



Selling smarter

One aspect of the NZ Retail Show held in Auckland last month that stood out amongst the exhibitors, was that retailers have to start selling smarter to stay ahead of consumer expectations – both on-line and in-store.

On-line and mobile shopping has changed retailing dramatically over the past decade. Consumers have enthusiastically taken to the internet, social media and mobile technology to help in their buying decisions – and now have high expectations of what's available, at what price, and how quickly.

They're researching and buying on-line, comparing prices and insisting on information and an experience before they make their decisions. Buying is no longer a simple in-store transaction, it's a journey and it can take many different routes.

On-line world

Retailers have no choice but to keep up with consumers in the new on-line world – their competitors are definitely doing so, and they simply can't afford to fall behind.

The on-line world has even changed who those competitors are. No longer do you simply have to worry about a similar store down the road; your competitors can deliver to New Zealand from anywhere on earth. For example, UK department stores Debenhams

and Marks & Spencer compete with you for customers on-line.

The NZ Retail Show in Auckland, held at the beginning of April, gave real insight into how retailers understand these changes, can get up to speed with trends in consumer-buying behaviour and respond appropriately. During the two days, they could attend seminars on topics ranging from customer relationship management to inventory management and converting e-commerce websites.

Whole journey

Two seminars, held by technology retail solutions company Intergen, looked at the customer journey and web strategy, and how suppliers are using mobile devices to improve category management and restocking – or 'competing at the shelf'. It deliberately covered on-line and off-line topics because retailers need to look holistically at the customer experience – to consider the whole journey, not just the transaction.

Customers may want to buy on-line, or they may want to research, compare and even order on-line and then make the actual purchase in-store. Customers take

all these routes to purchasing and Intergen wanted to know how well retailers were set up to meet them.

The high numbers of retailers attending our web strategy seminars showed that getting to grips with being on-line is a real priority and many are still learning

effective on-line presence – the sector was among the top three in several measures of on-line engagement. But in some, such as use of social media, the sector still has a long way to go.

So, the question asked was, 'how do you deliver what

... retailers need to look holistically at the customer experience – to consider the whole journey, not just the transaction.

how to integrate it into their business. They understand the idea of a customer journey through different routes to buying – and they understand what roadblocks may stop them getting there.

However, many are aware they should be doing more on-line but have real issues finding the time and resources. Interestingly, this was the case for all sizes of enterprise.

In Intergen's recent Engaged Web Study, the 'Shopping & Classified' sector results showed most New Zealand retailers understand the importance of an

customers want and get the best investment from your on-line presence'? And, how do you keep doing it?

Web strategy

Like everything else in business, you have to start with a strategy – a measurable plan of attack that is specifically tailored to your needs.

Your web strategy must clearly articulate how your on-line presence will help you achieve, or even exceed, your organisation's objectives. It must set your vision, your goals and your methods for achieving and measuring them.

And it must show how your on-line presence will ensure that your customer's journey ends with a purchase from you – not your competitor.

It must align with your wider retail strategy and with all the systems you use. It must be part of your brand.

More than anything else, the key to developing an effective web strategy is to think of your business as a brand, not simply a retail shop.

Your customers no longer relate to you simply as a bricks-and-mortar store that can provide the goods they want, when they want them. They can travel multiple channels, taking various routes before they make a purchase. To keep them – across all those channels – you need to create loyalty, you need to provide what they want, when and how they want it, via an experience they want to repeat.

To do this, retailers must know how consumers operate on-line and how they want to interact with you. For some smaller retailers, creating a website may not be the first step into the on-line world. The idea is to engage with your customers, to build loyalty, to give them a reason to end their journey with you rather than all the other options they have.

A retail on-line presence may start with third-party sites such as Trade Me or GrabOne – certainly many retailers have become very successful on-line through Trade Me, which is a great place to build a loyal community of customers.

But it also may, and probably should, involve social media such as Facebook and Twitter – which a minority of those attending Intergen's seminars are exploring.

Using social media such as Facebook or Twitter is free; it just requires time and a willingness to engage.

Building relationships

Social media provides a great channel for building relationships with prospective customers, finding out their preferences,

their habits and gaining their loyalty. The key is to realise these are not old-fashioned marketing and promotional channels; if you engage in advertising or hard-selling you will lose customers. Instead, social media success involves getting customers talking to you, getting them to 'like' you and 're-tweet' you and recommend you to their friends.

It's about creating such a good impression that, when they are in the market for something you sell, they will automatically think of you and go to your store or website in preference to others.

It does take time. One retailer told us he had just started using

Facebook and was beginning to feel overwhelmed by the minutiae of the engagement required. To use social media effectively, you do need to become comfortable with it and commit the resource of time.

Eventually, you will need a website, if you don't already have one – and it will require ongoing care, attention and maintenance. A Nielsen survey last year showed 45 per cent of New Zealanders now shop on-line and more than 1.4 million bought on-line between April 2009 and April 2010. You can't afford not to have a presence.

When prospective customers

click onto your website – perhaps because you have piqued their interest on Twitter or a Facebook friend recommended you – they will decide within two seconds whether they are going to stay. And that decision will be based purely on how your website looks.

Design is everything and the days of the DIY website are over – your website must deliver the experience that customers expect.

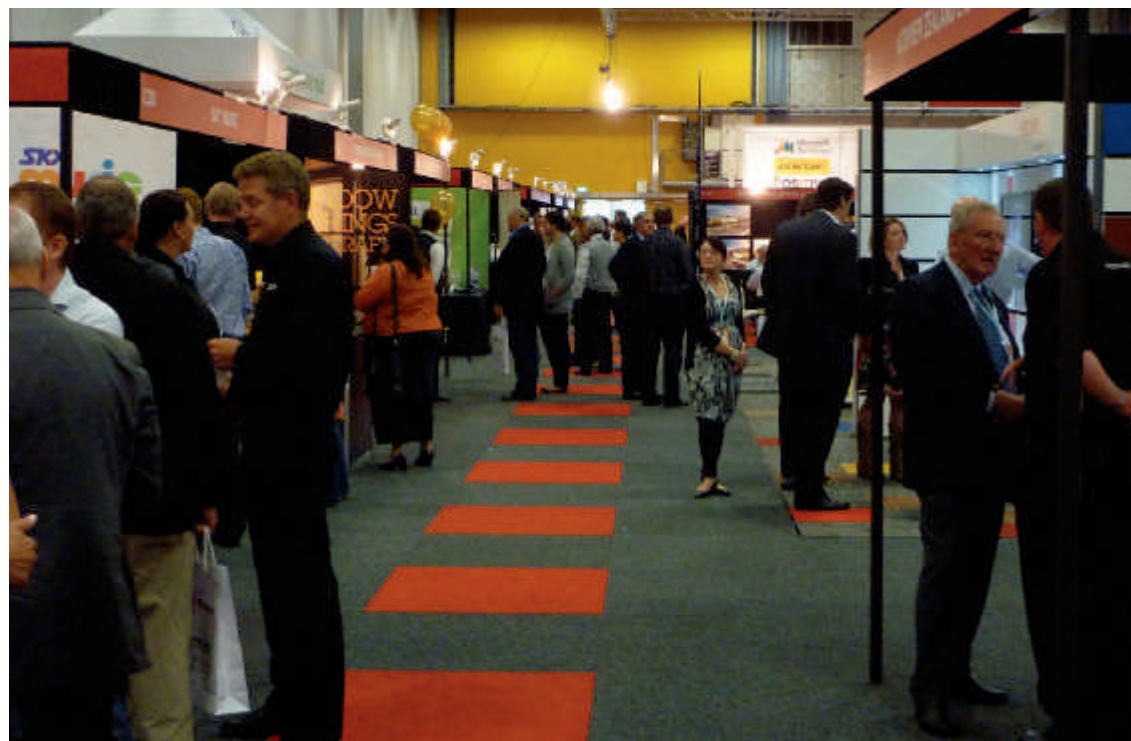
Usability testing

Your customers are the only judges of whether it does deliver that and the technical term for finding out their verdict is 'usability testing'. Large organisations



Left The Intergen stand at the NZ Retail Show attracted a number of interested visitors.

Below A busy aisle at the NZ Retail Show held in April at the ASB Showgrounds.



engage usability consultants to carry out in-depth testing, but even the smallest retailer can undertake some basic testing that won't cost a cent.

Ask customers or prospective customers to browse your site as if they are making a purchase. Watch what they do, take notice of what they have difficulty with. No matter how good you think your website is, if your customers can't find your 'buy now' button, or your 0800 number, or if they find your shopping cart confusing, you have to change things.

The increasing popularity of smart phones and tablets means most retailers also need to think about how they are going to use mobile channels to build their brands.

Applications such as Foursquare, which allows users to 'log in' when they are at your premises and provides you with ways of rewarding their loyalty, are possibilities – but there are more. If a prospective customer is

in a competitor's store and wants to check the price of an item via their smart phone before buying, can they check your prices? Can they buy on-line via their mobile?

Interestingly, in another seminar at the NZ Retail Show – on the increasing use of mobile devices – Caroline Dewe of Alphero Ltd. explained that some

... many [retailers] are aware they should be doing more on-line but have real issues finding the time and resources. Interestingly, this was the case for all sizes of enterprise.

customers were now effectively 'always on', using their smart phones as a tool to search, research and buy whenever they wanted, wherever they were.

In that world, she said, retailers really have to invest time and money working out precisely how mobile technology will work for them. It's not a matter of just investing in an iPhone app or repeating your website on mobile

devices – it's a matter of really researching what journey your customers are making.

Again, you are a brand, not a store.

Each channel, whether it is your store, your website or your social media presence, is just that – a channel for your brand. It's just another way of steering your

customers towards you and away from your competitors.

All those channels have to work together. All the good impressions created by how your website looks and how easy it is to navigate will be undone if an on-line customer's order can't be filled because the website didn't recognise that item was out of stock. Likewise, if a customer researches on-line then comes to one of your stores only to find their chosen item has just run out of stock.

Advances in on-line technology are giving all customers more information and control – and that includes retailers, in the role of a supplier's customer. As a colleague, Steve Foster, explained in his workshop on mobile CRM, suppliers are using mobile customer relationship management tools to ensure a better, more efficient, more responsive and – ultimately – more profitable relationship (for both parties) with you.

So, when sales reps or account managers visit, bringing their iPads or tablets, they are able to directly show retailers their sales-trend research results to assist with fine-tuning orders to

meet customers' expectations. And that information will be up-to-the-minute, not based on research from a month ago – that may since have changed. Deliveries will be faster as retailers can instantly place orders.

Suppliers should be instantly able to access a research database and access how sales of a stocked item will improve if moved to a new position. And they will be able to instantly check whether they can accommodate your planned promotion or, perhaps, suggest something else that might work better.

On-line technology has changed the retail world forever and retailers must, in many ways, adopt a different mind-set from retailers of a generation ago. But, in one important aspect, the mind-set is the same – it's all about the customers, what they want, how they behave and how you can meet their needs.

If you start from that basis, keeping up on-line becomes a much easier task. ■

□ By **Daniel Munns**, leader of the retail industry team, and Giles Brown, a web strategist at technology solutions company, Intergen.

Below An attentive audience at the Intergen seminar. All seminars at the NZ Retail Show were free for visitors.



"We were delighted at the range of retailers that were present at this year's NZ Retail Show. The mixed format of stands and expert workshops meant we were able to hold detailed conversations with many patrons over the two days. Interestingly, a high number of the stands were promoting technology solutions – and retailer feedback suggested that many want to know more about applying different technologies to introduce new efficiencies and create business opportunities across the sector."

Tim Howell, marketing manager, Intergen