

In Focus: Market Insights

Think Tank

Fixated on Data? OK, But Don't Forget the Customer

SAM KLIGER, FOUNDER AND CHIEF EXECUTIVE OFFICER OF KWI, EXPLAINS.

I love shopping. Yes, it's my business, but personally it's my passion, too. For example, I recently felt the need to write a letter to the owner of a high-profile fashion brand. I walked into the store, expecting to come out with a few new things as I enjoy the clothes – the quality, the minimalist look. Instead, I walked out with conviction for what companies such as KWI are doing for the retail business. ¶ When I asked the salesperson for a different size, she said they didn't have it. She didn't offer to check other stores' or online inventories. She didn't even ask for my name. I was shocked; not just because if they had back-end technology systems in place, she would have been able to see my prior purchases to be able to suggest similar styles. But the most basic customer service lesson is to learn your customer's name. That's the first step in CRM.

And, to be clear, this isn't about that particular salesperson. None of the salespeople were equipped to do that. They all kept going in the back to their POS and inventory system, leaving a deserted sales floor, as impatient customers walked out of the room. It was about a modern-design-forward company with an antiquated system that missed out on many sales. If they had had a mobile platform, this never would have happened.

So I handwrote the owner of the label a letter to tell him what they needed to do: They had to better serve their customers and upgrade their back-end retail system to empower their reps to check inventory and customer data on the spot. They needed to personalize the in-store retail experience to the same or above the level that a customer now receives online. Not just because I knew I could help, but, as a loyal customer, I wanted other customers to benefit, too.

There's a lot of talk about unified commerce, the move toward omnichannel retail that integrates your online and in-store platforms (and full disclosure, we're talking a lot about it, too). Boston Retail Partners estimate that 81 percent of retailers plan to have unified commerce within three years. In its 2018 POS/Customer Engagement Benchmarking Survey, BRP noted that retailers are putting a laser focus on these priorities:

- Customer identification/personalization of the customer experience (62 percent)
- Alignment of the customer experience



Americans still do 90 percent of their shopping in stores.

“By unifying your retail systems, you're actually building a state-of-the art customer service vehicle.”

across mobile apps and the web (54 percent)

- Empowering associates with mobile tools (51 percent)

Gartner Research noted that customers are “expecting retailers to execute faster, increase convenience and captivate their attention with engaging experiences. Retail CIOs must be ready to embrace options for

transparent collaboration and intelligent interactions to delight customers in new ways.”

But the biggest misconception is that the sole benefit of improved and innovative technology is to help you merge data between online and offline shopping. When executed successfully, unified commerce is about the customer – as Gartner

says, to surprise and delight customers. While many companies operate in silos – separating digital and in-store teams – shoppers don't. They move back and forth fluidly between e-commerce and in-store: 71 percent of marketplace shoppers report that they also shop at large omnichannel retailers.

That said, Americans still do 90 percent of shopping in bricks-and-mortar stores. Digitally native brands, like Untuckit, the casual shirt brand that is reportedly opening dozens of physical stores this year, are testing technological strategies to capitalize on the customer loyalty they have built online. “Having visibility into shopper behavior is just one way we create a better experience in our physical stores. It allows us to meet expectations and retain customer loyalty,” said Untuckit founder and executive chairman Chris Riccobono in a recent press release. “Moving from e-tail to multichannel has its challenges, but we've found that our online experience helps us apply digital strategies to our physical stores and reimagine retail in a way that other traditional retailers are not yet even considering.”

By unifying your retail systems, you're actually building a state-of-the-art customer service vehicle. Yes, the data may indicate that customers in St. Louis buy jeans at 4 p.m. on Fridays. And that's great for your inventory. But how can you better service your customer and build brand loyalty? The real ROI here is a repeat customer. Retailers agree: According to the BRP study, 62 percent of retailers indicate customer identification is their top customer engagement priority and 83 percent will use suggestive selling based on previous purchases within three years.

Data and technology are the vehicles for you to deliver the best customer service by:

- Anticipating favorite styles and preferred sizes
- Facilitating returns quickly and easily
- Shipping to store or home the out-of-stock item you want
- Knowing that time is the best value you can offer

Everyone is busy. The more you can do to create a more personalized, time-saving experience, the more you will have won the retail battle.

Sam Klinger is founder and chief executive officer of KWI.