ANALYSIS

Experience the loyalty

Providing an excellent customer experience is critical for creating valuable connections with shoppers. **James Knowles** reports on Retail Week's roundtable with Adobe

Chatbots, visual search and AI are driving loyalty in the digital age

E xperience has become the key differentiator, but what does a great customer experience look and feel like? And how does it filter through every part of a business, from brand to service?

These were just some of the questions when Retail Week and Adobe brought together retailers to discuss customer experience and loyalty at a roundtable in London, alongside findings from exclusive research carried out by Adobe and Goldsmiths, University of London.

Darren Williams, international director at Australian tea retailer T2, told delegates: "Customers remember great experiences, and that is how you get them coming back."

Product and story are crucial, he said. "People buy into brands that have stories to tell and something that makes them stand out."

This is backed up by the research, which found 39% of Europeans see what they buy as an expression of themselves. Further to this, 80% of consumers are loyal to brands that offer 'delightful' experiences, and they favour this more than price, quality or strong brand name.
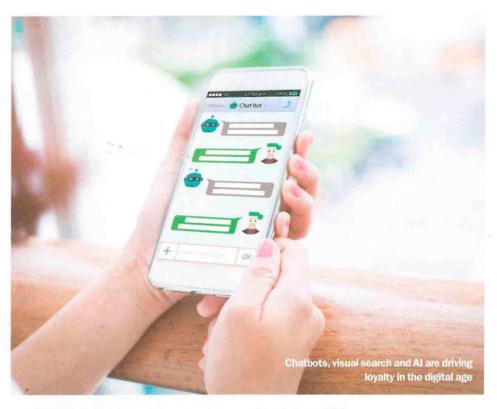
Service and personalisation

The retailer attendees said beyond brand and product, service is key to experience.

The loyalty director of one fashion etailer said: "Ease of purchase and return is really important – customers tend to be driven by convenience. And when you have the likes of Amazon really excelling in that area, we all have to really up our game to compete."

Personalisation was a hot topic, with the debate centring around transparency.

The loyalty manager said: "Our customers tend to be in their 20s, and they don't really care about giving away their data. However, we don't take that for granted, and it is about educating and letting them know that if they give us this data, we will use it to give them X, Y, Z."

Meanwhile, other retailers face the challenges of personalising to multiple customer groups.

A loyalty insight manager at one grocer said: "We have multiple segmentations, and we are going through the process of acknowledging that is where we struggled. The wants and needs of our older customers are completely different from those of our younger customers."

A director at another supermarket echoed this. He said: "We have recently redone all of our segmentation. We worked really closely with our internal customer insight unit and we decided to focus on three key segments in both clothing and food."

There is also a danger of becoming too prescriptive, and taking the element of discovery out of the shopping journey. "When you are looking at personalising sites, you need to not be too narrow and avoid pigeonholing your customer. Otherwise you end up making their world a lot smaller and alienating them," said the lead product owner at one fashion etailer.

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Vijayanta Gupta, Adobe

Social and AI

Experience also extends into social platforms, where customers glean a lot of their information.

Vijayanta Gupta, head of product and industry marketing and industry strategy, digital marketing business unit at Adobe Systems Europe, said: "Social needs to be about making the consumer's purchase decision earlier.

"Incorporating user-generated content in the form of social media into the customer journey allows them to qualify their purchase decision with their friends, family or peers. We have seen a significant uplift when retailers put social reviews in the purchase journey."

The growth in use of artificial intelligence (AI), whereby decisions are automated using machine learning, presents retailers with a significant opportunity to more effectively use big data.

Gupta said AI is allowing retailers to build on the customer testing they currently do. "You can free up time with AI to do things humans can't. But it is a balance, as there are also things that require the human touch."

AI will only become more important, says Gupta. This can already be seen with the rise in use of AI-powered front-end services such as chatbots and visual search.

The Adobe and Goldsmiths research found that 50% of consumers said regularly using innovative technologies enhances their shopping experience; this was more likely to be the case among the younger and more affluent.

So if the future of retail is all in the experience then investment in the right systems is critical to create relevant shopping journeys and underpin future growth, and will be a significant driver of loyalty. **RW**