



CONNECT
WITH YOUR
COMMUNITY

DELIVERING HIGH TOUCH CUSTOMER EXPERIENCES



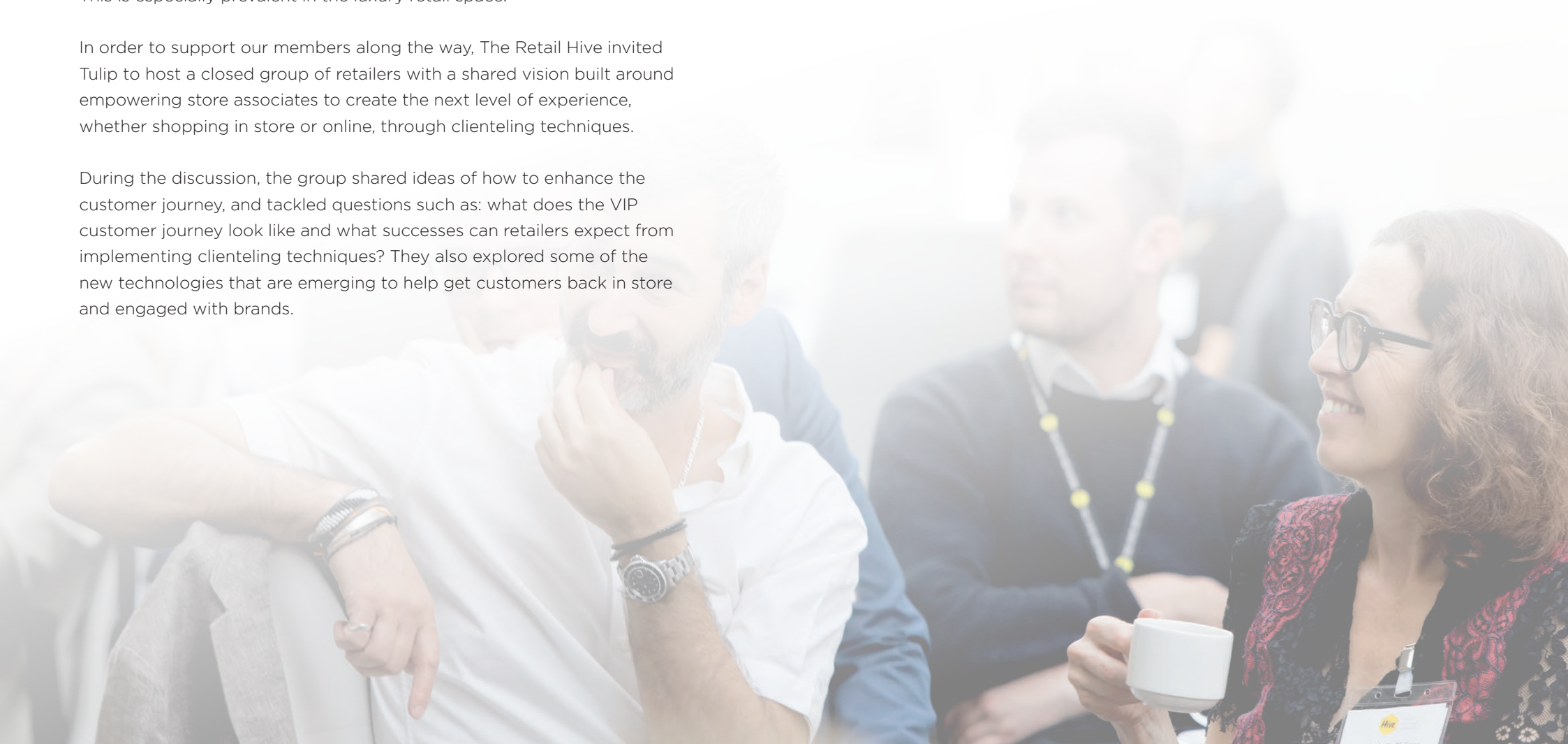
Introduction



Thanks to the global pandemic, the need to create a seamless customer journey across channels has accelerated across the retail industry. Additionally, as lockdowns relax, retailers are under immense pressure to provide a safe and secure store environment for shoppers to return to. This is especially prevalent in the luxury retail space.

In order to support our members along the way, The Retail Hive invited Tulip to host a closed group of retailers with a shared vision built around empowering store associates to create the next level of experience, whether shopping in store or online, through clienteling techniques.

During the discussion, the group shared ideas of how to enhance the customer journey, and tackled questions such as: what does the VIP customer journey look like and what successes can retailers expect from implementing clienteling techniques? They also explored some of the new technologies that are emerging to help get customers back in store and engaged with brands.



WHAT DRIVES THE NEED TO HAVE CLIENTELING IN RETAIL?

The group agreed that, at the moment, clienteling is absolutely crucial to brand survival. With many luxury brands relying heavily on traffic from tourists to drive sales from their retail boutiques, the lull in traffic and the uncertainty around what will happen in the future is on everyone's minds. At this time, the only way to get sales in is through clienteling and there is a huge strategic shift to focus on clients within the local market. As a result, brands are trying to engage both their local VIP clients and new local customers as much as possible. Nurturing existing relationships is a difficult game as there is a need to drive sales without giving off a vibe of neediness. Equally, brands need to take every opportunity to convert newly acquired customers onto their second purchase, without damaging the new relationship.

When it comes to the holiday season, one should remember that not all cultures celebrate the same holidays in the same way. The holiday itself isn't necessarily the important thing, retailers should focus more around getting the communication right at the right time with the right clients.

One participant shared how, for markets such as Europe where Christmas is widely celebrated, it's quite easy to tailor messaging, especially for their VICs. However, they also have clients in the Middle East who don't celebrate. They stressed the fact that it all comes back to classic CRM, which is heightened for VIC customers as they need to be careful not to upset them - especially with the Covid-19 climate where they are unable to physically see their clients in person.

They shared their frustration that their clienteling team use a separate clienteling software which has the ability to store a lot more personal client data than classic CRMs - data which is not actually shared across their business at this time.



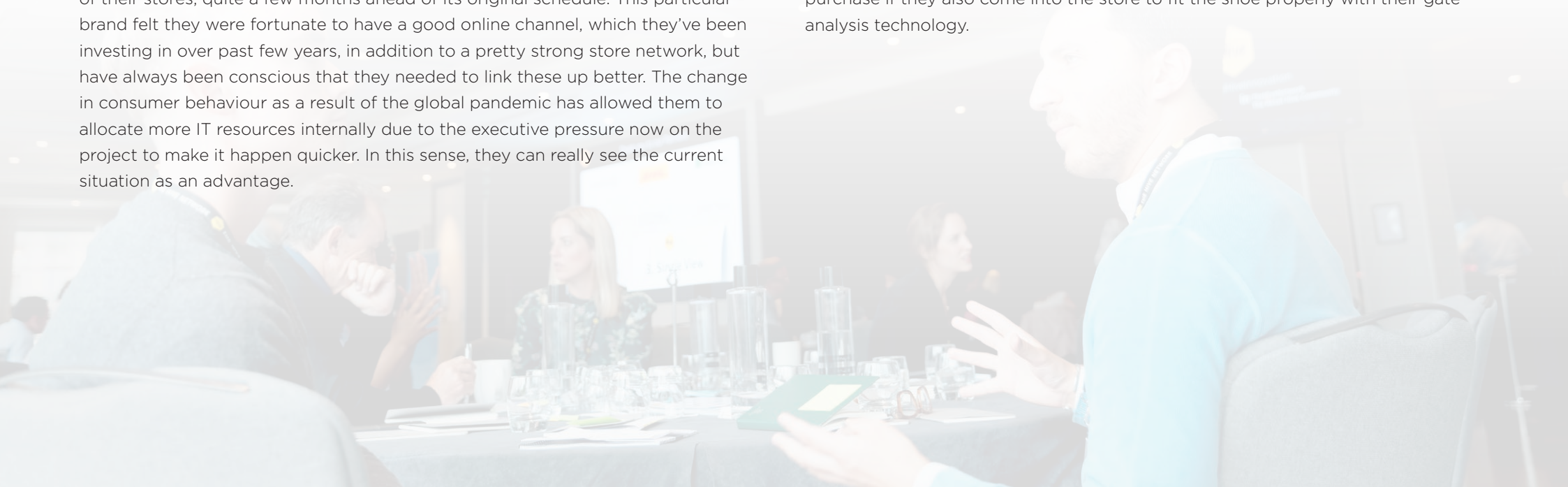
HOW CAN THE CURRENT SITUATION BE TURNED INTO AN OPPORTUNITY?

The pandemic has seen a dramatic acceleration in retail strategies, with many 5-year plans becoming 5-month plans overnight. As customers are no longer walking in and browsing the shop floor, everyone has had to re-evaluate their roadmaps and reorganise the priority of projects. Siloes between store operations and eCommerce have been blown apart with a lot of retailers moving toward a more blended omnichannel experience, driven by the fact that clients don't care about the channel, only the experience. The introduction of remote contactless payments, video chat appointments to make client feel safe, and the ability to book a changing room are a mere few of the solutions emerging to enable retailers to focus on end result.

One member, from a premium running brand, shared how this really resonates with them. They have always had plans in the background to launch a click and collect service, but it was never a priority. The lockdown situation created urgency for this service and so the project will now be going live across a number of their stores, quite a few months ahead of its original schedule. This particular brand felt they were fortunate to have a good online channel, which they've been investing in over past few years, in addition to a pretty strong store network, but have always been conscious that they needed to link these up better. The change in consumer behaviour as a result of the global pandemic has allowed them to allocate more IT resources internally due to the executive pressure now on the project to make it happen quicker. In this sense, they can really see the current situation as an advantage.

They have also used the situation to push things with their membership programme; blending technology and service components together to give full customer experience. With customers able to sign up both online and instore, the benefit to the brand is in having that customer data running across both channels. Whilst their traffic is down in store, their online sales have grown significantly due to a huge uplift in new shoppers coming into the category who are new to running and need more guidance. With less footfall to store, they have lost the benefit of being able to utilise instore specialists to provide that one-on-one support service that these customers need and so have had to think outside the box for new ways that they can bring this service online in the best way.

As a result, they are pushing certain elements of their membership programme to customers. They really believe in runners having the right shoe for their foot and stride style, and so they have started to retarget online shoppers offering use of their online selector tool to purchase the product, with a discount on the purchase if they also come into the store to fit the shoe properly with their gate analysis technology.



WHAT CRITERIA IS REQUIRED TO CHOOSE TECHNOLOGY THAT WOULD BE USEFUL FOR A BUSINESS?

Technology needs to empower store associates with everything they need to know about the customer, with full transparency across the business, in the simplest way possible. Utilising an iPad in store which shows the full customer account details - what they like to buy, how they like to shop, how and when they like to be contacted, when they were last contacted and by who, and when they last purchased – allows store associates to deliver an appropriate service to the right customer at the right time. It is really important that the entire business is connected with the data flow to avoid different stores calling the same customer multiple times which can lead to a “spamming” effect and possible loss of customer.

HOW ARE CUSTOMERS DRIVING OMNICHANNEL SALES?

Whilst there has been a clear shift to sales online, a lot of the retailers have found that these transaction sizes are much lower as customers aren't spending as much online as they would have done in store. This makes sense when considering a traditional purchase ceremony in store, which would typically be facilitated by an associate recommending accessories and other products to complement the hero product, thereby increasing basket size. Unfortunately, whilst readily available, AI recommendation tools simply cannot compete with the human touch and so baskets are not built online. That said, customers still expect that same experience, wherever they are purchasing and so the use of online video calls and chat apps are quickly becoming the norm for the luxury retail sector. Such technologies allow brands to maintain and build upon one-to-one relationships to maximise clienteling.

In addition to this, associate roles are changing. One member shared how they now have specific boutiques that have become eCommerce hubs which rely on sales associated to fulfil packages and manage couriers, rather than looking after front of house. They are still able to manage customers who have scheduled appointments and can work on clienteling through chat apps and messengers from the back room but now their schedules focus mainly on fulfilment and packaging in the early mornings so that they are ready to be picked up by delivery drivers. These are teams that, six months ago, would never even consider this line of work and who are now all newly skilled.

BREAKING DOWN SILOES FOR A SEAMLESS CUSTOMER EXPERIENCE

Something that a lot of retailers struggle with is not having great omnichannel data. Brands can really empower their store associates in clienteling by giving them rich omnichannel data to help personalise not only communications but also both virtual and in person experiences. Brands need to give their customers a really good reason to come into store and utilising a high-touch personalised experience which recommends products and provides them with a one-to-one service gives them a reason.

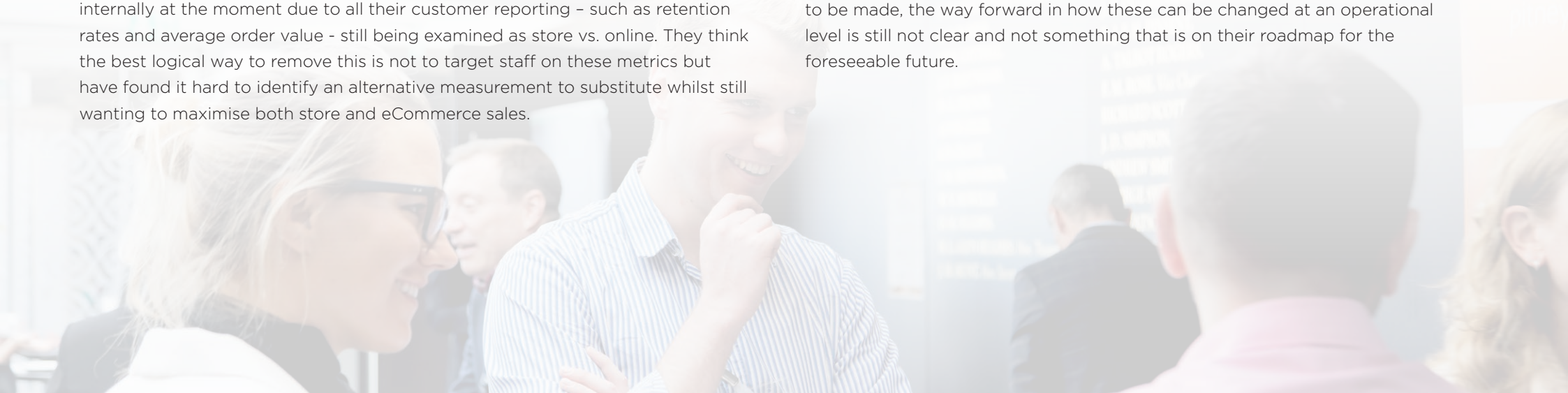
Another barrier to seamless customer experience is back-end systems. Retailers need systems that work well with one another. A customer might prefer to pop into a store quickly to try on a product before purchasing it online. That same customer might then wish to return the product in store. In order to remove friction from this journey, all aspects of the brand's back-end tech need to speak to one another.

Brands should also make an effort to remove competition between channels. Traditionally retail and eCommerce teams have competed with one another for the sale, however the focus now should be on serving the customer in a way that they wish to shop. One member shared how they're experiencing this challenge internally at the moment due to all their customer reporting – such as retention rates and average order value - still being examined as store vs. online. They think the best logical way to remove this is not to target staff on these metrics but have found it hard to identify an alternative measurement to substitute whilst still wanting to maximise both store and eCommerce sales.

As a possible solution, another member suggested that they use regional sales growth in the location 30 miles around each of their showrooms to attribute success from a team perspective – this eliminates friction in where the sale actually came from.

Tulip advise retailers to move away from relying on traditional metrics based on the fact that changes in the customer journey, which have been heightened due to the Covid-19 pandemic (think foot traffic in store), no longer apply and so are less useful in illuminating what's actually going on behind the scenes with customers. With the introduction of virtual sessions for clienteling, it is important to utilise metrics that reflect this, such as conversion rates on products being shown during the sessions, or the rate at which customers are attending scheduled meetings and how to further drive traffic to them. In line with this, Tulip suggest there is a need for a robust solution that can pull together each element of the customer journey and unlocking insights which can further be used to unlock the customer experience.

That said, the consensus amongst participants in the group was that, whilst they are conscious that some metrics are no longer relevant and some changes need to be made, the way forward in how these can be changed at an operational level is still not clear and not something that is on their roadmap for the foreseeable future.



WHAT IS THE SECRET TO SUCCESS IN ROLLING OUT NEW TECH?

One participant who has recently rolled out a piece of clienteling technology on their shop floor thinks the key to success is continuous communication – and not just around the launch. When a new piece of tech is launched, everyone can get really excited about it but over time if the communication is not continued, they can quickly get bored and stop using it to its best ability or try to revert back to old methods. The key is to keep talking about it so that training never stops. They have found that regardless of how much training is given the same basic questions are always asked again and again. By continuing to answer these questions over and over (which can be necessary with staff turnover) and by treat the technology as though it is always new can help to keep the excitement going. It is important to always keep staff engaged and it helps a lot to teach and show them what wider teams are doing with the data captured through the tools so that they feel involved. It's important to give them the practical side around how and why data is being used otherwise they won't understand why it's important to them.

Another participant shared their excitement at the success of their own launch. Their retail team were not expecting it and so everyone went the extra mile to help them to be immediately bought into it. They found that, rather than one team taking credit for it, there was instead real great camaraderie and cross-functional teamwork as retail ops, regional managers, marketing and CRM all worked together to get it launched. Their key to success was in keeping everyone really informed and also in giving the technology to the retail function as their own tool, with the rest of the business facilitating it for them. Giving it to the associates as a tool for them to choose how best to use it, rather than a corporate mandatory tool that they must use was a really successful touch.

Keeping the retail team involved from the start is also a good strategy so that they can feedback how or why the technology wouldn't work early on so that these kinks can be ironed out before launch.

WHAT ARE THE NEW TECHNOLOGIES ON THE HORIZON FOR CLIENTELING?

What we should remember through everything that's happened over the past year is that shopping is supposed to be an enjoyable experience. It's about being where the customer is. It is not about stores or websites individually, but about making sure that we're giving our customers the best experience possible, wherever they are. This is in virtual appointments, it's in video calls, it's in making sure they have an appointment when they come into the store, and in making sure our operations have been optimised and our back-end systems are connected. It's about having that flow of data so that we all know what's coming from eCommerce and what from individual boutiques so that associates are empowered to provide the client with the experience they need.

What's coming next? More technology putting the customer at the front and centre of everything we do. In Tulip's opinion, that revolves around making sure associates are front and centre with the tools they need to create these experiences.



KEY AUDIENCE TAKEAWAYS

- The importance of changing KPIs to be more aligned with changing consumer behaviours.
- Working on how to get the correct data to store associates to empower them to make better informed recommendations and product suggestions.
- Attributing appreciation to stores for driving sales online.
- Getting better with technology and building a seamless experience both online and instore.
- Implementing segmentation into clienteling tools in order to deliver better insights.
- Linking all the dots together to have seamless experience both internally and for customers.

ABOUT TULIP

Tulip provides a SaaS-based mobile platform to empower retailers and better connect customer and store associate experiences. Tulip's mission is to empower next generation retail associates with world-class mobile-first, cloud-first enterprise software that modernizes and transforms the in-store experience.

For more information, visit www.tulip.com

