Management
Strategies

Executing a Digital Strategy

Now that you've made the decision to go digital, what's next?

By Lynn Petrak

Editor's Note: Part 1 of this article, about using technology to engage customers before during and after their visit, appeared in the October/November issue.

There are many ways to engage customers digitally at the point of sale or online once the decision has been made to do so — and gourmet store owners don't have to know it all or do it all themselves. "I think the complexity that used to be in the supply chain has been removed. There are many providers/service companies that will assist you with cloud-based solutions and that will do everything for you, from web design/commerce design to fulfillment," says Mark Taylor, global lead for customer experience transformation at Capgemini Consulting in New York City.

Whisk in Cary, N.C., unveiled its new website, complete with gift registry, in November. The project took about nine months — a bit longer than expected. "It is never as fast as think you it is going to be," says Dan Saklad, who co-owns Whisk with his wife Diana. "It was double the time."

The Saklads had a functioning website, but they wanted to invest in a site that would take their gourmet retail business forward for the next five or so years. "We had a website that was adequate, but we feel that we have to stay ahead of the game," explains Saklad. "We made our website totally responsive," meaning that the site can be viewed on a pc, tablet or smartphone.

To power the gift registry portion, the Saklads selected Your Gift Registry, which offers wedding and gift registry solutions to independent retailers. The Sacramento, Calif.-based service handles the data entry and online portion of the gift registry process after customers have selected the items. Guests may then access the gift list on the retailer's website to browse or make purchases that are fulfilled through the retailer.

For the rest of their project, Whisk used local vendors, not a challenge since the Saklads are near North Carolina's well-known tech area, Research Triangle. "In Research Triangle, we have a lot of options here. We try to stay local as possible."

Retailers in other areas of the country may not have any local solution providers. The Walnut, Calif.-based Center for Advancing Retail & Technology LLC (CART) helps retailers find service providers no matter where they're located, notes Gary Hawkins, founder and CEO. "Retailers can go on the site and use different search tools, such as by category or a word search, and begin to filter. One of the breaks, for example, is for an independent retailer with less than 10 stores — they can filter that and learn about mobile marketing solutions that are appropriate for operations with fewer than 10 stores and very quickly and efficiently drill down to what works for them," he explains, adding that the platform has more than 2,000 solutions and is continually growing.

Proper Selection

With so many choices in front of them, via cloud-based platforms or gleaned through their own research, retailers should begin the process of choosing technologies based on what they are trying to accomplish.

"Retailers should focus on designing and building

customer experiences that play to how their customers are shopping for their products," advises Jeff Simpson, a director at Deloitte Consulting LLP, who co-authored his firm's recent study on e-tail trends.

Hawkins, for his part, says that upfront planning is pivotal. "We've seen retailers fall into the trap of technology for technology's sake. It might be cool, but maybe it's not the best thing to do for their business. Anything has to be driven by the business need and strategy," he stresses.

Capgemini Consulting's Taylor agrees with the need for reflection and strategizing. "The harder question to answer is, 'Why is this important to my customer and my brand?' If you can answer that, you'll find the technology solution," he says.

Consistent Messaging Across Channels

It's what you say as much as how you say it, points out Jesse Brady Searby, senior vice president, strategic partnerships at MyWebGrocer in Burlington, Vt. "For gourmet retailers, content is king. They need to establish their brand reflection with a digital presence that is in line with their go-to-market store footprint," he suggests, noting that it shouldn't be "overly difficult" to do. "It then comes down to curating the best 'bank of content' to allow for continuous conversations with customer types with fresh and interesting content to provide each week, if not multiple times per week. The wonderful thing with technology is that when done the right way, it should be an automated process, allowing the retailer to focus on strategy and longer-term customer experience and less so on day-to-day operation execution of their digital channel."

According to Taylor, having an omnichannel presence — or at least a complementary, consistent message across the store and various online or mobile tools — helps deliver content and thereby build the business. "It reinforces your brand, and in this universe of gourmet or specialty retailers, brand is everything. You can use all channels — including web and mobile — as potential sales outlets and as brand reinforcement," he declares.

One way that gourmet merchants can connect with consumers through the digital channel is to give them a more personal shopping experience. MyWebGrocer, for example, offers personalized planning and shopping platforms, mobile and social tools, digital recipes, circulars, shopping lists, coupons and store location services.

Retailers also can take advantage of apps from technology providers to reach their customers with personal and pertinent information. Perka is a loyalty app that is empowered at the store level by beacons and lets participating retailers make special offers and rewards. The app is free for consumers.

The Perka beacon broadcasts a signal to a customer's Bluetooth-enabled mobile device, notifying the Perka app to prompt them to check-in to the store. Customers control whether their mobile devices respond to the beacon signal by turning Bluetooth and location services off.

Another solution is RetailMeNot's proximity-based mobile marketing platform that allows consumers to use an app to find products and any accompanying good deals near them.

"We work with several gourmet food businesses — everyone from big chains to small specialty shops," reports Brian Hoyt, vice president of communications for RetailMeNot, an Austin, Texas-based company that maintains a collection of digital coupons and promotions. "If a customer is interested in buying a special pan or type of blender that they may not get at a bigger department store, it's a great opportunity to get those eyeballs. You have a new opportunity to get them information."

Technology can also be deployed at the point of sale to enhance the shopping experience. The emergence of the Square's payment system is one example. The square-shaped credit card reader may be small in size, but it's getting bigger among businesses of all sizes. They can easily accept credit card payments with their

computers and smartphones. (Whole Foods Markets is among its users.)

The company's Square Register is a point-of-sale solution, offering the following tools to help retailers run their businesses: inventory, invoices, analytics and reporting, online scheduling, customer feedback, third-party app integration, and gift cards.

Recently, Square launched a money lending program called Square Capital and additional new services that allow for instant deposits and protection for disputed purchases.

Apple Pay is a payment solution that allows shoppers to use their Apple iPhone 6 and Apple Watch devices to pay in stores via one touch. The consumer simply holds their phone or watch near a contactless reader with their finger on the TouchID key; payment verification is signaled through a small vibration or beep.

Lauren Johnson, COO of Newport Avenue Market in Bend, Ore., says that Apple Pay has done well at the grocery store that's known for its selection of gourmet housewares, gift and specialty foods, as has the use of Square for other purchases. "I believe it's a safe form of payment, and our customers believe it as well. On the customer side, it's so much easier for them to use, because they don't have to set up an account. And on our side, we can access money in a day or two," she explains.

The Two-Way (Main) Street

The rapid pace of technology means that new systems and tools are coming out all the time. For example, the Nordstrom department store chain announced last spring it was offering a new service called TextStyle that allows shoppers to communicate with and make purchases from salespersons via text messaging.

As they try to decide which systems will help them deliver on their shoppers' expectations and interests, retailers should keep sight of the benefits that they, too, receive from going digital.

"Digital channels give you an opportunity to learn things about customers that you can't otherwise learn. It helps you see what your customers are looking at, even if they aren't buying, which can be of critical importance, because it gives you the opportunity to loyalize," says Taylor of Capgemini Consulting. "It gives you an immensely powerful platform to do something meaningful in the loyalty space."

Even something as basic as an exchange at the cash register can have greater meaning later on. "Collecting your customer details, from simply taking their email address to sending them a receipt via email is a stunning tactic, because it's helpful for the consumer and also gives you the opportunity to communicate," he adds.

Likewise, CART's Hawkins emphasizes the value of data and analytics in understanding and helping customers. "It could be a record of what that particular shopper has purchased in the past or other information that can be used to improve communications with that shopper. Through in-store analytic solutions, retailers can understand how many people walked in the front door and, of that number, how many bought something. Those metrics give you more information so that you can start working to make things better — you can say, 'I had 15 people purchase something today, so I'll make it 16 tomorrow,'" he says.

In a gourmet store, Hawkins adds, analytics might help a store owner discover that many shoppers look at glassware, but few look at cookware. "It's about leveraging the intelligence," he says.

As a gourmet retailer, Johnson reiterates the importance of all types of communications. "We use every bit of analytics that are available to us through loyalty cards and POS, but sometimes it's just a feel of what our customers expect. It's our relationships with customers and our ability to walk up to them and say, 'Oh, I notice you're using this app or way of payment — what do you think?' And they can say they love it or they don't." TGR