



Leading retailers reimagining the customer journey to create immersive, personalized experiences

BY STUART FOXMAN

IF your idea of suit shopping is to pick a fabric, colour, style and size, an appointment at Indochino is an eye opener.

At Toronto's Yorkdale Shopping Centre, a stylist grabs a tablet and walks a customer through the options. Number of vents, pocket type and angle, stitching, buttonhole colour, lining, even the felt under the collar—everything is open. The stylist asks about the customer's work, preferences and lifestyle, all to make recommendations. Then he measures every imaginable body part and has the customer slip on a "template" jacket and pants for pinning. The order is entered, with a suit to be delivered within weeks.

No wonder the label says, "made for you". Indochino launched online in 2007, and now has showrooms across North America. As it reminds, the name of the game in retail is tailoring, if not products then customer interactions.

"Retailers are too caught up in sell, sell, sell," says Indochino CEO Drew Green, who was previously the founder and CEO of shop.ca. "We have to get into providing an experience. That's the future of retail."

Technology and the human touch

In the quest to increase traffic and revenue, it's critically important to personalize the customer experience across platforms. How are stores, brands and their marketing teams using technology and service methods to customize the retail journey?

To personalize, be relevant, says Brian Ross, President of Precima, LoyaltyOne's advanced analytics solution. That comes from understanding the drivers behind decisions. "How do you get to the 'why' behind the 'what' and the 'when,'" he says.

"Personalization also means recognition," adds Claire Bara, Vice President, Strategy and Business Intelligence, Lowe's Canada. She says typical metrics like conversions and the shopping basket are useful, but as a marketer she wants to dig deep into more qualitative data. What are

the customer's feelings and motivations?

Part of personalization is truly knowing your segments and the individuals within them, says Bara. In home improvement, some people are comfortable with DIY (depending on the project), some need professional assistance, some seek design inspiration, some can do simple repairs, some need a video to walk them through the steps, etc.

Here's the thing—these can all describe different customers or, at different points, the same customer.

The intelligence gleaned creates the opportunity for various offers, banners, product assortments and service, says Bara. "The customer doesn't have one profile that's static," she says.

"RETAILERS ARE TOO CAUGHT UP IN SELL, SELL, SELL. WE HAVE TO GET INTO PROVIDING AN EXPERIENCE. THAT'S THE FUTURE OF RETAIL."

— DREW GREEN
Indochino

Making sense of data

With the cost of customer data coming down and the ubiquity of data, the challenge is making sense of it and acting on it, whether through AI or the human touch.

James Connell of Roots, Vice President, Ecommerce and Marketing, talks about aggregating purchase data, online browse data, search data e-mail and, if permission is given, social profile information and survey data. All those data points lead to a consolidated consumer profile, which will help Roots to dictate e-mail and online content.

Personalization comes in many forms, whether recommendations based on purchases or after-care e-mails explaining how to protect different types of leather. "The sales cycle isn't one direction anymore. It's an infinite loop," Connell says.

The personalized experiences that customers have online and in a physical store should mimic each other, he suggests. Each is vital. At the store, it should happen "organically", he says, with sales associates who probe, unearth and advise.

Understanding the customer

At the store level, besides good old-fashioned customer service 101, there are multiple ways to glean relevant information that feeds personalization. If the customer is using your store app, logging onto your wifi, providing their e-mail or phone number, offering loyalty membership information—all of it can allow associates to tap into whatever data or profiles have been created.



Roots' customization workshop Leather Factory.

"By far the most useful type of personalization is suggestions from informed sales associates," says Chris Carder, Co-Founder and Chief Commercialization Officer, Kinetic Commerce, a retail design and technology firm with offices in Toronto and New York. "If retailers empower their associates—and associates establish trust with the customers—it goes way farther than just computer-generated suggestions of products."

Carder says the biggest leap that retailers need to make in the next few years is taking all their customer information and getting it in the hands of frontline sales associates.

Driving purchases, revenue and loyalty

In its most recent connected shopper report, Salesforce.com reported that 58 per cent of Canadian shoppers called their retail experiences "disconnected" from channel to channel, and 66 per cent felt retailers didn't know them.

The stakes are huge. In last year's "State of Personalization Report", customer data platform firm Segment found that personalization drives:

- *Impulse purchases* - 49 per cent of customers bought items they didn't intend to due to a personalized recommendation from the brand they were doing business with;
- *Increased revenue* - 40 per cent of consumers purchased something more expensive than they planned to because of personalized service; and
- *Loyalty* - 44 per cent of consumers said they will likely repeat business after a personalized shopping experience.

In a 2017 report on buying preferences, Accenture noted the high percentages of Canadian consumers who switch their business to another brand or provider (49%) or retract their loyalty (77%).

"Canadian brands must rethink the customer experience to maintain loyalty," the report stated. "Companies can build brand loyalty if they invest in the customer experience and 'wow' factor that customers crave. However, organizations that stick to traditional approaches and don't explore the new drivers influencing customer loyalty risk draining profitability and pushing customers away."

That's a lesson for all retailers and brands, for any aspect of customer interactions, at any stage and for every type of customer.

Keeping the customer at the centre

To Green, online is more of a self-serve environment. Indochino's showrooms are full-serve. In both cases, content, recommendations and experiences are totally customer-centred.

Bara mentions how at Lowe's personalization means something different to retail consumers and professional contractors. For contractors, there are dedicated entrances and counters, extended shopping hours to recognize when they start work, different products in some cases, different pricing and a different loyalty rewards program.

For any customers, Ross says loyalty programs themselves can be part of personalizing customer experiences. He notes that these programs have two dimensions: earnings and rewards. Beyond the traditional model of getting points for dollars spent, loyalty programs can tailor bonus

offers based on your preferences. That gives you a chance to earn more, faster.

Many programs are personalized on the earn side, but the reward side can be too with a range of choices. Some people might want discounts or freebies. Others, a product or service. If you're into fashion, says Ross, maybe an exclusive opportunity to see a new collection from a designer piques your interest. It's all about what matters to you.

Even the mall itself can design personalized experiences that complement those offered by the retailers within it.

Cadillac Fairview launched pilot programs at Sherway Gardens in Toronto last fall and Rideau Centre in Ottawa in December called "Feel the Love". Shoppers gained access to exclusive retail offers, member-only lounges, a wine tasting on Black Friday, VIP kids' clubs and complimentary valet parking. Participants signed up for the program through Paymi, a card-linked shopper marketing program.

"It was a means to reward our shoppers and elevate their experience," says Christine Poirier, Director, Loyalty Marketing, Cadillac Fairview.

Poirier says the program aimed to offer a range of perks, catered to different types of shoppers. Augmenting their experiences can not only help to draw people into the mall, it can also put shoppers into a more positive mindset—great for all the retailers.

"It's a new way of thinking for our industry, an added layer," says Poirier.

Anyone can unlock experiences

"Everybody has an opportunity to take advantage of this," Carder says. "It's a matter of creative application and platforms that can unlock the experiences for customers."

It's true that certain categories lend themselves to actual product personalization, like Indochino suits or Roots apparel. Connell notes how Roots has been rolling out customization workshops in select locations. This interactive space connects to the Roots Leather Factory. Customers can touch samples and use a digital interface to customize and see their jacket and bag designs come to life on screen.

While some types of personalization seem natural, the concept cuts across all sectors, products and services. Asked about custom-made merchandise, Connell jokingly says "I don't know

that I need a personalized grocery experience—an egg is an egg is an egg."

Hearing that, Carder says "The most emotional and personal decision I make every time I go to the grocery store is the eggs I buy."

He describes how he watched some documentaries on egg farming, and now only buys free-run eggs. The choice appeals to his sensibilities around methods of production. If the grocery store where he's on a loyalty program picks up on that, he says they might deduce an opportunity to offer him certain other choices, around meat, for instance.

"They could make a lot more money off me by understanding who I am as a person," says Carder.



Cadillac Fairview helping mall-goers "Feel the Love".

How about purchases as utilitarian as a dishwasher or dryer? Carder mentions the possibility of walking around with 3D renderings of your home, and the ability to scan products and see just what they would look like in your own abode. After all, what's more personal than your living space?

The possibilities are endless. How personalized might commerce get? Some cite the patent that Amazon has filed for "anticipatory shipping". On its face, the system is about selecting a geographical area as a destination for shipments without identifying the ultimate delivery address at the time. While contents are in transit the system can specify the address. That'll cut turnarounds.

Whether based on data and analytics, machine learning or flesh-and-blood service, personalization might be the most valuable currency in retail.

"Consumers have never had so much choice," says Green. "To differentiate themselves, retailers must offer an authentic experience that goes beyond a shallow transaction." **GE**