

# Customers 'R Us

**'Focus 2014: Trends in Digital Media', presented by the Retail Marketing Society in New York City last month, had examples of how retailers are using e-techniques to boost sales - and woo customers by getting really, really close to their shopping patterns.**

**R**etailers are adopting methods to virtually sit on the customer's shoulder and whisper into their ear - turning electronic signals into sales.

In 2013, US consumers generated US\$263 billion in electronically generated retail sales. While an impressive figure, it represents less than eight per cent of the country's US\$3.8 trillion retail

market. Nonetheless, retailers are placing effort and investments on targeted techniques. They look to establish e-links with the consumer at the finely-sliced, decision-making points before the customer makes the buying decision - while they are in the store - and after the purchase is made. It's become a jet-fuelled race to get to the customer first - and hopefully, staying in sight.

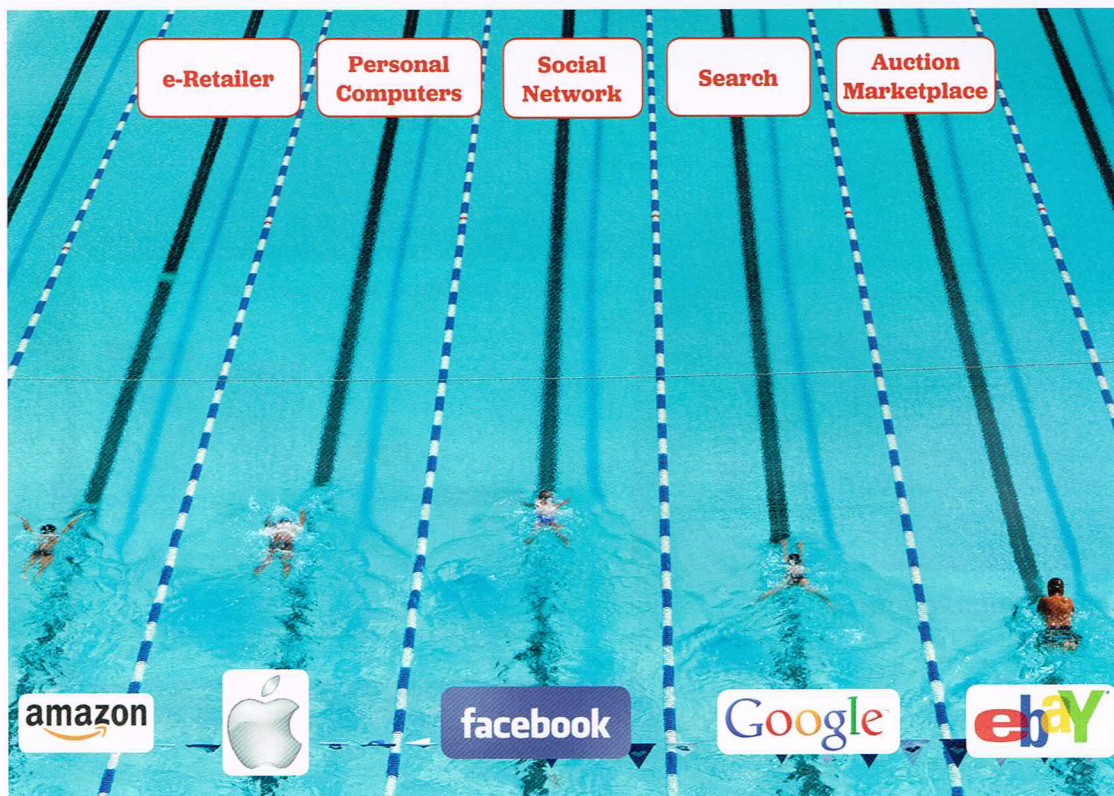
Lori Schafer, the Executive Advisor of Retail for analytics specialists SAS, said we are now witnessing the changing face of omni-channel retailing. "We are giving customers new ways to shop. Omni-channel retailing is the evolution of multi-channel retailing, but is concentrated more on a seamless approach to the consumer experience - through all available shopping

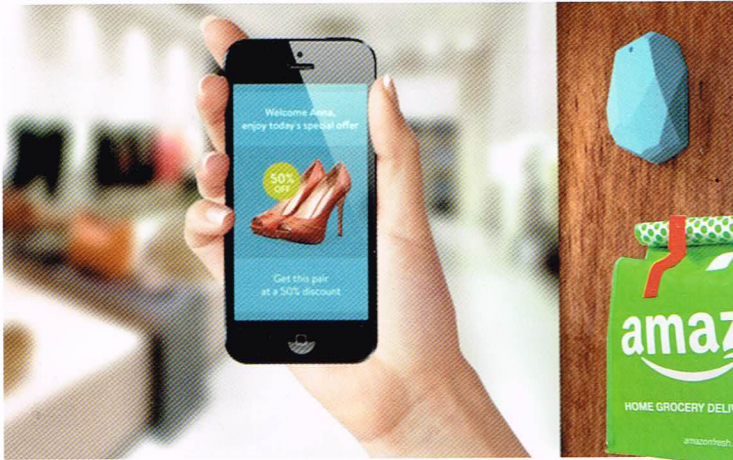
channels, i.e. mobile devices, computers, bricks-and-mortar, TV, radio, direct mail and so on.

The past dozen years have been the age of the 'technology titans': Amazon.com, e-retailers, Apple personal computers, e-Bay auction marketplace, Facebook, social networks, Google and other search engines. Then there is Alibaba - China-based group of internet-based, e-commerce businesses. These businesses include: business-to-business online web portals, online retail and payment services - and shopping search engine, among other services. Another international giant is Rakuten Inc. - a Tokyo-based, electronic commerce and internet company that is the dominant e-commerce site in Japan - and among the world's largest.

Major retailers such as Gap, invest heavily in tailoring a web presence for individual customers. With increased competition, Gap is facing new mall brands - including previously on-line-only collections that are opening physical stores in shopping centres - from Amazon and as. boutique on-line operations.

Denée Carrington, the Senior Analyst, Consumer Product Strategy, Forrester Research, noted that in February 2015, French terminal-maker Ingenico SA and electronics giant Samsung will combine their mobile payment products - to





offer merchants an integrated mobile payment system. Apple's iBeacon, being tested by Macy's and American Eagle outfitters, offers mobile tracking technology – enabling retailers to offer shoppers targeted and timely deals in-store.

Nordstrom's multi-billion technology capital plan includes systems to support merchandising, Canadian Rack store growth and marketing. These systems include expansion of the fulfillment network to increase speed of delivery – furthering customers' mobile and personalised experience, she said.

Another application could occur when a customer picks out an item and removes it from the rack. A sensor on the garment could interact with the shopper's smartphone to suggest accessory items, or provide product information.

Tablets are gaining use as shopping aids – as they offer larger displays – accessible to stores with upgraded apps. According to online marketplace Rakuten, smartphones and tablets were cited by 13.8 per cent of consumers worldwide as their preferred online shopping device (18 per cent of US

communicate with customers' smart phones to deliver relevant information and opportunities." Here are some shopper benefits:

- Deals on products they are looking at on the shelf in front of them;
- Ratings and reviews about the products they are considering; and
- Suggestions for additional products related to products they are considering.

e-commerce brands are recognising the power of face-to-face customer interactions.

"It quickly becomes clear that online and in-store shopping are in no way mutually exclusive. The most successful retailers will be those who are able to make the digital and physical work together – elevating the customer experience as a result." ●

By **Vilma Barr**, a writer based in Philadelphia and a regular contributor to *NZRetail*.

"It quickly becomes clear that online and in-store shopping are in no way mutually exclusive."  
**Aaron Mittman** | CEO of Sonic Notify Inc.

Vice President of Research StellaService, Kevin Hills, has been following the expansion of what has been termed the 'internet of things'. "It was meant to be pretty unobtrusive. Retailers can have lots of sensors in their store, but you wouldn't know about them unless you went looking for them. A shopper can – within a very short time-frame – take a photo of themselves in a store's dressing room, send it out to friends and get direct responses."

consumers were in this category). However, despite the growing use of tablets and smartphones, personal computers still prevail worldwide.

Aaron Mittman, CEO of Sonic Notify Inc., started his presentation with a definition of Mobile Proximity. "Basically, it is a wireless system that allows pop-up messages on users' smartphones when they are in a specific location. Smart beacons placed at the retail shelf

Ongoing beacon proximity data points – along with other data – create a highly relevant, welcomed and valuable ongoing dialogue with shoppers. If done properly, it offers store owners the opportunity to reignite excitement for in-store shopping.

Aaron Mittman closed the conference with the belief that while traditional bricks-and-mortar retailers are working to leverage their existing geographic footprints,