment, they began [deploying](#) what they call 'Beacon' transmitters in their more than 250 U.S. retail stores at the end of 2013, to "streamline the on-premises shopping experience for customers".

These low-cost Bluetooth transmitters attach almost anywhere and detect customer iPhones as they enter the Apple store (if the customer has installed the App and enabled the 'in-store' push notifications for it). The beacons will then send product suggestions and promotions to those devices in real-time.

Using the jargon that accompanied the launch, these devices provide what is called 'micro-proximity retail assistance', and perform more reliably than GPS locators — controllable down to a range of 15 metres apparently, and designed to work in retail centers and other indoor spaces where GPS location services typically struggle.

Since that introduction, many other players are entering this hardware and software market (e.g., PayPal, Swirl, Qualcomm, GPSshopper). Trials and roll-outs continue, and the technology is poised to transform how retailers, event organizers, transit systems, educational institutions and many others communicate with customers indoors. The promise of creating an ever more personalized interaction with those customers is very enticing.

Another Wesley Clover affiliate company, [Toushay](#), is working to exploit, among other technologies, these new beacons. Toushay provides a cloud-based software platform that uses networked, in-store touch-points (beacons, tablet kiosks, mobile applications, digital displays) as elements of a complete system of

customer engagement that enables retailers to create, integrate and measure the effectiveness of

"It provides a means for retailers to gather, analyze and use consumer data in-premises, just as they do online."

— Eric Kitchen, Toushay Inc.

those engagements, in real time, from a central hub.

"It provide a means for retailers to gather, analyze and use consumer data in-premises, just as they do online," says Eric Kitchen, CEO of Toushay.

Once again, Toushay helps create a win-win — improved consumer value in the form of personalized retail experiences, and improved vendor value through data and analysis tools that enables them to provide better customer engagement.

From POS to Platform

The Toushay platform offers device management, application management, content management and analytics. It is an example of the new software platforms required to fully implement and manage omni-channel retail practices.

Platforms that integrate front-end and back-end processes and unify various channel operations. Platforms that combine data on product, pricing, inventory, POS, purchase history and more. Third-party data. Partner data. Previously siloed data. All data sources that impact a seamless retail experience. They need to be integrated, and fed from the same source.

Not trivial. This only touches on the subject of what is required behind the scenes for improved customer engagement. Let's focus more on that ...

BEHIND THE SCENES

Achieving and maintaining these exceptional new levels of customer engagement no doubt will fuel much-wanted retail growth.

But beyond developing a mobile strategy and exploiting wireless devices and digital displays, the enterprise back-end will deserve considerable attention also.

A Very Dynamic Environment

As Mr. Busa with Benbria says, "The retail store no longer stands on its own. Mobile, social and Internet channels now influence its success, in very dynamic ways. Retailers must not simply 'push'

content out on these channels. They must also use them effectively to listen to and learn from the customer. To understand what they can and should do better. To act on those insights that will improve the store operations and cost efficiencies necessary to support a superior shopper/vendor relationship."

“It is not just about having a website and a physical storefront.”

Where to start. Omni-channel is not eCommerce. It is not just about having a website and a physical storefront.

Traditional Engagement Still Matters

In many cases, it also includes a best-in-class Contact Center, for pre- and post-sale customer engagement, in traditional as well as new forms.

The company that spawned the Wesley Clover portfolio, [Mitel Networks](#), is now a global leader in this technology, and in business communications systems overall.

Their new Contact Center options enable retailers of all sizes to exploit the latest technology as well as protect their investments in traditional telephony wherever it makes sense.

“It depends only on their needs.”

— Jim Davies, Mitel

Jim Davies, CTO with Mitel, puts it this way: “Customers can move between proprietary hardware, industry-standard servers and virtualized environments using a cloud-based architecture. It depends only on their needs.”

Mitel provides a range of contact center solutions that offer support for customers in-store through to inquiries by phone, fax, e-mail and social media, using central or distributed centers.

As retailers expand their business via online storefronts, mail-order catalogues or in-store technologies such as self-serve kiosks and

mobile apps, handling communications well through all these channels and ensuring responsiveness to each customer remain paramount.

Once customers enter brick-and-mortar premises, new technologies need to kick in behind the beacons, tablets and automated signage as well. Analysis technologies. Information gathering tools that enable the retailer to optimize the immediate customer engagement and beyond.

Measure What You Can

Admittedly, some analyses are still difficult in this brave new world. For example, at the highest level, there is no agreement on what set of key operating and performance indicators are best in an omni-channel environment. Certainly a single key performance indicator is largely unknown.

The cross-channel impacts of net brand reputation, individual marketing programs, pull-through sales, etc., make it complicated to determine which levers to pull in which areas for collective gain.

But many tools are now available for specific areas of the business to help in this quest. It comes down to the questions needed to be asked. What are my eStore sales rates? What is my average basket value? What are my optimum inventory levels? What are my delivery schedules? What are my staffing requirements? And much more. Deeper analytics that identify challenges and opportunities faster.

“Video is the biggest of ‘Big Data’.”

— Mike Matta, Solink

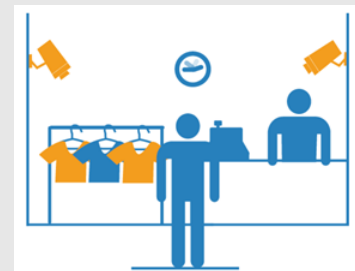
Another Wesley Clover affiliate company, [Solink](#), is focusing its innovative video and data analysis

technology on the challenges of optimizing the in-store shopping experience.

Solink’s ‘contextual analytics’ marry in-store POS and other data sources with surveillance cameras and video, in a way that enables retailers not only to detect fraud and shrinkage more rapidly, but also to extract marketing and operational value.

As Mike Matta, CEO of Solink, points out, “Video is the biggest of ‘Big Data’. There is a wealth of additional insight in there that retailers, for example, can unlock, understand and act on.”

“Things like understanding customer behaviour in-store, optimizing traffic flow, measuring merchandizing effectiveness, evaluating employee performance, ensuring standards compliance and more. Solving not just security issues, but issues that contribute directly to operational performance and profitability.”



Solink uses intelligent triggers to drive their analysis — retail triggers such as customer presence detection, dwell monitoring, people counting, POS data integration, traffic heat maps and more.

Continuing in the retail operations vein, [ProntoForms](#), another Wesley Clover affiliate, leverages cloud and mobile technologies to enable businesses including retailers to, as the name suggests, digitize all their custom business forms and deploy them via their staff’s smartphones and tablets.

In the case of retailers, paper-based store management forms for Orders, Inventory, Inspections,

Workflows, Timesheets and virtually any custom requirement are automated. Data is managed more efficiently. Staff are more productive. Reporting time is reduced while accuracy is increased.

Pervasive and Capable

As Mark Scott, ProntoForms V.P. of Marketing points out, "Modern smartphones and tablets can handle all the tasks of earlier, specialized, ruggedized mobile devices. For example, they can scan bar codes, capture signatures, provide GPS and time stamps." That makes them ideal devices for this type of application. They are pervasive, affordable and capable.

Also a key enabler here, the latest Mobile Device Management (MDM) tools are now able to satisfy once-stifling security concerns related to mobile solution deployment. As a result, ProntoForms customers across the retail spectrum are seeing significant returns on this back-end automation:

- A small Landscaping company now completes customer proposals in about five minutes — a task that once took up to an hour.
- A medium-sized Equipment Rental company turns around and rents out gear as much as seven days faster across its multiple locations.
- A large Engineering firm saves about \$65,000.00 annually on facilities management costs now.

TRACK, ANALYZE, ENGAGE

Responsive support, accurate data capture and analysis, better internal processes and productivity — these are some key areas Wesley Clover companies are focusing on for retail customers.

The reality is, the retail environment will only become more connected, with more empowered consumers. The "Internet of Things" (IoT) and the Machine-to-Machine (M2M) technology behind it will also connect more and more sensor-based objects, enabling them to talk to each other and prompt or take action, with or without human intervention.

Within today's retail sector, that technology is already beginning to improve areas such as supply chain management, shipment and distribution of goods, wireless payment and digital signage. By 2020, it is estimated that 50 billion sensor-based devices will be connected across the planet, further revolutionizing how we discover, experience and purchase products.

The way we shop will only continue to evolve. Today's informed consumers will be the norm, know-

ing what they want, where to find it and how to get the best price on it. Their retail experience will continue to be defined by the abundance of data available to their mobile devices.

Retailers must leverage this connected world to provide an irresistible online and in-store shopping experience. From pre-sale to post-sale, maximizing repeat business, referrals and revenue opportunities. Successful merchants will engage customers using their preferred modes of communication, target deals to their specific interests, and help them get what they need as quickly as possible, motivating them to purchase again soon.

We can't wait!

Wesley Clover News is published by Wesley Clover International Corporation. For more information on this publication, please send an email to news@wesleyclover.com.

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