



CONNECT  
WITH YOUR  
COMMUNITY

FEBRUARY 2017

## THE RETAIL HIVE LIVE

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### Next Generation Digital Marketing

#### What the event was all about...

On a chilly February morning, you joined over 70 senior Retail leaders at the birth place of ping pong, 'Bounce' in London to discuss how using personalisation, stories and insight will drive engagement and loyalty with today's connected customers.

We were pleased to welcome Robin Phillips as Chairman who has a successful track record in delivering omnichannel transformation and driving growth in the most challenging retail markets. Following an icebreaker by Dr. Peter Thomond which looked at how innovation can happen in large organisations, The Hive's unique interactive Roundtable discussions began with each table looking at one of the following topics:

1. Cross Border Brand & Marketing Consistency
2. Content Based Storytelling
3. Fit, style & Personalisation for Apparel retailers
4. Loyalty & Customer Lifetime Value
5. Marketing through Communities
6. Next Generation 1-1 Personalisation
7. Analytics & Insight to Deepen Customer Experience
8. Curating the Customer's Onsite Journey





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*The level of people here is outstanding. And the format is great, everyone is sharing!*

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## Event summary

This document provides a summary of each discussion together with the results of the interactive session which looked at opportunities, challenges and priorities for customer experience in a digital world. The day closed with a well-deserved beer/ glass of wine and the ping pong battles commenced.

We hope you found the day insightful as well as enjoyable and we look forward to seeing you at our next events being held at the magical Kensington Roof Gardens, London.

**Retail Hive Live: Where eCommerce meets Fulfilment - 24th May**

**Retail Hive Live: Innovation and Collaboration - 12th October**

Best wishes

Sally & Noj

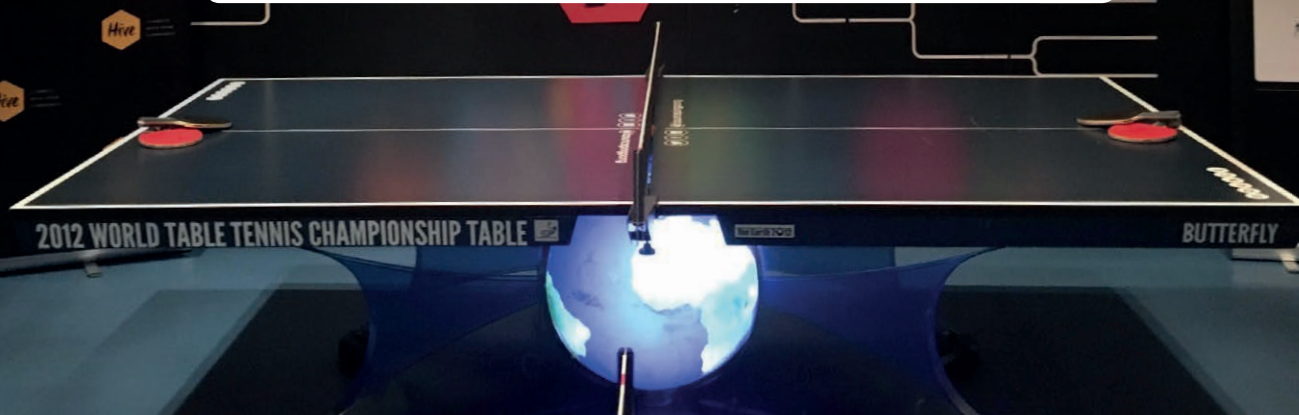
**Sally Green & Noj Mather**

Founders, The Hive Network



### WELL DONE TO OUR WINNERS

Congratulations to the winners of our Ping Pong Tournament, L-R Zaren Courtenay from Mykita and Alex Murray from Lidl. They beat some stiff competition to take the title.



# CROSS BORDER BRAND AND MARKETING CONSISTENCY

HOSTED BY TRANSLATIONS.COM

When looking at cross border brand consistency this can be split into three elements:

## 1. Brand

A strong brand comes from a strong, authentic culture. Your brand needs to be flexible to allow for product additions and market conditions. Consistent enough that it doesn't become confusing and focused enough that the USP is obvious no matter the market.

## 2. English

It is important to start with your English brand, if this isn't consistent then these issues will extrapolate across mediums and languages. That one inconsistent sentence gets translated into 10 languages across 7 mediums and becomes 70 inconsistencies for each English element.

Create strong brand guidelines, this will go a long way to improve global brand consistency. This could include fonts, visuals, logos and personas (i.e. the Jack and Sally who you are targeting). Use this as a set of principles not rules, you want to freedom to adapt as long as it doesn't dilute your core ideas.

Create brand guardians/custodians; have someone with the organisation who's responsibility it is to keep your identity, strategy and marketing efforts consistent. They should be there to help and mentor other departments in best practice.

## 3. Language

Create a glossary of key terms – this involves working through marketing materials, training materials, website etc and list down the key terms or words that are important to the brand.

This help keep the core brand ideals consistent no matter the language.

Create language and style brand guidelines that work alongside your English guidelines. These may include elements such as are you to write in a formal/informal tone in German? how do these "Jack and Sally" personas change per market?

Consistency – Using the same team every time to conduct the translation will go a long way in helping core consistency.

If you are using a Language Service Provider make sure you leverage any internal staff you have to review this content.

They will have the experience of your tone of voice and will be a very valuable resource.

## When not to...

However, there are situations whereby you may want to change your brand guidelines in different market places.

For example, Wrangler Jeans wanted to have a different brand image in Europe compared to its brand image in USA and therefore the online site needed to be different; on Wrangler's European site there is not a Stetson in sight, for more info go to:

<http://digiday.com/uk/wrangler-europe-digital>





# CONTENT BASED STORYTELLING

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HOSTED BY SOFTSERVE

As retailers and product owners, we must continuously evolve and find new ways to engage with our customers to remain relevant and top of mind.

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Within today's digitally enabled, "always on" world, our customers are continuously bombarded with stimuli that fight for their attention to influence their daily decisions

In order to successfully influence an individual's buying decisions, you need to build a narrative that utilises rich, contextually relevant content focused on that customer's experiences vs a story based on a single product or use.

The truly successful narratives are those that can tie together multiple stories or chapters across the buying journey and align them to real or potential experiences, you will not only DRIVE the customer to your brand but also KEEP them coming back through continuous messaging and elaboration of the narrative through additional STORYTELLING.

For example, let's compare selling baby food to that of football boots. In the case of baby food, identifying with the customer's paternal instincts through a focus on wellbeing for their baby versus the boots where you may need to glorify the whims and tastes of their athlete idols that they are enamoured with or their underlying technology? These stories would be similar in approach by trying to build an emotional attachment but different in terms of the content due their audience differences.

Once you have their attention, you need to keep them engaged enough to come back to your brand. This is done through elaborating on the narrative to follow your customer's journey throughout e.g. how to prepare toddler meals, or in the case of soccer boots, how is training going under adverse weather conditions?

As customers come to your brand, the use of customer feedback and analysis will help to develop a deeper understanding and ability to more accurately identify WHO is coming to our brand, WHY are they selecting our brand, and WHAT are they purchasing from our brand in order to drive more relevant engagements with our customers.

Through analysis, we can then enrich and enhance our narrative across a broader range of consumers while growing the trust and loyalty of existing customers to a point where we could shift the "why would they" come to you to "Why wouldn't they".

As I and many of us believe and discussed, digital storytelling, when focused on an emotional, experience driven narrative versus a product, feature, functionality story ultimately drives success to bring customers to your product and services.



# FIT, STYLE & PERSONALISATION FOR APPAREL RETAILERS

HOSTED BY FITS ME

What is fit, style and personalisation? The most important factor in offering a personalised journey is the need to understand your customers.

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To do this retailers should identify best times in the journey to refine and enhance data on shoppers.

The discussion covered traditional methods of data capture such as till receipts and how to enhance this with detailed shopper data (biometric, fit and style preferences, lifestyle).

Many retailers have started using data to form shopper segmentations as a first step to personalisation and are using it for targeting and marketing campaigns.

General consensus was there is opportunity to further leverage segmentation and ultimately personalisation but concerns around ability to manage, process and analyse at scale and ability to capture and link forms of enhanced shopper data were listed as primary blockers to progress.

Value driven from personalisation and segmentation is vital for the success in driving loyalty and growing share of wallet versus competitors and a growing fragmented and omni-based marketplace especially one where the average European shopper looks at just 4 ecommerce sites regularly and one of those four is Amazon!

When using personalised recommendations and advice online retailers shared benefits such as;

- 20-40% reduction in fit based returns and multiple size purchases behaviour.
- Basket size and Average Order value uplifts of around 20-50% on average.
- Higher first time customer conversion and repeat visit rates.

Feedback from the group was that in having this shopper data and insight, it is crucial to embed this knowledge in your company which can be organisationally hard as there are many or no owners of the insight.

Opportunities to further deliver tangible P&L value included;

- Making merchandising and inventory decisions to optimise sales across channels, regions and product categories.
- Improving garment design to optimise for fit for your shoppers and potential new customers arriving on your site (new ranges added and fit model changed to extend market coverage).
- Achieving greater return on investment for promotion spend through targeted promotions ahead of cross company sales periods, reducing year on year reliance on summer and Christmas sales periods.



# LOYALTY AND CUSTOMER LIFETIME VALUE

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HOSTED BY ICLP

The loyalty debate continues to rage, but the who, what and how of loyalty is changing. The discussion centred heavily around rewards; how to identify your most valuable customers and how to build loyalty programmes with meaningful rewards that are commercially viable.

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## Who

Not all customers are created equal! Big data is the king of loyalty.

Retailers are using data in various degrees of sophistication to understand and segment their customer base. Don't collect it if you're not going to use it.

Segment your data to find out who are your most valuable customers and create personas for your customers based on (i) buying history (ii) what else are they purchasing from other retailers (iii) do they only buy when there is a sale?

Remember quality not quantity; your most valuable customer might only purchase twice a year, but make a high spend purchase so treat them differently to a more frequent customer.

As a general rule, 20% of your customers generate 80% of your revenue so aim your reward programmes at the 20%.

## What

How do you know which rewards will drive loyalty? Strong view that transactional rewards don't drive loyal behaviours – they drive purchase, but they are seen more as promotion than loyalty drivers.

Don't design rewards around customers that aren't regularly engaging with you or you'll miss out on the opportunity to drive the devotion of those that are.

Rewards need to be meaningful. For example, aligning rewards to customer pain points – access to scarce products in times of high demand, prime delivery slots.

For multi-channel retailers don't offer free delivery to everyone, reserve them for your most valuable customers.

## How

Paid-for membership – is it a membership or a loyalty programme?

Surprise and delight was the ultimate type of reward, however this can quickly lead to expectation and can become an expensive exercise.

Any reward must result in continued customer loyalty.

Get feedback and listen to your customers; monitor social media and rewarding customers acting as brand advocates.

Different customers have different kinds of pain points so segment offers according to that persona and use your data

Finally, keep it simple and be careful around unpublished awards because people talk; knowing someone else has received something you haven't can damage loyalty.





# MARKETING THROUGH COMMUNITIES

HOSTED BY JOHN LEECH (former Director of eCommerce, Lenovo EMEA)

## Definition of Community

There were three different definitions of 'Community' discussed:

### 1. A Brand's Social Platforms

They have active multiple Facebook or Twitter accounts

### 2. Join an Existing Community

Where people share a passion and interest in the general industry area or market that you service. Some brands become a resource to that community; overt selling will generally not be successful.

### 3. Create a platform or space for customers and stakeholders to come together

Some brands have created that space for their customers to share experiences or questions. There are platforms (e.g. [www.lithium.com](http://www.lithium.com)) that allow you to set up branded Forums so you can hear the conversations and help customers with issues.

## How to engage with your Community

There are two different strategies which should not be mixed up:

### 1. MARKETING TO THE COMMUNITY

If you use traditional marketing methods to push a message to that community.

### 2. MARKETING THROUGH THE COMMUNITY

Where the community takes on the role of sharing the Brand message and promoting it organically. A Holy Grail for Marketers.

## The following principles seem to apply when engaging with your Community:

- You can choose to moderate but this must be not be heavy handed.
- User generated content can be valuable but it is a challenge to manage particularly content that does not meet brand guidelines.
- You must give to the community; where customers are looking for help that has to engaged with and provided.
- You can provide questions to the community and request their feedback.
- Equally, listen respectfully and suggest a direction to customers.
- The prospect of getting involved in a community activity can seem scary and you may not like what you hear.
- However, people will talk about your brand online anyway, it is better that they are talking about you in YOUR house.

## How do you measure success?

- Creating KPI's and measurements in this space can lead to the wrong outcomes or drive the wrong behaviour
- For some brands their community responds well to promotions but this tended to be the exception.
- It is important to measure size, engagement etc. to determine if your community is alive and growing or dead and dying but after that tread carefully
- There is huge insight to be gained at a very cost effective rate by using your community to:
  - Test new products (although feedback may not work with NPD timelines);
  - Find areas that need improvement;
  - Provide Feedback on support and service;
  - Explore new areas of interest.
- All these areas might instead have cost market research or consulting budget so should not be missed in terms of real value delivered to the brand.

Success in Community is based on 'Giver's Gain'; if you are less than authentic then your 'Community Initiatives' will be found out and can have detrimental effect. The rewards and returns for doing it right are certainly there but not without time effort and commitment.



# NEXT GENERATION 1-2-1 PERSONALISATION

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HOSTED BY APPTUS

The term 'Personalisation' covers a vast number of marketing and merchandising tactics ranging from named emails to personalised fitting based on an individual's size parameters.

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## What do we mean by 'personalisation'?

The term "Personalisation" covers a vast number of marketing and merchandising tactics ranging from named emails to personalised fitting based on an individual's size parameters.

No one asks for personalisation; they just want a relevant experience that they can come back to, so personalisation is really all about giving customers the options/ filters they may desire

Some tactics will fit a retailers range of product and customers better than others, the roundtable participants encouraged each retailer to examine the best fit for them and then execute against a plan which should include rigorous testing.

The breadth of the topic has the potential to cause some retailers to delay execution whilst "waiting" for an overall strategy, but the consensus was that taking even small steps is advisable.

## Personalisation, on-site merchandising and the power of automation

The concept of one to one personalisation was deemed to be unnecessarily complex as people are not as individual as we might initially think.

Delivering experiences for micro groupings, i.e. 100s of segments/personas instead of several will deliver vastly more relevant and engaging experiences to more people.

It was noted that advanced automated systems that utilise AI and machine learning technologies can now undertake much of the heavy lifting previously required by outdated rules based methods. This allows merchandising teams to deliver vastly more engaging and relevant experiences.

However, these modern approaches require stakeholders to adopt to a new way of working which involves trusting to technology (and analytics) rather than gut feel.

Additionally, brand marketing and trading teams need to work closely to ensure that the objectives of both disciplines were understood and met. There is need to educate stakeholders in the power of automation; marketing teams in particular need to understand and be convinced why the automated site looks the way it looks.

## In summary

The term personalisation is a term used, and abused, within the retail sector and we should be cognisant to the fact that our customers are not demanding a "personalised experience".

They will, however, respond positively to what they consider to be a relevant and engaging experience and become loyal brand advocates.

So let's not get side tracked by jargon, instead stay true to retail basics, listen to customers and delight them with great product, good prices and great service at whichever touchpoint they select.





# ANALYTICS AND INSIGHT TO DEEPEN THE CUSTOMER EXPERIENCE

HOSTED BY ZETA GLOBAL

As data across channels and touchpoints proliferates, many of us worry that we're losing focus on key metrics to drive business success. What metrics to track? How frequently? And what's a significant read-out?

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Unfortunately, there's no KPI silver bullet; a structured approach to defining the key metrics for your business and your reporting cadence is an essential first step. Mapping what to measure and how frequently helps balance the team's focus between operational and development initiatives to meet the many demands of the business.

More sophisticated analytics techniques can be layered over the basics to inform the "why" as well as the "what", and direct focus to areas of greatest opportunity.

Newer analytics applications such as attribution are worthy of investment, but require intelligent application to deliver the promised business benefit.

More than ever, the importance of management buy-in and organisational alignment is the deciding factor to ensure that businesses realise the benefits from investment in analysis.

This requires that the Insight teams invest in interpretive as well as statistical skills to identify the opportunity and build the business case from the analysis they produce.

Numbers are like people; torture them enough and they'll give you anything!



# CURATING THE CUSTOMER'S ONSITE JOURNEY

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HOSTED BY BLOOMREACH

Interesting looking at personalisation from the viewpoint of many different brands; on one side Fred Perry; very strong brand, single minded, low number of products versus Waitrose/Selfridges with high number of products and therefore many different brands to represent.

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Where you go in terms of personalisation depends on your offering but above all remember the most important aspect is to SIMPLIFY what's happening on your site already. Depending on the history of your site this can be difficult; as some retailers are many years old and have different technology they need to cope with.

There is a massive benefit to those people who can automate the customer journey, using something like machine learning; this should not replace actual people who are physically doing this job manually - rather it should complement things so it is man + machine not man vs machine. Get the best blend that is right for you.

Whatever you do, do not stop curation.



# TAKING OUR COLLECTIVE DIGITAL PULSE

Here are the results from our interactive session which asked for your feedback in response to the opportunities, challenges and priorities for customer experience in a digital world.

This session was moderated by **Robin Phillips**, Chairman and the panel were:

**Emilie Maunoury** - Clarins Group

**Ket Patel** - House of Fraser

**Michel Koch** - Time Inc.

**Dave Elston** - Clarks

Consumers are demanding even more seamless experience regardless of channel (store/online/mobile/social etc). What is preventing you from delivering it?



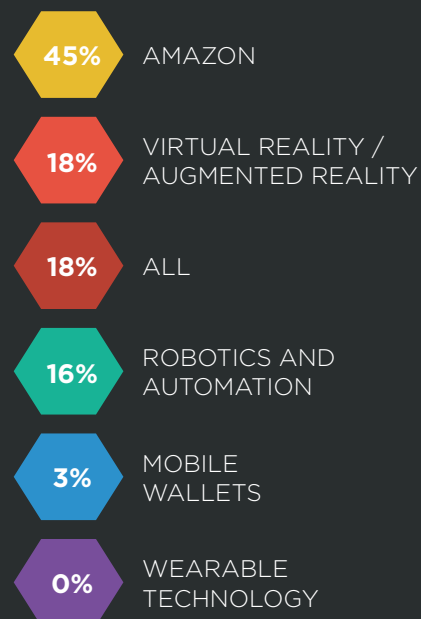
What is the main driver behind the decisions you make about digital?



What is the biggest priority for you this year?



The retail environment and shopper behaviour is being constantly reshaped by disruptive technology. What do you think will have the biggest impact on the business of retail in the next 18 months?





## JOIN US FOR OUR NEXT EVENTS

### WEDNESDAY 24TH MAY 2017

THE RETAIL HIVE LIVE:

WHERE ECOMMERCE MEETS FULFILMENT

Kensington Roof Gardens, London

Contact [fi@thehive-network.com](mailto:fi@thehive-network.com)

This meeting will discuss the major fulfilment issues every retailer is facing in this multi-channel digital world.

- Managing the spiralling cost of fulfilment.
- Choosing the most efficient, yet reliable, delivery option.
- Omnichannel, Click&Collect and alternative delivery models.
- Stock management and order processing efficiency.
- Drones, robotics and the impact of transformative technology on fulfilment.

### THURSDAY 12TH OCTOBER 2017

THE RETAIL HIVE LIVE:

INNOVATION AND COLLABORATION

Kensington Roof Gardens, London

Contact [fi@thehive-network.com](mailto:fi@thehive-network.com)

Being innovative is no easy task. Invitation-only meeting for retailers to collaborate and brainstorm practical applications for disruptive new technology.

- Insight into how the retail world is being transformed by new technologies.
- Retailer case studies showing unique customer personalisation through collaboration.
- Interactive sessions looking at how technology is transforming retail from virtual reality and robots to visual search and GPS.

## GET IN TOUCH



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