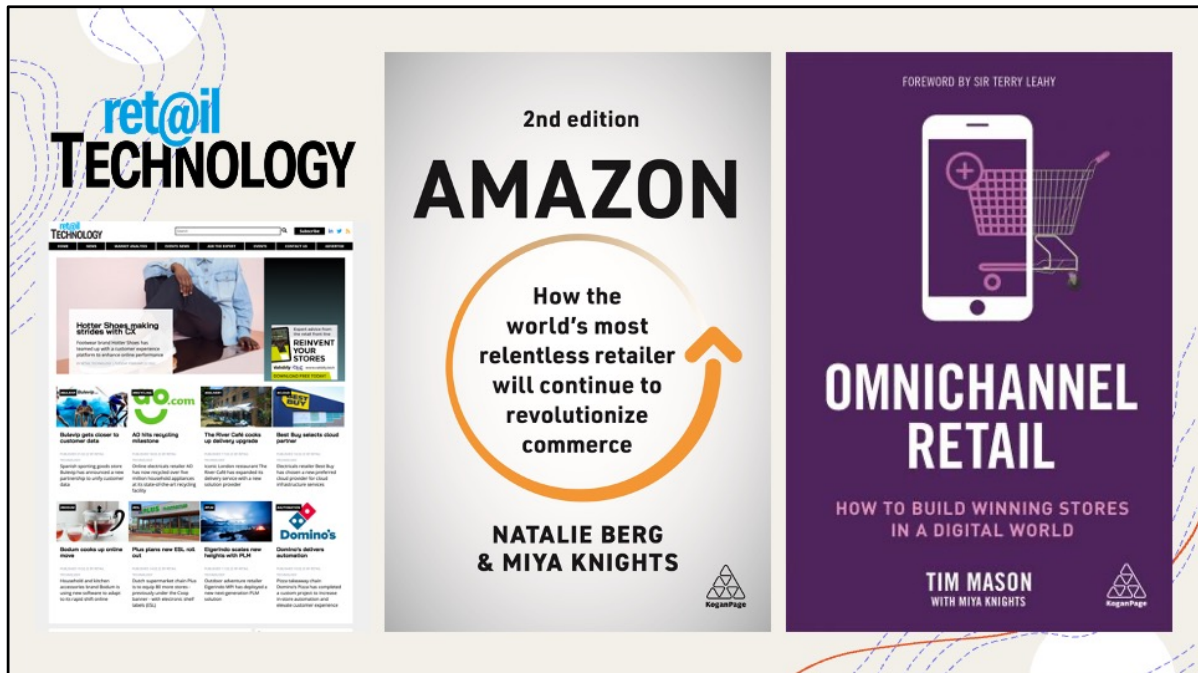
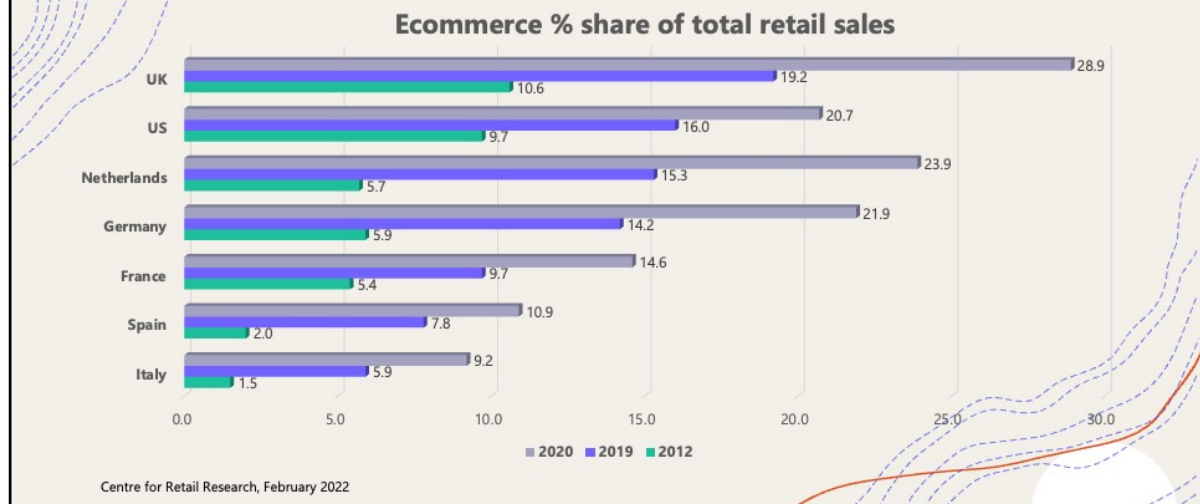


The one irrefutable change impacting all in wholesale and retail.



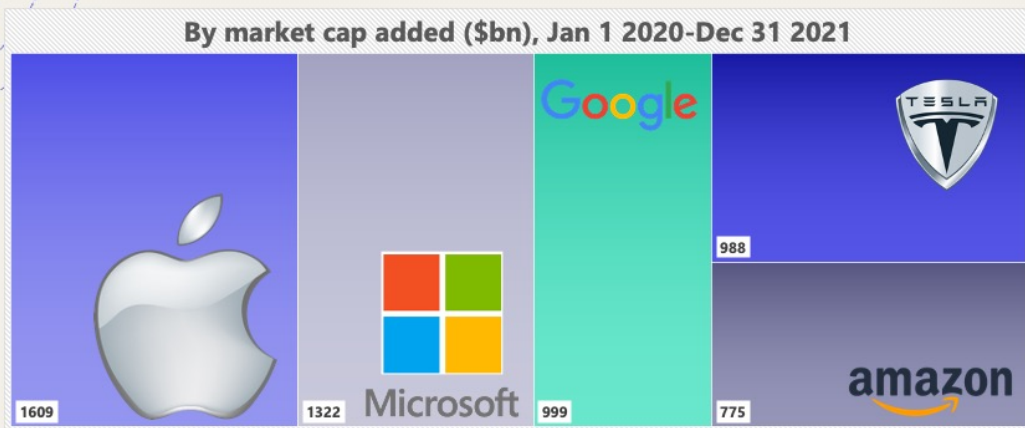
1. RetailTechnology.co.uk
2. *Amazon*, published by Kogan Page
3. *Omnichannel Retail*, published by Kogan Page

Change has become the only constant



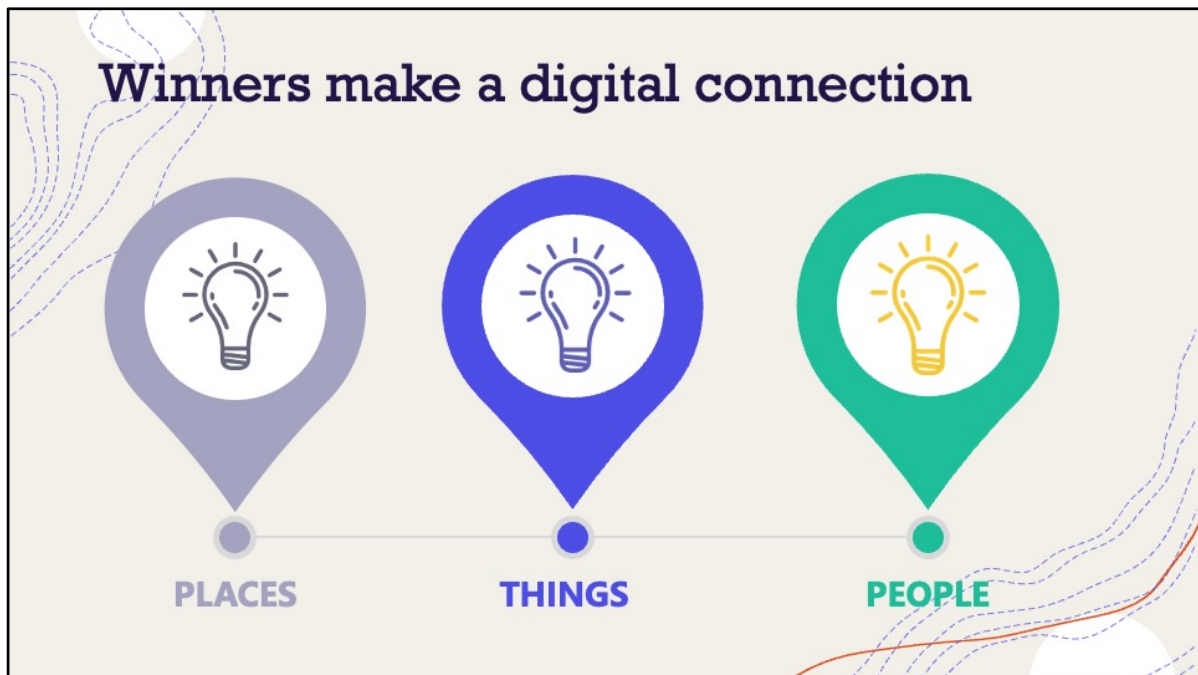
The UK is still the world's most voracious online shopping nation.

Winners and losers



The FT's winners and losers of the Covid era, January 2022

The winners were digital-first.



The winners use digital to connect for efficiency, engagement and insight.

Places: Think of the infinitely accurate mapping provided by Google. This is especially relevant in an age of driverless cars and drone devices.

Things: Everything is in the process of being connected in the Internet of Things, e.g. household appliances. You can track their performance and activity.

People: And yet you aren't connect with your customers, even though they are your most valuable connection.



SPEED & CONVENIENCE



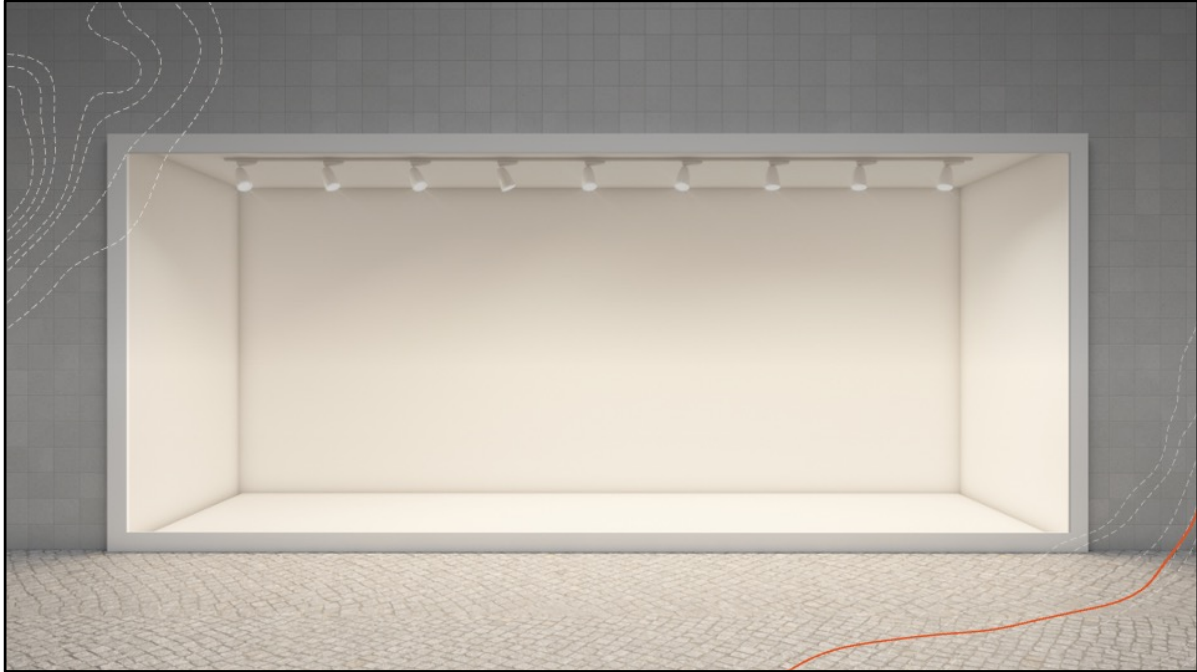
RANGE & RELEVANCE



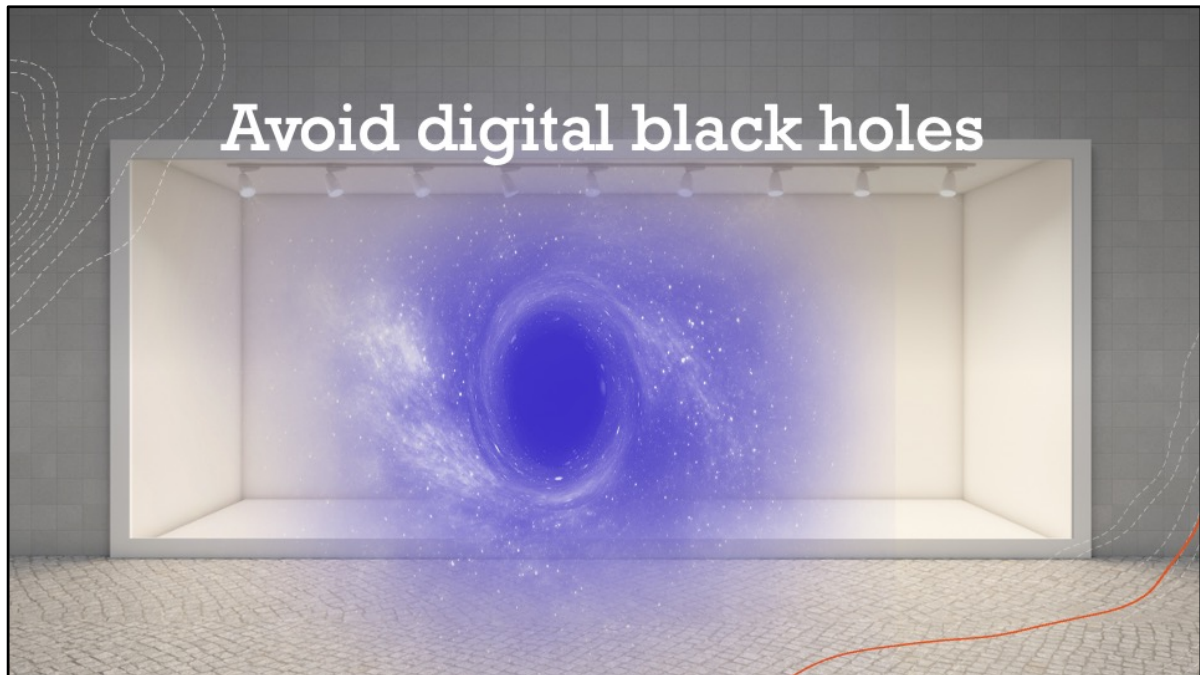
PROVENANCE & CHOICE



The impact of digital on what consumers want.



But where does that leave physical stores? The good news is they aren't going anywhere anytime soon. Some 80% of all sales are still completed in a store, even if the order originated online for collection.



But the physical store has become a metaphorical digital 'black hole,' where digital connections that can recognise and respond to loyal customers are rare.

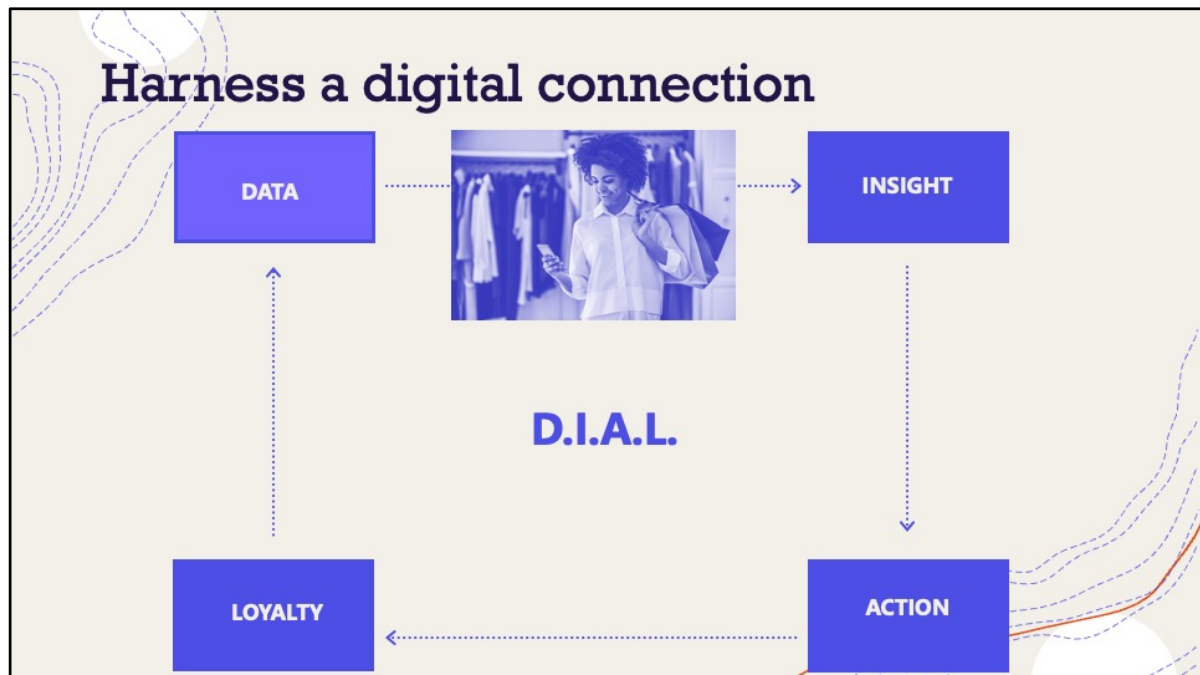


The store needs a 'mobile makeover' to embrace the digital connection it offers, especially when many more customers are using their phones to scan and pay for goods post-pandemic.

Introduce Digital



A mobile makeover introduces connectivity and engagement via digital touchpoints at the shelf edge, display and checkout, giving customers a reason to get their phone out in a store to make a digital connection that can tie their offline activity back to their online identity and history to better inform engagement. E.g. QR codes, digital payments and loyalty, or geolocation opt-in services for rapid click & collect or promotional delivery, for example.



You manage what you measure.

Data
Insight
Action
Loyalty

With DIAL, DATA leads to INSIGHT drives ACTION promotes LOYALTY.

And don't mistake it for:

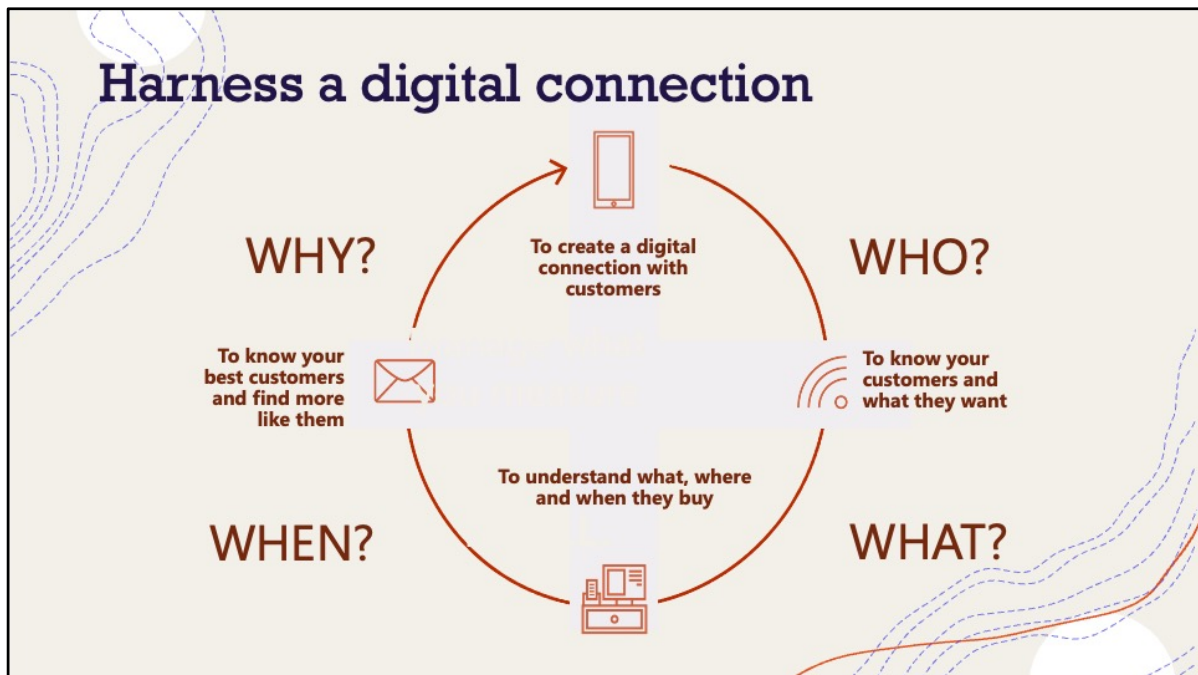
Data
Interest
Analysis
Learn

... This is closely related, but certainly not the same. What's the point of learnings if they aren't used to action functional and emotional loyalty?

Ensure the customer offer is designed to incentivise the behaviour you seek. Use the data with empathy to demonstrate purpose and relevance.

The objective is to know your customers; i.e. who are your best customers? Who are my pleasure seekers? Which are the bargain hunters?

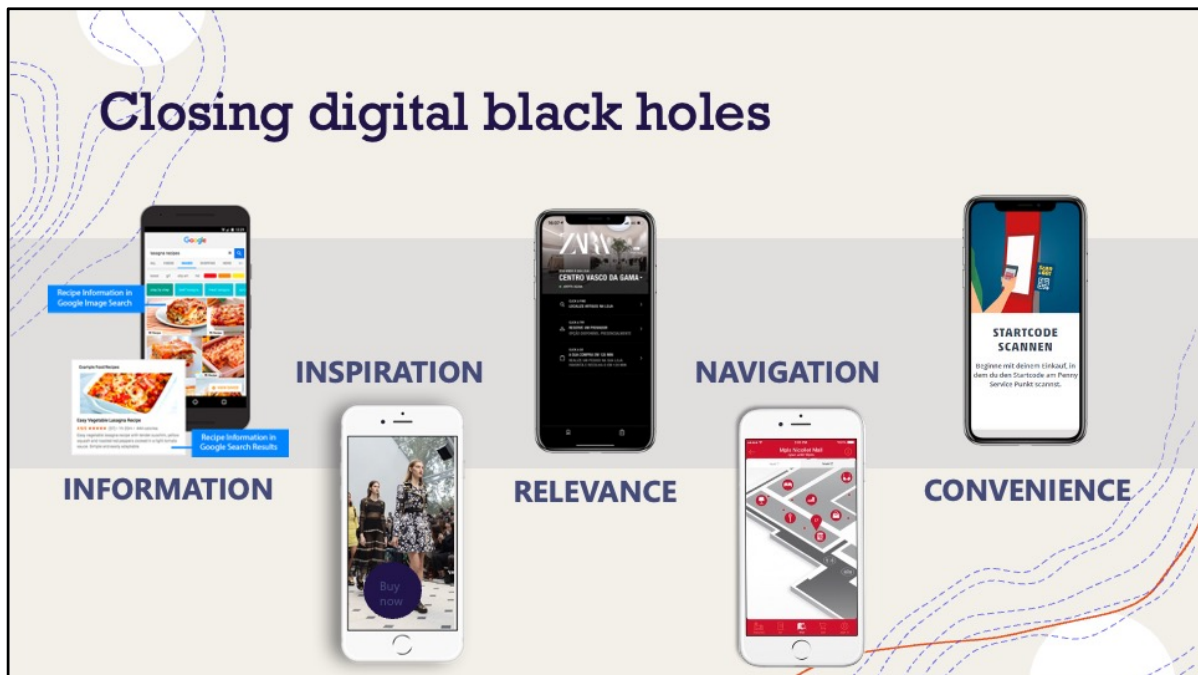
Only then can a business understand the savings to be made in giving away only what is essential.



Harness a digital connection in order to know who your best customers are, so that you can give them more of what they want, when they want it.

Using digital to understand the who, what and when can also help infer why they buy from you.

Knowing who are your best customers in this way allows organisations to not only serve them better so they come back for more, but also more easily find more like them, and in doing so, forecast supply more accurately to meet demand so they can actually run their businesses better too.



So, retailers must mobilise their store engagement to track, optimise and personalise the path to purchase. Ergonomics needs to be one step ahead of retailers' needs when it comes to where those digital touchpoints will exist in, around and outside (i.e. kerbside) of the store. What about check-ins? Pre- and post journey, plus out-of-hours services? Kiosks?

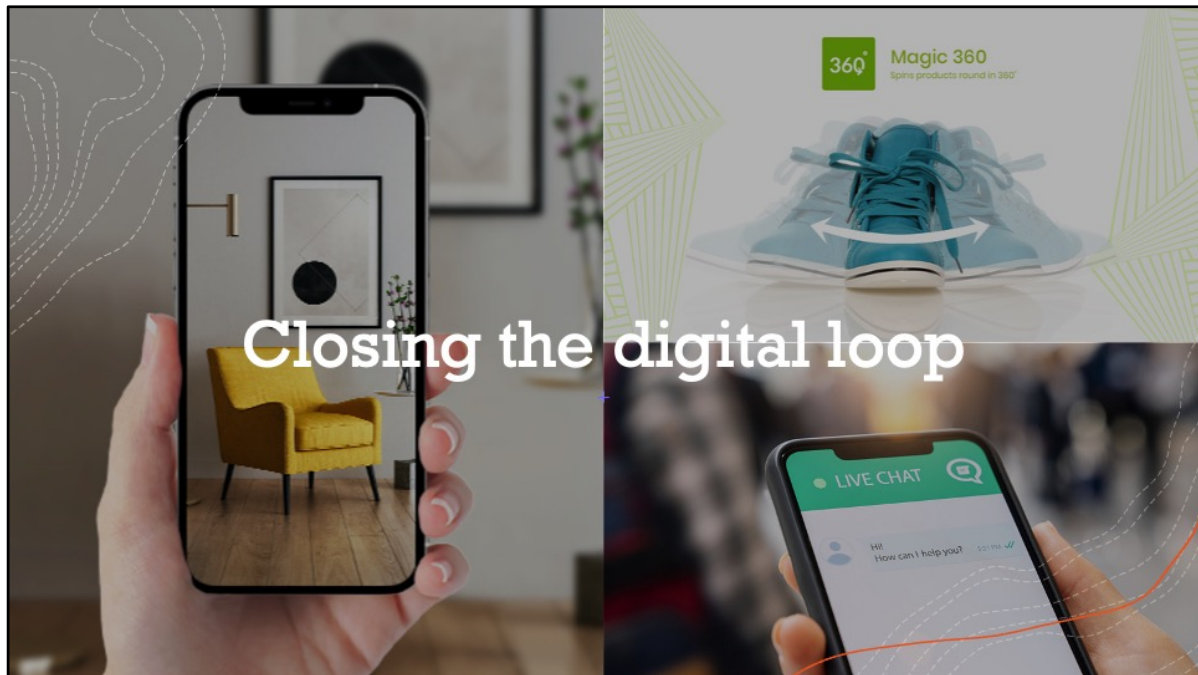
Traditional retail spaces are morphing – less as destinations to 'shop' and more as places to go for fun, inspiration and expert knowledge – how digital effectively help deliver that?

Bear in mind that value for money still tops the list of what influences consumers to shop with a particular retailer or brand. But consumers also actively seek promotions and want to be recognised for their repeat custom. And, most importantly, to be treated better than a one-time, anonymous cash paying customer.

The good news is, again, that while the store isn't going anywhere, customers are now more accustomed to interacting with low-touch, self service retail environments via mobile than ever.

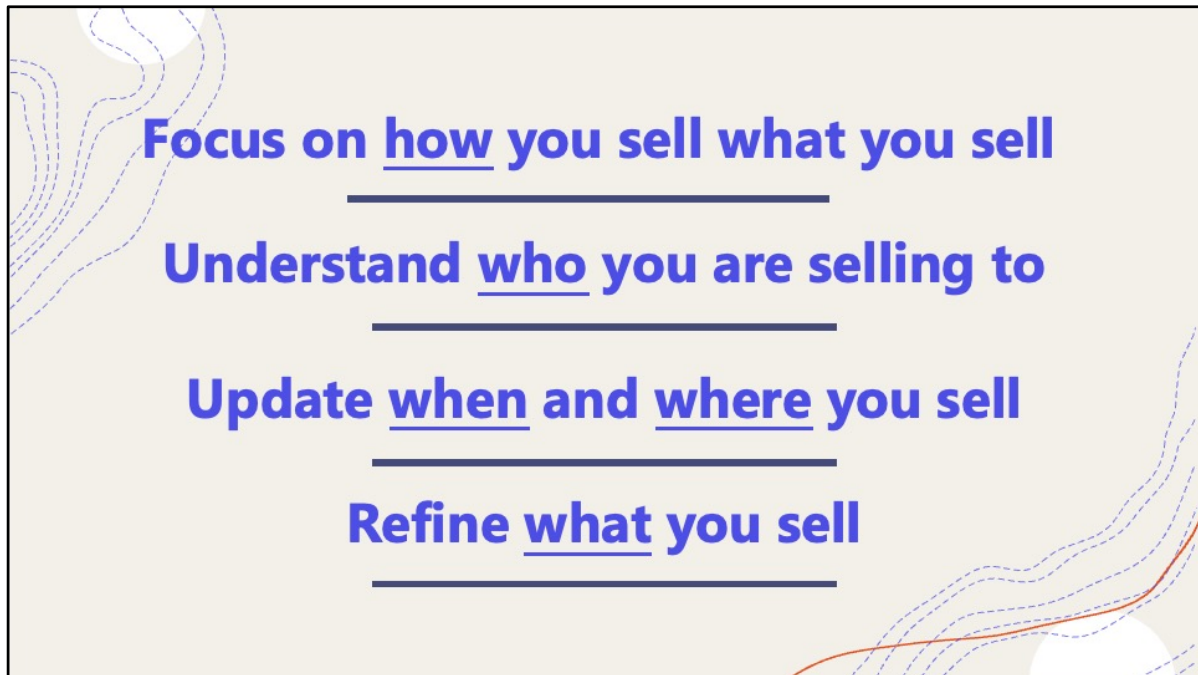
The 'store of the future' needs to enable these capabilities:

1. Information (recipes) | 2. Inspiration (catwalk – Burberry 'see now buy now') | 3. Convenience (Zara store mode) | 4. Relevance (The Vegan Filter) | 5. Utility (Penny, Rewe's discount banner, Scan and Go app rollout to 100 stores, plus queue-busting, low and no-touch, self-service and contactless payments) | 6. Navigation (store wayfinding app functionality)



Use digital to also sell more online and compensate for the lack of sensory interaction available in a store. E.g:

1. Augmented reality (AR) for high touch, high-value or highly personalised purchases by helping envisage sizing and final look and feel (see virtual fitting technologies here as well) | 2. 360-degree image spin can bring texture and weight of fabrics to life for customers, for example | 3. Live chat or live streaming from store can boost online conversion, as well as encourage customers with higher purchase intent that convert at higher rates and with bigger basket sizes in-store (in combination with appointment booking services, and 'how to' or explainer videos).



First principles for the use of digital to win with today's consumers.



Thank you

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