



# Customer Engagement: Taking it to a New Level

# Agenda

- Stages of Customer Engagement
- Customer Engagement Priorities
- Challenges of Customer Engagement
- Capitalizing on Customer Engagement Trends

# Stages of Customer Engagement

# Single Channel Retailers



10 years ago most retailers either sold online  
or in a store

**Channel**

**Retail Store**

**Ecommerce  
Site**

**STORE**

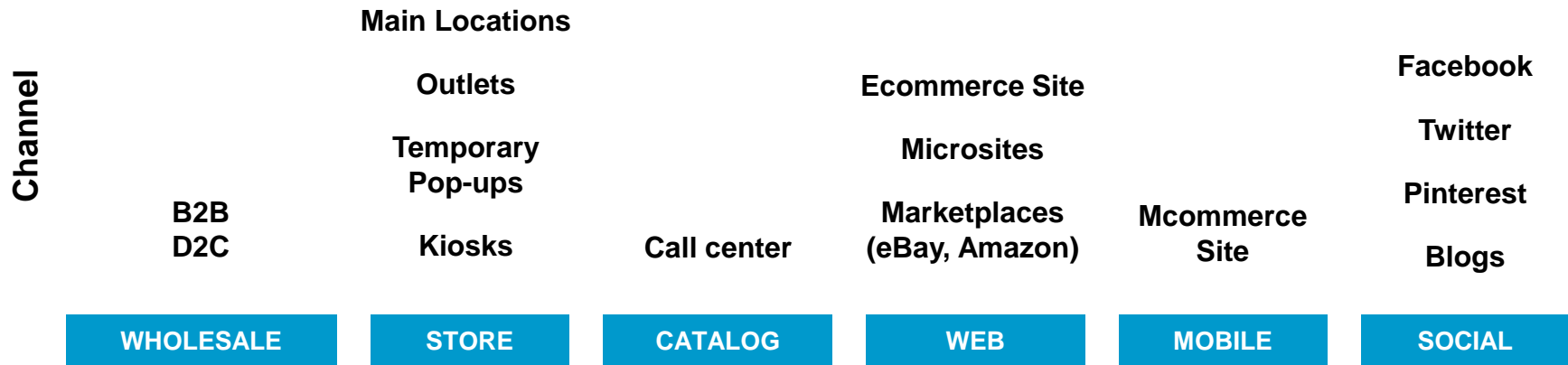
or

**WEB**

# Multi-Channel Retailers



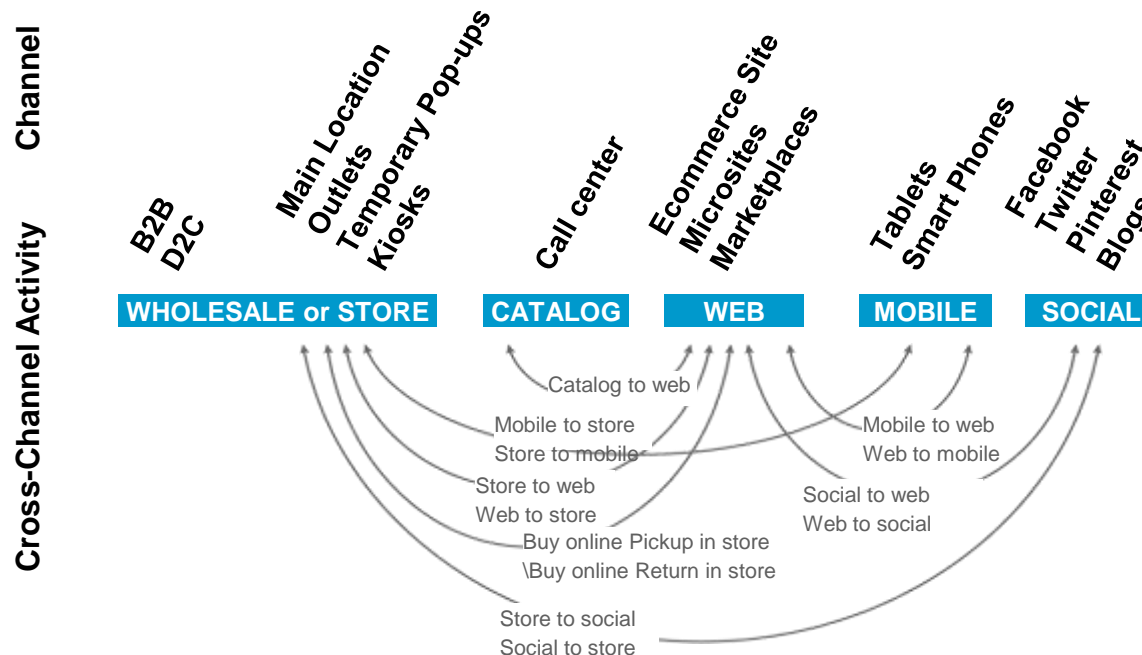
5 years ago, retailers started moving to multiple channels – but they were frequently not integrated



**Multi-channel** customers spend  
3x a single-channel customer

# Omnichannel Retailing

3 years ago, the term “Omnichannel ‘ was coined to describe **retailers** capturing customers starting in one channel and transacting in another



Today's consumers have the power and capability to shop when, how and where they want, and move seamlessly across all channels.



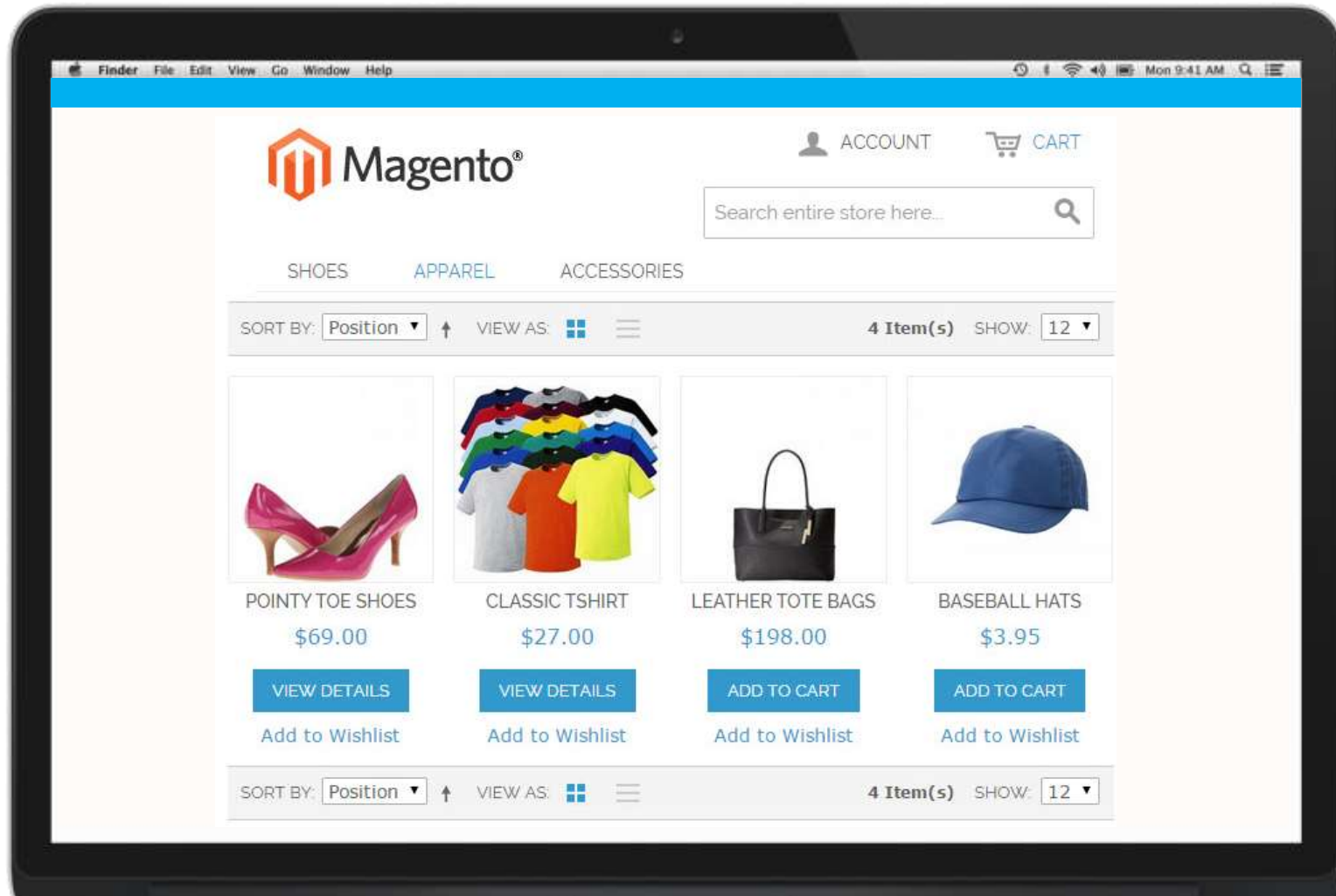
# Unified Commerce Platform

Retailers are building out unified commerce platforms to leverage the multiple touch points of today's "connected" consumers







# Unified Commerce Platform in Action

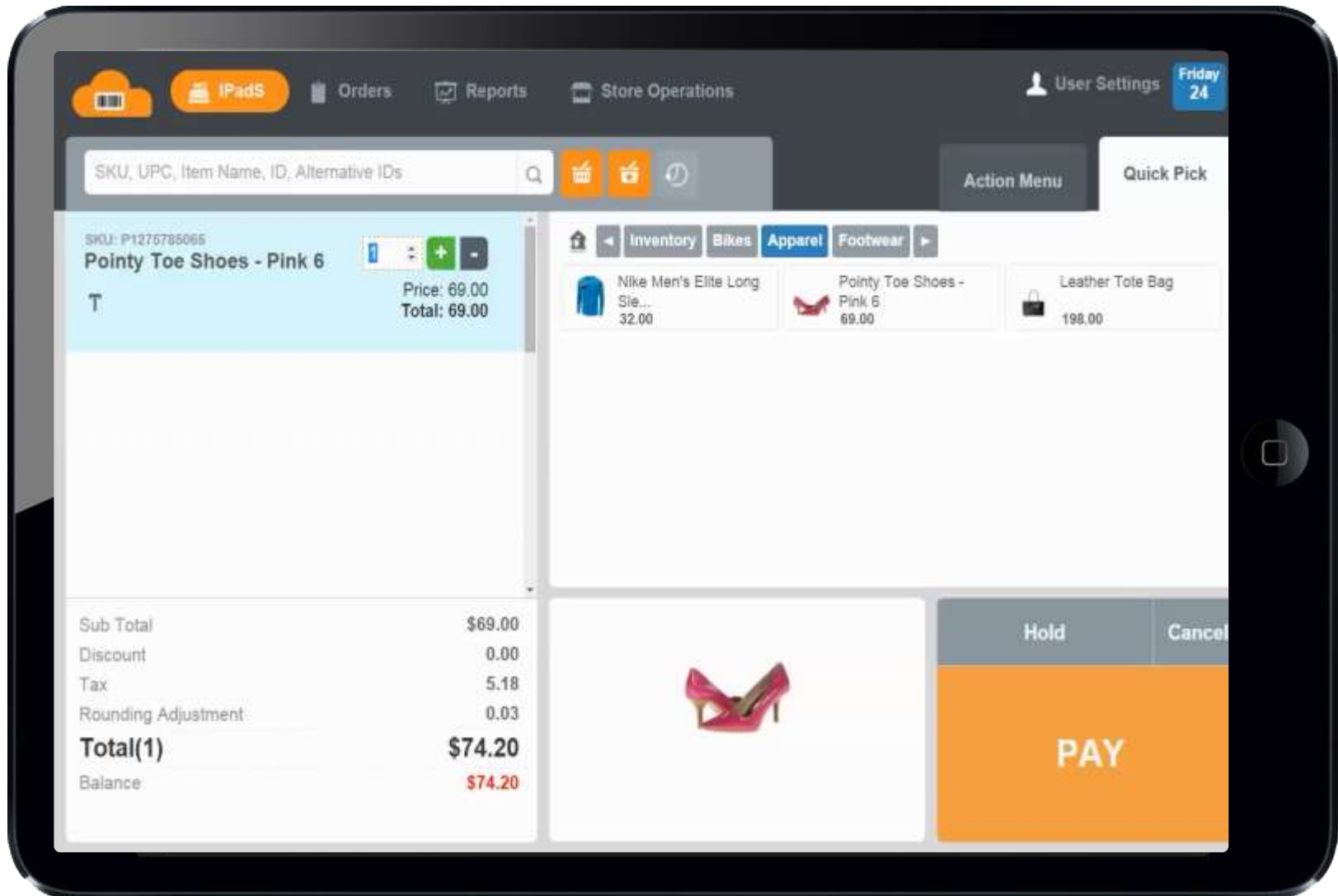


# Unified Commerce Platform in Action (cont'd)

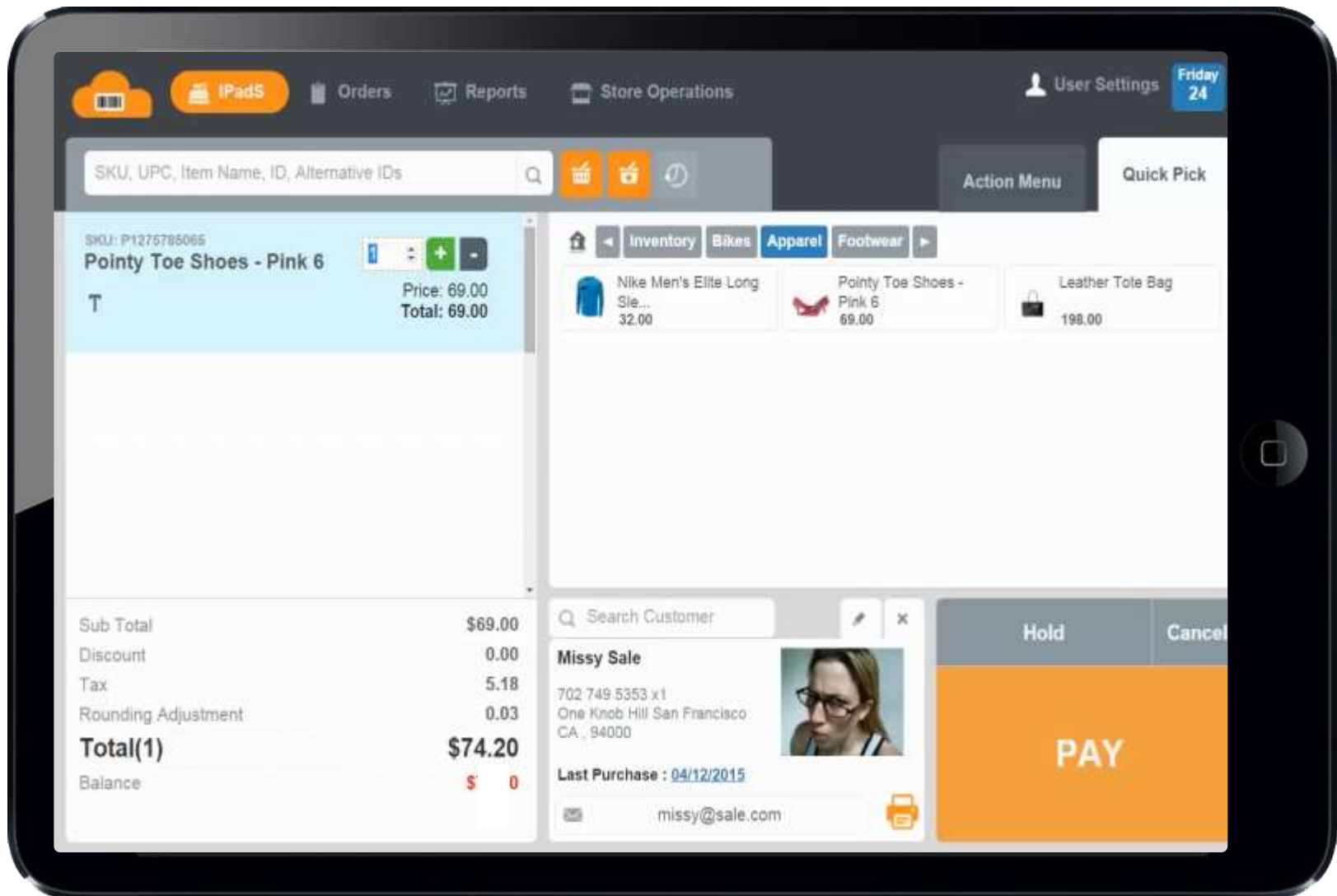
A screenshot of a Magento e-commerce website's shopping cart page, displayed on a laptop screen. The browser's address bar shows "Finder File Edit View Go Window Help" and the system clock indicates "Mon 9:41 AM". The page header features the Magento logo on the left, and "ACCOUNT" and "CART (2)" on the right. A search bar with the placeholder "Search entire store here..." is positioned below the header. Navigation tabs for "SHOES", "APPAREL", and "ACCESSORIES" are visible. A green notification bar states "Pointy Toe Shoes was added to your shopping cart." Below this is a table with columns for "PRODUCT NAME", "UNIT PRICE", "QTY", and "SUBTOTAL". The table lists two items: "LEATHER TOTE BAGS" (SKU: 8213537) with a unit price of \$198.00 and a quantity of 1, and "POINTY TOE SHOES" (Basic Colors: Pink, Wmns Shoes 4-12 (US): 6) with a unit price of \$69.00 and a quantity of 1. At the bottom of the cart, there are three buttons: "CLEAR SHOPPING CART", "CONTINUE SHOPPING", and "UPDATE SHOPPING CART". Below the buttons are dropdown menus for "COUNTRY \*", "STATE/PROVINCE \*", and "ZIP \*".

PRODUCT NAME	UNIT PRICE	QTY	SUBTOTAL
 <b>LEATHER TOTE BAGS</b> <i>SKU: 8213537</i>	\$198.00	1	\$198.00
 <b>POINTY TOE SHOES</b> <i>Basic Colors: Pink</i> <i>Wmns Shoes 4-12 (US): 6</i>	Tab \$69.00	1	\$69.00

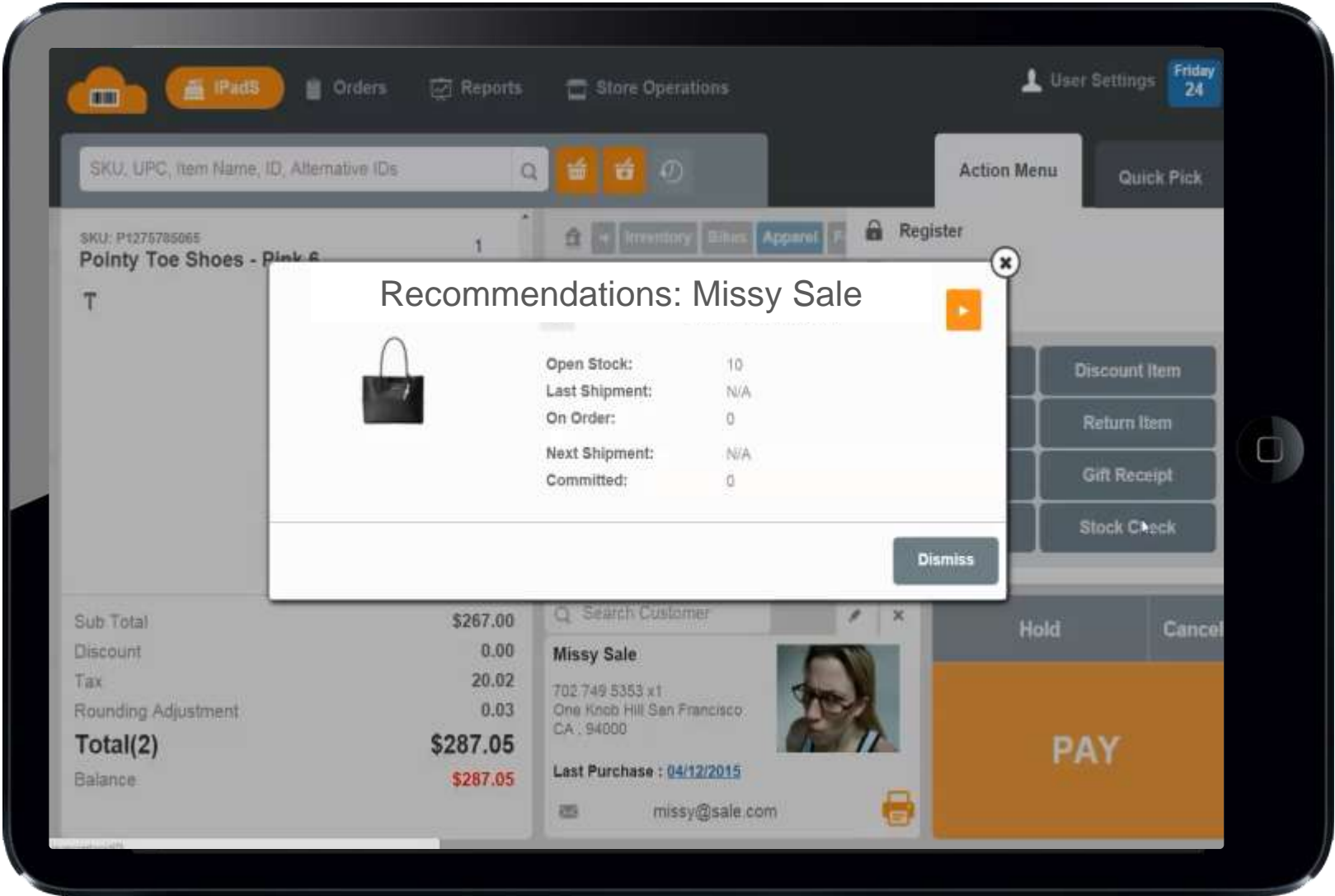
# Unified Commerce Platform in Action (cont'd)



# Unified Commerce Platform in Action (cont'd)



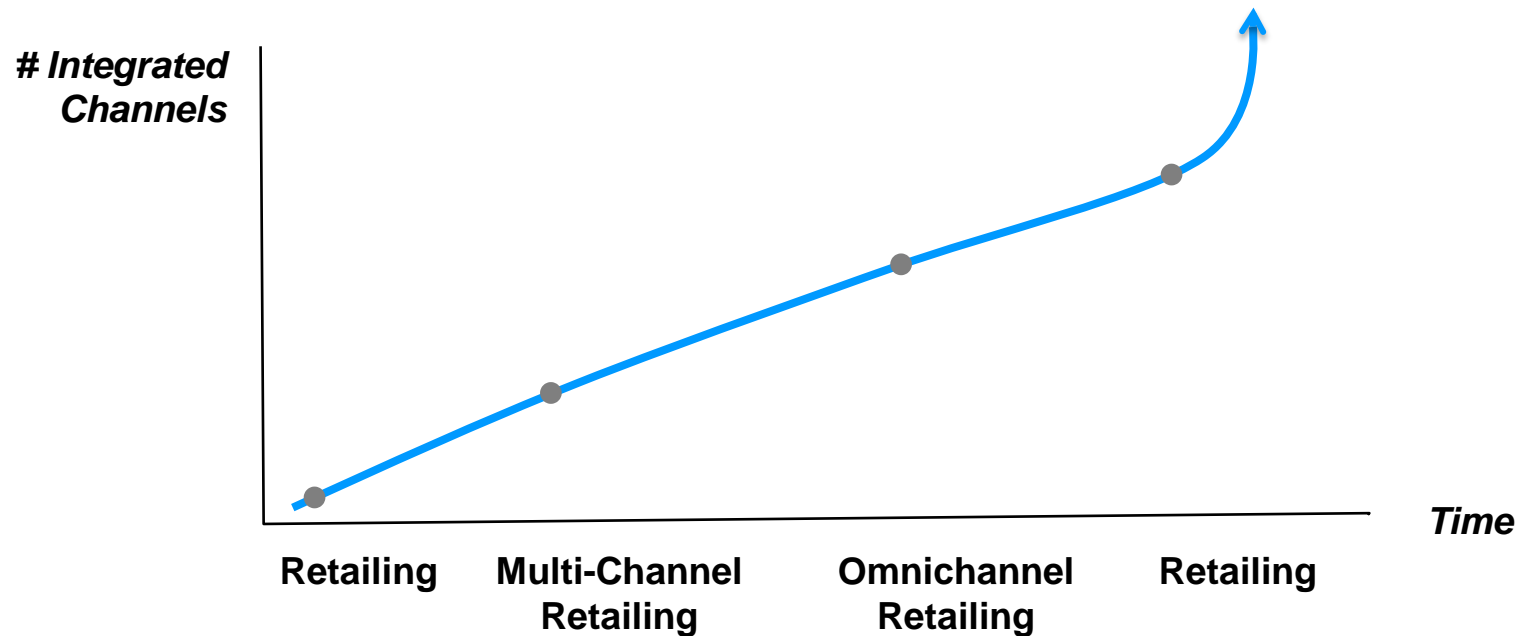
# Unified Commerce Platform in Action (cont'd)



# What Retailers are Saying (cont'd)

“I think all of these words will disappear and we will return to ‘retailing’ once we have total integration.”

*Ecommerce site director*



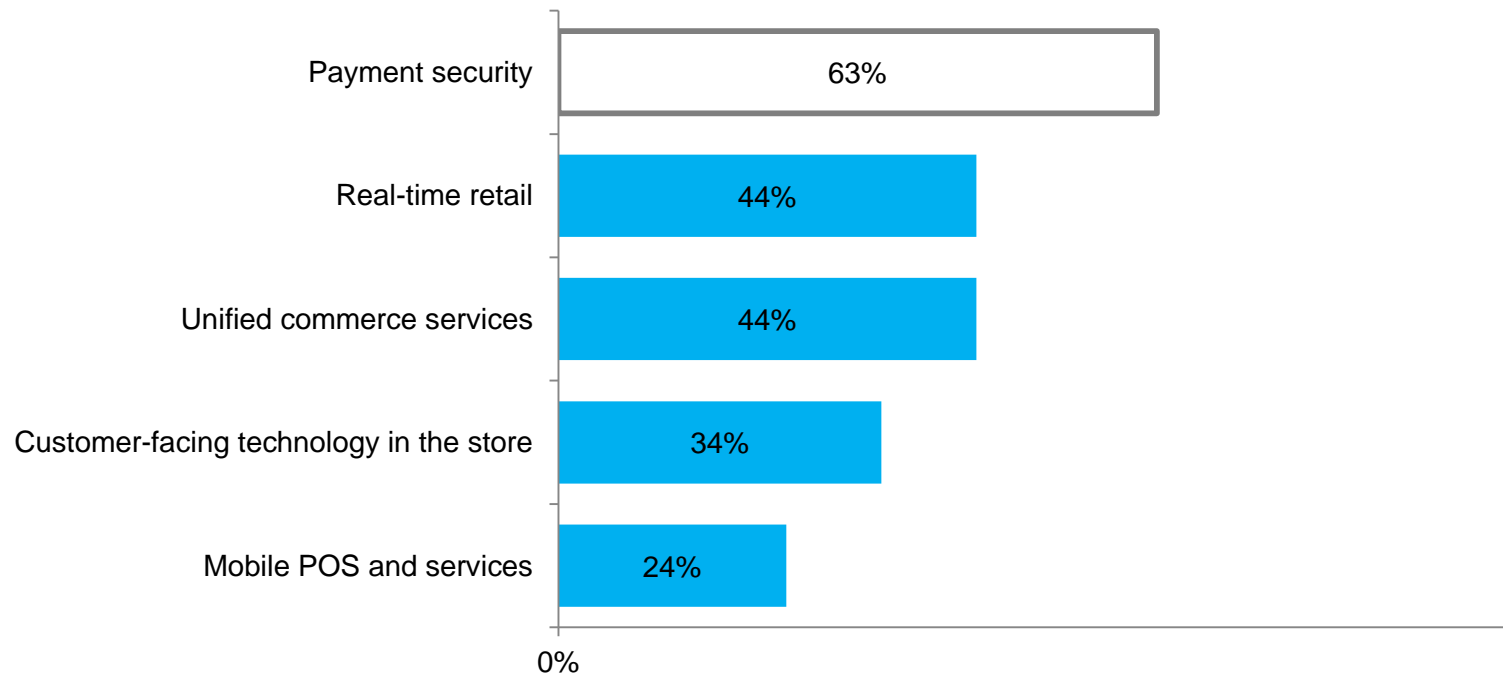
# Customer Engagement Priorities

# Top IT Priorities of 2015



4 of 5 top IT priorities of 2015 are related to improving customer engagement (security is being driven by EMV)

## Top IT Priorities





# Real-Time Retail



- Real-time retail is the foundation for a seamless experience for consumers across different buying methods/channels
- Allows retailers to gather, analyze and deliver customers, product, pricing and inventory data across all channels – instantly.
- Real-time data is minimum requirement to enable other customer engagement features
- Key IT requirement is centralization of data – by consolidating servers, operating systems and communications at a central data center or in the cloud
  - Cost savings through fewer devices and licenses
  - Allows any service provided to consume real-time data

# Real-Time View of Inventory



- Having a real-time view of inventory has emerged as a key competitive advantage
  - Employees can instantly check to see if an item is in stock at another location
  - Customers can make purchases confident that the product bought online is actually in stock.
  - Stock levels can be optimized across all stores/warehouses.
- Most mobile-based sales and service applications also consume real-time inventory data

# Real-Time View of the Customer



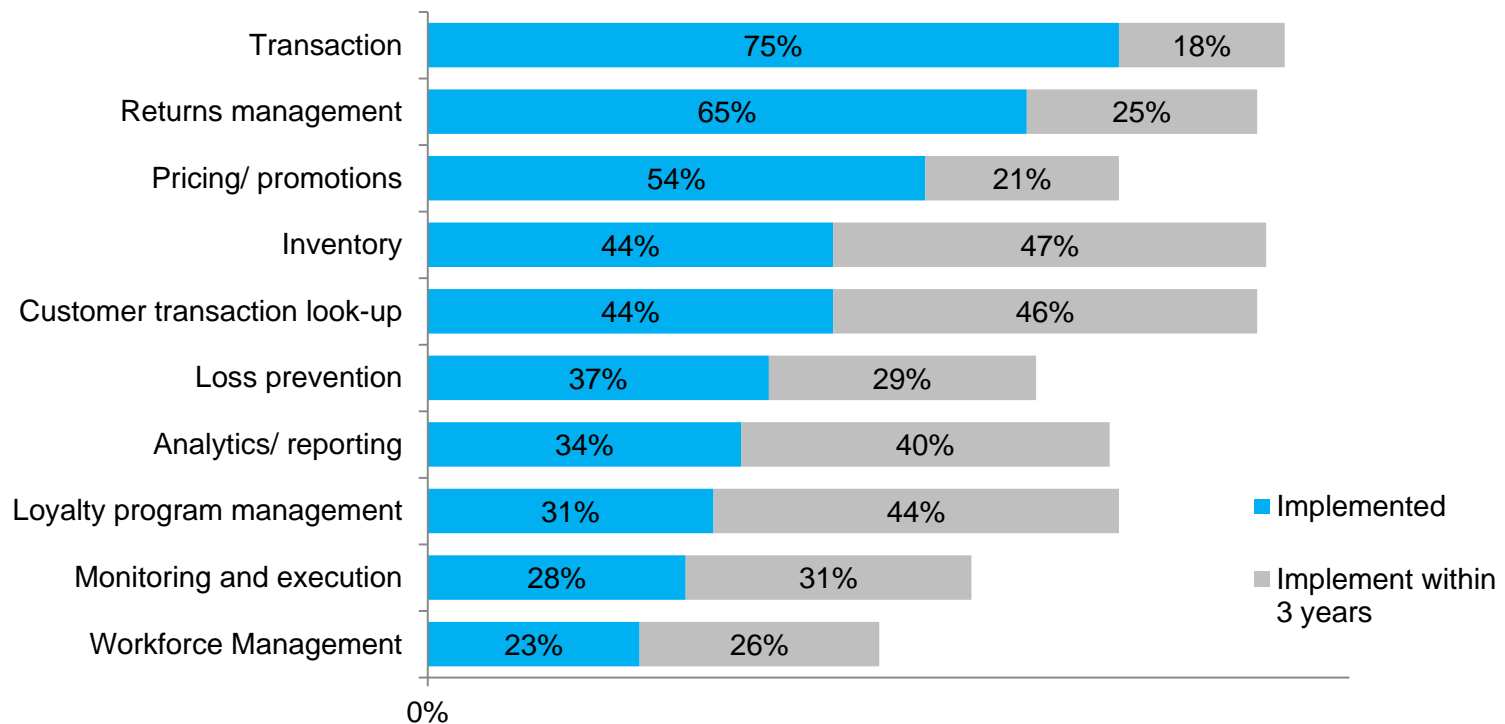
- Retailers need the ability to mine data and deliver meaningful insights on customer behavior
- Data records must contain information on all customer activity from all touch points
- Loyalty cards remain a valuable method to capture data in bricks and mortar stores – but is frequently not integrated with other channels
  - Loyalty customers more likely to ‘opt-in’ to other services, such as geo-locational offerings
  - The key is to link loyalty schemes with transaction data collected across the various channels into real-time actionable views of consumer behavior

# Real-Time POS Features



Less than 50% of mid to large-size retailers have access to real-time inventory and customer purchase history

Real time POS features



# Unified Commerce Services



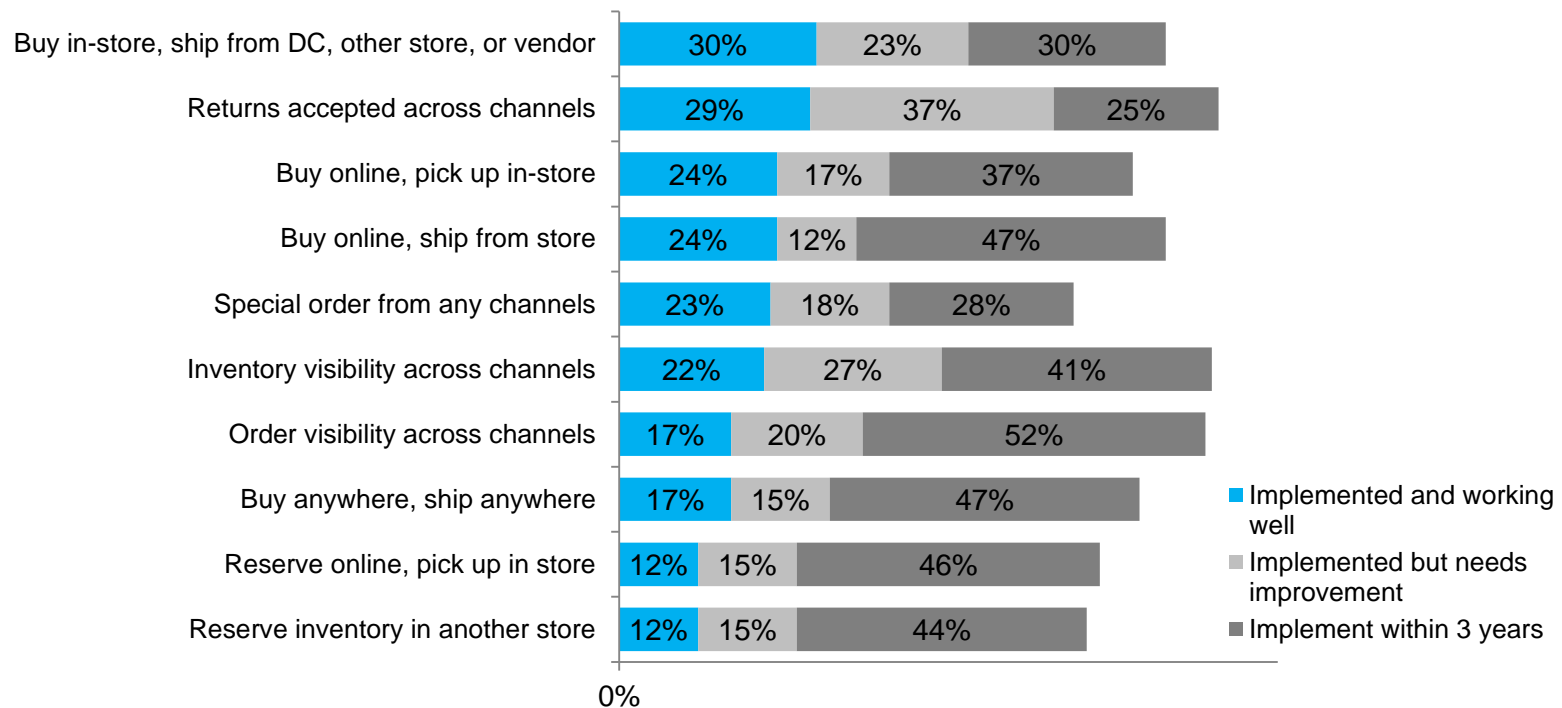
- A higher level of channel integration is required to meet the needs of today's 'always connected' consumer
- Retailers must transform their organization to align business processes and technology with consumers
  - Buy anywhere, ship anywhere
  - Single order management platform
  - Mobile shopping/research platform for employees
- The unified system must empower employees to offer a higher level of customer support

# Unified Commerce Services



Very few retailers have been able to achieve a unified service platform as integrating services is challenging

## Unified Commerce Services



# Customer Engagement Challenges

# Customer Engagement Challenges



**3%** Can identify customers  
when they walk into store

**72%** Plan to implement this  
ability in next 5 years

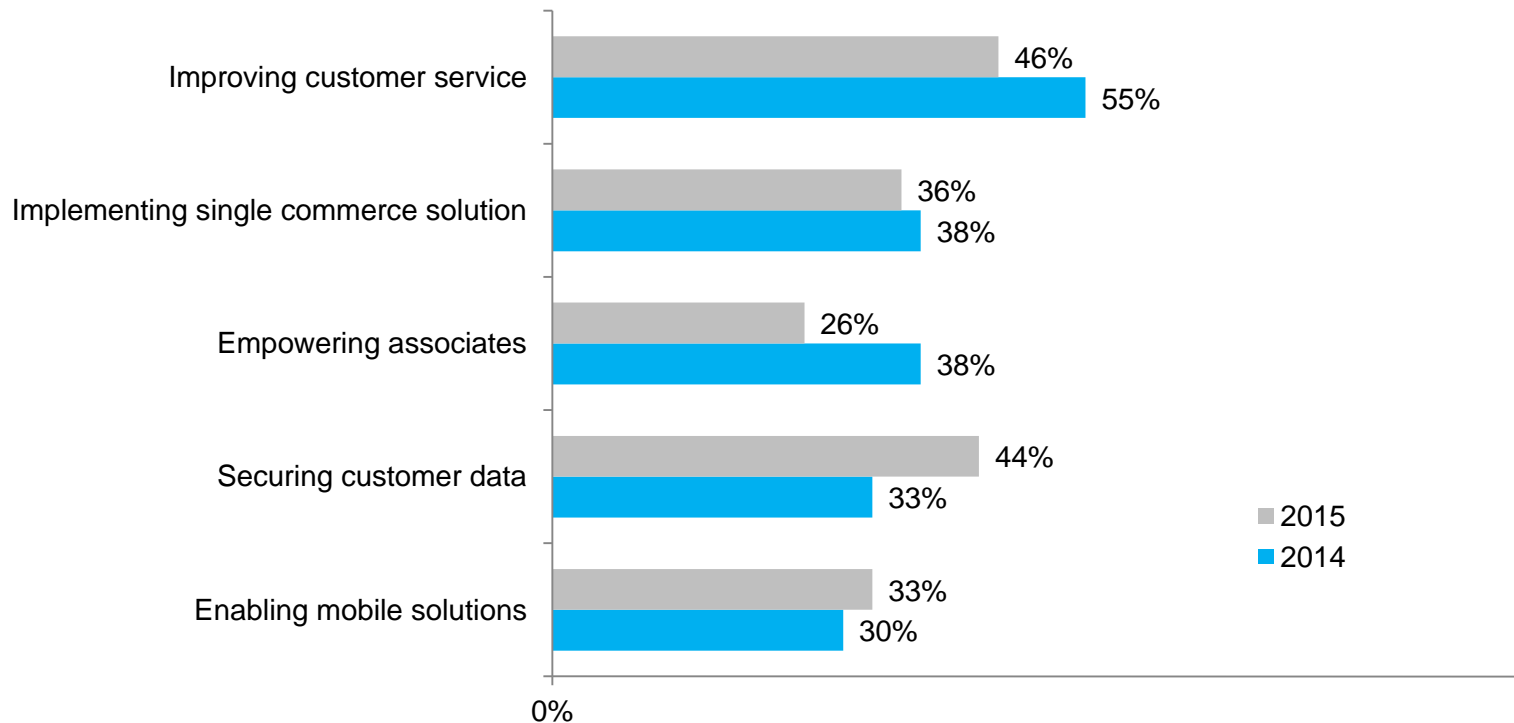


# Customer Engagement Challenges (cont'd)



Improving customer service in a 'connected' world is the biggest challenge facing retailers

Top Challenges of Customer Engagement



# Example of Unified Platform: Nike Store



# Empowering Better Customer Service



- Arming associates with at least the same information and technology as customers
- Providing associates customer data before checkout can lead to a more personalized experience
  - Ask for customer contact info before checkout
  - Access to real-time information based on identity
  - Tools to take action on data (e.g. recommendation engines)
- Vast majority of retailers use conventional methods to ID customers (phone or loyalty #, email, name/address) with very few retailers relying on NFC/beacon methods

# Mobile Services Empower Employees



Use of mobile devices are empowering associates to provide better customer support prior to sales transaction

## Mobile POS

- Extends check out process to point purchase decision is made
- Associates can locate non-stocked items and provide product info

## Customer Facing Mobile Services

- Personalized recommendations based on profile and location
- Mobile coupons, specials and promotions

## Mobile Payment

- Customer convenience
- Auto loyalty member identification

# Personalizing the Customer Experience



- Personalized rewards based on customer loyalty
- Personalized promotions
- Suggested selling based on prior purchases/closet
- Suggested selling based on browser history/social posts

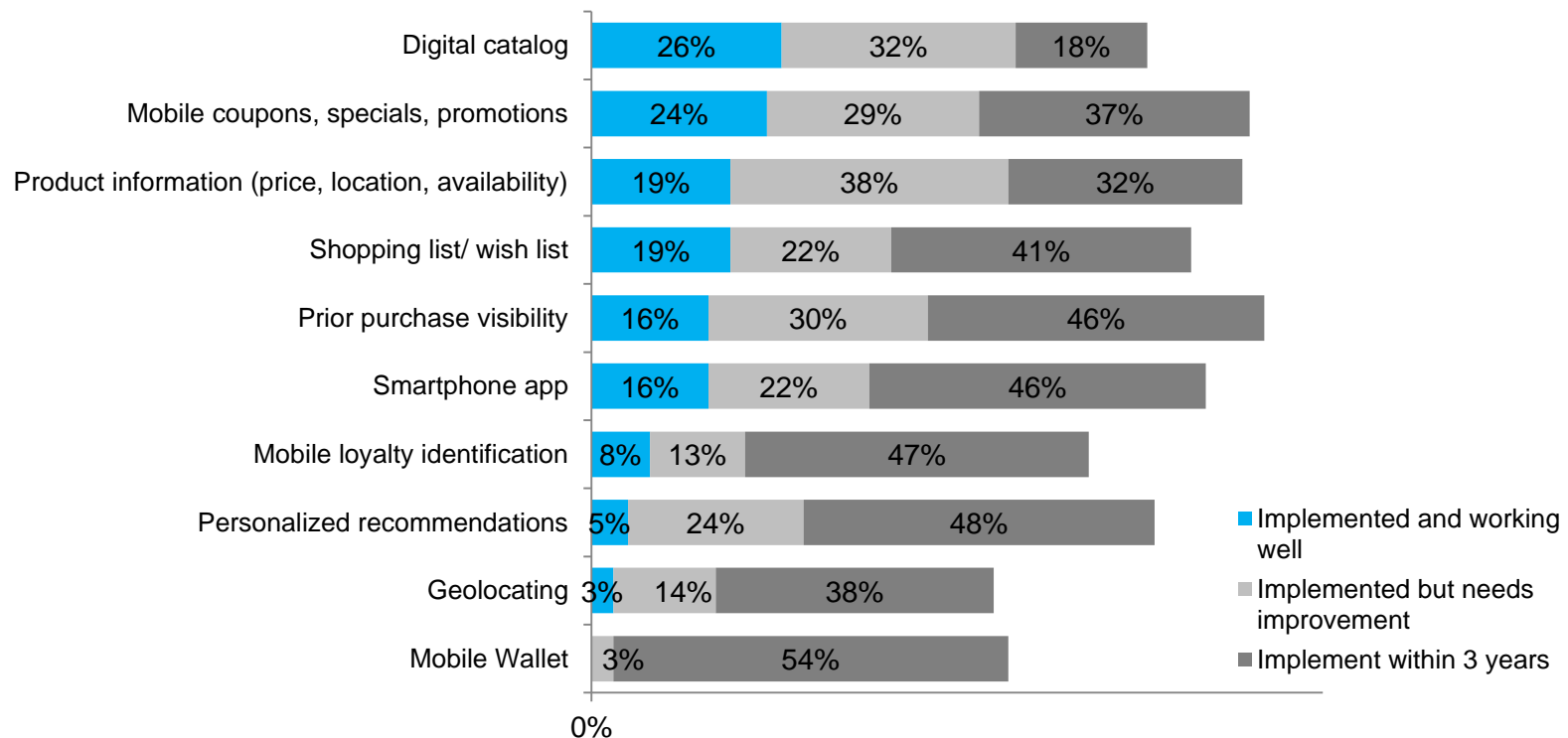
Challenge

Provide tools to free up employees from cash wrap stations to interact with the customer

# Customer Facing Mobile Services

Successful retailers are accessing and leveraging multiple customer facing mobile channels

Customer facing mobile services



# Capitalizing on Customer Engagement Trends

# Retailers Aggressively Upgrading IT Systems



- To date, most retailers have stuck with traditional POS hardware and basic POS, adding mobile options and tablets to improve customer engagement
  - Siloed information
  - Slow transaction speed
  - Fixed POS hardware stations
- Going forward, retailers will accelerate move to mobile devices
- Anticipated useful life of retail systems is decreasing – as systems need to be replaced/updated regularly
  - **Previously:** 10-12 year replacement cycle
  - **Today:** 5-8 year replacement cycle

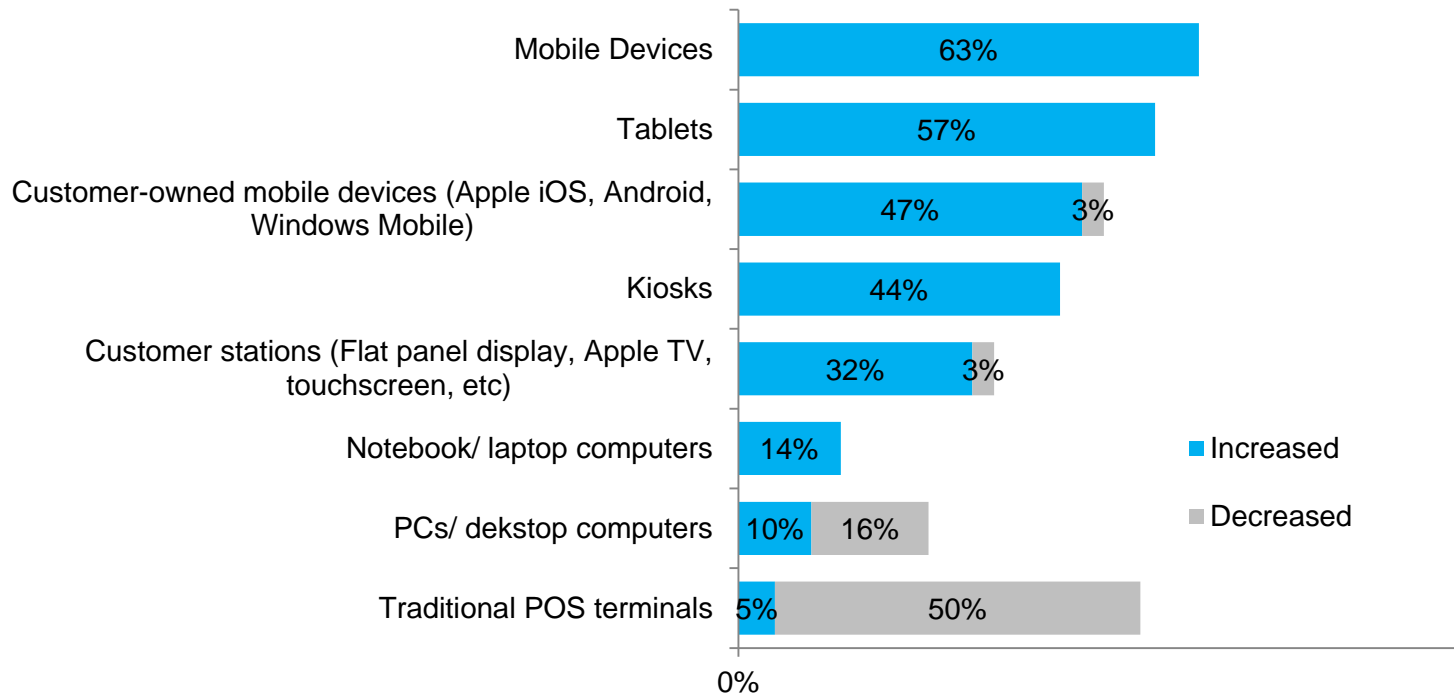


# POS Hardware Plans by 2016



Use of mobile devices will increase tremendously while traditional POS terminals continue to lose market share

## POS Hardware Plans



# Future Opportunities

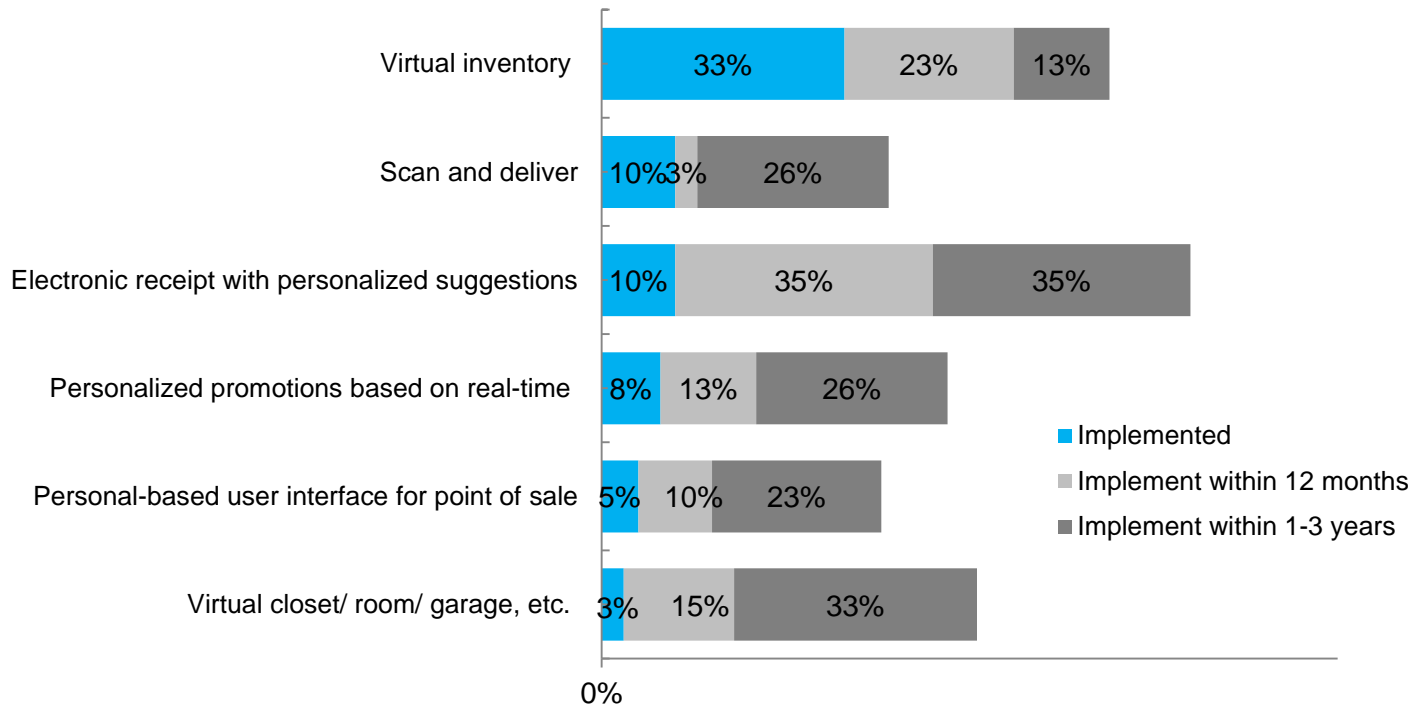


- Delivering personalized offerings – before, during and after the transactions
- High store overhead costs will provide incentives to sell merchandise not held in stock
  - Mobile-empowered associated
  - Digital ‘endless aisle’ kiosks
  - Ship from warehouse
- Store of the future will look different, as it will act as a compliment to online commerce instead of being competitive with online commerce.
  - Pick-up and returns
  - ‘Virtual’ changing rooms to ‘try on’ clothes

# Future Opportunities (cont'd)

Retailers are investing in technologies to personalize service and provide access to virtual inventories

Future Opportunities



Have further questions or want a copy of the slides?  
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*“Cloud POS software for multi-store, multi-channel retailers”*