



# Titans of technology

**W**hether it is used to bolster the in-store experience or to support ecommerce functionality, marketing or the supply chain, retailers are harnessing technology in their businesses to powerful effect.

Keynote speakers at *Retail Week Buzz* revealed how they are using technology to drive personalisation, to boost productivity, and to become more customer-centric.

What every retailer – each with a unique set of assets and legacies – had in common was a story of how their businesses have adapted to the tech shift that has transformed the face of retail. Here, we take a look at some of the two-day conference highlights:

## The importance of collaboration and dangers of over-complication

Co-op chief digital officer Mike Bracken said retailers must work together to solve their common technology problems, and warned about the risks over over-complication.

In the conference's opening keynote, Bracken – who joined the Co-op nine months ago – spoke about the common challenges retailers are facing from legacy systems and under-

Retail Week Buzz brought together leaders from across retail to discuss ecommerce strategies and advances in technology. The staff at *Retail Week* report

standing the rise of online and what it means for basic consideration such as product display.

He observed that many retailers' websites don't offer relatively basic search functionality: "It is one of the simplest user needs but many retailers do not offer it because they are mired in legacy systems in the back-end."

He said there was a lack of comprehensive understanding of what the internet was really for: "One of the things that is striking me about retail is that there is not a deep-rooted understanding embedded in practices and processes.

"I don't know how we do it yet, but retailers are going have to find a way to work together to solve common, pervasive problems and hopefully save a few bob in the process," he said.

"We are an industry that needs to be of the internet, not just on the internet."

## Blending online and offline loyalty

M&S customer, marketing and online executive director Patrick Bousquet-Chavanne

said that the key to customer loyalty was to know "the customer in totality, the holy grail is having an integrated view." During his keynote speech, Bousquet-Chavanne told delegates: "We are one of the most trusted brands in the country. The key is how to keep it alive and thriving." He said that there are "new dynamics in the market today", and revealed that the M&S loyalty card, Sparks, had garnered five million members in its first year.

"Sparks has enabled us to get that synchronised view of the customer," he said. "The adoption rate has been amazing. It gives us an abundance of very rich cross-channel analytics that we never had before.

"It is now a question of leveraging that data to build a deeper customer experience [that] allows us to stay connected with our customers outside the stores.

"That builds the deeper relationship, but so what? The 'so what' is the pathway to greater conversion and the pathway to greater frequency and getting customers to new categories and channels.

"Historically, we were either online or in store and Sparks allows us to have that permanent connection between the two and know what they are doing at a given point in time. We see it as a transformative building block from which we can test everything in M&S. It touches everything in the business."

**"We are one of the most trusted brands in the country. The key is how to keep it alive and thriving"**

**Marks and Spencer customer, marketing and online executive director Patrick Bousquet-Chavanne**



Find out about Uberated, winners of the Buzz Hackathon, at [Retail-week.com/Buzz](http://Retail-week.com/Buzz)



**"If we could ask our customers if they had enjoyed their time in our store and they had, that would be enough for us"**

**House of Fraser chief information officer Julian Burnett**



### **A transparent approach to personalisation**

House of Fraser chief customer officer David Walmsley, who previously headed M&S's digital operations, said that he believed that personalisation should start with transparency and honesty.

In a panel session about how to avoid personalisation becoming creepy, Walmsley said that a value exchange between customers and retailers took place when customers gave up their data, and that retailers should respect that. "It's give and get," he added.

"We all get freaked out on the internet when we see data being pieced together. It is horrible and frankly suboptimal."

EMEA Monetate regional director Anthony Gavin added: "When personalisation is done

well you shouldn't really notice it. It just puts relevant information and products front and centre for that individual."

One retailer making strides in personalisation is Birchbox, the beauty products subscription specialist that originally launched in the US, and now operates internationally in countries including the UK.

The retailer's personalisation initiatives include gathering data on shoppers' beauty preferences and problems, enabling it to send tailored products to them.

Birchbox sends its sample products to its users every month in a customised box alongside bespoke editorial content on how to best use their new products. The retailer has also tapped into the rise of social media to make itself relevant and drive user-generated content.

UK boss Savannah Sachs told the audience at Buzz: "We want to give her something that is worthy of her Instagram profile".

### **New systems will become obsolete faster**

Sainsbury's Argos chief technology officer George Goley said new technology systems have a short shelf-life, and must be easy to replace:

"The speed of change is greater so things will become obsolete faster. You need to build your system to be as easy to replace as possible, because sooner or later that system will be someone else's legacy," he observed.

Goley joined Argos's former owner Home Retail Group last year after leading tech transformations at Microsoft, Amazon and Sears. He advised retailers against replacing legacy systems all at once, saying that led to "guaranteed failure". He also recommended that engineers continue to update systems and add new functionality amid a system migration.

"Engineers have a visceral reaction to having to write things twice but it's the right thing to do. You should never miss a chance to initiate value for your customers," he said.

Goley maintained that the Sainsbury's Argos merger brought about more opportunities than problems to solve. He refused to be drawn on what technology challenges the merger poses, but said: "We're eight days in but I get a handful of problems and a whole heap of smart new people. The new opportunities are significantly bigger, so I'm having fun."

### **Converting stores to facilitate multichannel functionality**

Closing the event, House of Fraser's chief information officer Julian Burnett said it has embarked on a "multi-wave investment programme" to drive growth across online and its bricks-and-mortar estate. He said the retailer's 60-strong store estate was "an absolute asset," but would be used to drive customer experience before sales.

"If we could ask our customers if they had enjoyed their time in our store and they said they had, that would be enough for us," he said, although he added it would be "even better" if they made a purchase as well.

He said that the rise of multichannel shopping and click-and-collect had created a "huge complexity" for House of Fraser, and had reached the point in recent years where it had been "impediment to our next phase of growth."

As a result, Burnett said the retailer is investing in its existing bricks-and-mortar stores so it can "act as mini warehouses," for shoppers to collect online orders. House of Fraser has also launched an ecommerce upgrade, which is halfway to completion, as well as gutting some of its existing IT systems in an effort to "simplify for sophistication."

The retailer is expanding its international presence, preparing to open its first bricks-and-mortar store in China for the end of the year.

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**Birchbox UK boss Savannah Sachs**

