

Shop Talk

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Held recently at the Helen Mills Theatre in New York City, Hub Live: The Retail Experience Symposium covered a wide range of subject matter relative to the retail experience and how to optimize it at every touchpoint. Technology quickly rose to the top.

Retailers right now are on a technology-spending spree, reportedly to the tune of some \$190 billion this year. This means investing more money in more places on more things — mobile point-of-sale systems, kiosks, digital signs, Big Data analytics — that retailers hope will make them more customer-centric, more agile, more omnichannel, more personal, more... well, more of everything that they need to succeed in the new world of shopping.

The upshot is a massive, technology-driven retooling of the retail landscape. Some prime examples of retailers who are leading the way were on hand to share what they've learned at Hub Live. Chief marketing officers and retail-experience leaders from Krispy Kreme, 7-Eleven, Whole Foods, Ikea and eBay told their stories, along with a selection of top agency CEOs and creative directors.

It wasn't that long ago that a discussion about technology at retail would have focused essentially on bits and bytes: the operating systems, server configurations and network speeds needed to connect fixed point-of-sale systems in the front of the store to back offices and warehouses. Today, as technology becomes customer facing, the discussion is very different.

As I listened to the Hub Live presentations, I searched for a unifying theme, a thread that would

connect the challenges facing both a fashion retailer and a doughnut monger, and what a small neighborhood store might have in common with a big-box emporium. While jotting down notes, I found myself returning again and again to four bases, or touch points, that every retailer needs to reach to make the most of their share of that \$190 billion.

Benefits. Before embarking on any technology effort, it's critical to look at the benefits. "Whoa!" you say, "What fool doesn't know to do that?" Yes, everyone knows to project a return-on-investment. But in this case, I am not talking solely about the direct benefit to the retailer.

As technology becomes more customer facing, that may well be the make-or-break question. Will your rollout of mobile devices, kiosks, apps, etc. really matter to your customers? How is it making their buying experience simpler, more convenient, more engaging? What's really in it for them?

A trip to the future of retail and shopping at Hub Live.

When Starbucks introduced its pre-order mobile system, some wondered whether the convenience of pre-ordering was enough of a benefit. As Healey Cypher, former head of retail innovation for eBay noted, Starbucks today gets about a fifth of its payments through its mobile app, which has about 30 million users. Clearly, the benefit is obvious to Starbucks customers.

Tina Manikas, president of FCB RED, citing a stat that 45-60 percent of customers leave a store without engaging a sales associate, advised that "retail experiences must be portable." To that end, Leontyne Sykes, CMO of IKEA, shared an app with Hub Live delegates that helps its customers envision how

LEFT: Dwayne Chambers, chief marketing officer of Krispy Kreme, addresses Hub Live: The Retail Experience Symposium.



various pieces of furniture might look and fit in their home. By saving the shopper the trouble of having to buy the product, take it home and assemble it to see whether or not it worked out, the app solved a major customer problem in an eminently portable way.

Yes, you want to be as connected to your customers as possible. You want to be seamless across all interactions. A retailer gains a lot of benefit from that. But you do need to keep asking: What's in it for your customer?

The answer to that question seems to be particularly elusive among shopper-marketing agencies. Dr. Daniel Flint of The University of Tennessee delivered a bracing splash of cold water in terms of how well agencies are developing customer-facing digital opportunities. Citing results of *The Hub Top 20*, a survey in which shopper-marketing agencies and their clients evaluate each other's capabilities across a range of criteria, shopper agencies averaged a grade of just 74 out of 100 when it comes to digital solutions.

Behavior. Many retailers today are equipping their sales associates with tablets for mobile in-store checkouts and to simplify access to the information that will help close sales. An unintended consequence of this can be that the tablet gets in the way of the

deal; your sales associate becomes overly involved with the device, not the customer. The same is true of the shoppers; do you want their noses buried in their devices or with their heads up, fully engaged in the retail experience that surrounds them?

This isn't to argue against using mobile in your store. It's simply to point out that when you introduce a new technology, managing behavior is part of the challenge. Successful initiatives need to understand behaviors and build on them.

In her Hub Live presentation, Laura Gordon of 7-Eleven noted that the average customer spends about two minutes inside a 7-Eleven store. Nothing is going to change that. To move the sales meter, Laura needs to make the most of that two minutes across more than 80,000 locations averaging 1,000 customers per store per day—in effect, that's 80 million, two-minute interactions.

Laura is focused on solutions that drive more convenience—for example, how stock is arranged on shelves. But when you have customers for only two minutes, you also need to know more about where they are coming from (literally) and what's happening once they leave.

That kind of analysis guides 7-Eleven's growing

CLOCKWISE FROM TOP: Laura Gordon of 7-Eleven; Leontyne Green-Sykes of IKEA; Jeannine D'Addario of Whole Foods; and Healey Cypher, formerly of eBay.

mobile strategy, which includes the Slurpee Finder App and, in a major foray into financial services, the 7-Eleven PayNearMe mobile app.

Belief. Every purchase is, on some level, a leap of faith. To buy, people need to believe, to trust. The last 12-18 months — starting with the Target data breach and continuing with intrusions at Neiman Marcus, Michael's, PF Changs, Albertsons, UPS, Home Depot, JP Morgan Chase, Kmart, Staples and, last but not least, Sony — has been a tough time in the trust department.

Making security and privacy a major focus, particularly in the wake of these massive data breaches, is essential today. A reputation that might have been years, decades — or centuries — in the making can sustain serious and possibly fatal damage quicker than you think.

Even without a catastrophic breach, shoppers are understandably skittish about privacy matters. Sharon Love, CEO of TPN, noted surveys that show nearly 60 percent of consumers say they want promotions on their mobiles, but only 20 percent want retailers to know their locations. Even fewer are willing to share their browsing history.

With so many retail touch points, Daryl Travis, CEO of Brandtrust, said it's incumbent on retailers to bring a new level of attention to authenticity and respect to each of these interactions. You can't say you stand for one thing and then act completely differently online or in your mobile app. Focus on getting the little things right, he said. When only 20 percent of your customers want you to know their location, that's telling you something.

For Will Clarke of Integer, trust results from effective storytelling. People want to be part of something bigger, and a brand that builds a compelling story about itself invites a different level of belief. In a similar vein, Whole Foods CMO Jeannine D'Addario highlighted the special challenges of translating the kind of trust engendered by the warmth and personal touch of the in-store experience into the relatively cold and impersonal — and potentially alienating — digital world.

Whole Foods does so, in part, with an app that not only provides the expected utilitarian functionality — store location, shopping lists and recipes — but also carries through the Whole Foods story with its own content as well as that of its shoppers, sometimes contributed at the local store level.

Brand. If you have aligned your technology initiative with the benefit, the behavior and the need to believe, you have done well. But to hit a

home run — a true four-bagger — you need to get your technology fully engaged with your brand. Technology needs to start with your brand, support it, and ultimately deliver on its promise, whatever that is. If you don't really know your brand, don't start your technology project until you do.

Dwayne Chambers, CMO of Krispy Kreme, told us that his brand really isn't about doughnuts; it's about joy. It's about the dad who delights the kids on Saturday morning. The team leader who makes everyone feel good about coming in early and leaving late. The loyal customer who shops at Krispy Kreme when the doughnuts are fresh — which itself has led to a hugely successful mobile initiative at Krispy Kreme: The Hot Light App.

Krispy Kreme fans love the Krispy Kreme Hot Light — the red light located in front of the store that, when burning bright, lets you know when the doughnuts are fresh and hot. The Krispy Kreme's Hot Light App is a logical and highly successful extension of this magical work of branding.

Within seconds of a storeowner switching on his or her Krispy Kreme Hot Light, the database back at headquarters is updated, allowing devoted fans to receive 'location alerts' on their mobile if a hot light is on at their favorite store or anywhere within a five-mile radius of their location. Users can set the time range in which they receive alerts and, in at least a partial nod to the need to exercise self-control, choose the maximum number of alerts they receive per day. Dwayne is looking for technology solutions that are different, fun, shareable and good to the core: just like a Krispy Kreme doughnut. It all starts with the brand.

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Those are my takeaways from a day of listening to some of the top names in retail talk about nuts-and-bolts technology. Will touching these four bases deliver a home run every time? I'd like to say it will, but as everyone knows, retail, like baseball, is a game of unforgiving percentages. But careful attention to these four key issues are essential to staying in the game. And that's no small achievement. ■



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