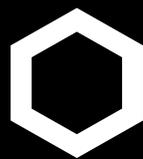


CUSTOMER SIGNALS

Shining a Light on CX in Retail

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An Executive Conversation as part of the **Retail Leadership Series**, in partnership with **Oracle**

INTRODUCTION

As consumers, we are all enmeshed in the circuitry of modern Retail. We are constantly sending out signals, from dim, pulses of interest in moments of intrigue and discovery through to blindingly clear statements of purchase intent. A misinterpretation of these signals, a single misstep in engagement, will trip a fuse on the path to purchase.

We convened a virtual panel to hear how **Mike Ainsworth**, General Manager Marketing, Barbeques Galore; **Jason Rickard**, Digital Customer Experience Manager, Terry White Chemist; and **Chris Spence**, Country Head, Oracle Marketing Cloud are powering experiences by harnessing consumer insights.

Moderated by **Paul Waddy**, CEO, The Horse, our conversation identified the practical steps businesses can take to create a sharp image of every customer that enters your brand ecosystem.

We are sharing some of the summarised insights from this executive conversation with you today.

PAUL

{Moderator}

To begin, what are your opening impressions on the current state of experiential Retail?

JASON

The importance of comprehensive customer-journey mapping, taking into account consumer emotions, trigger points, pain points, and need states cannot be overstated.

Only once we understand the path our customers are on, and by extension, the pathways we anticipate delivering in the future, can we begin consolidating our approach to connecting and activating data.

Data acquisition becomes relatively straightforward when armed with this visibility over the customer's journey; we apply digital tracking to our properties, ingesting data through subscription forms and booking engines alongside other inputs.

The next step is activating that data with content. While data powers our marketing automation, content provides a purpose and drives consumer outcomes by delivering pertinent messages at precise moments of the customer's journey.

MIKE

The most important part of customer experience is truly understanding your brand and connecting your purpose and promise through to consumers. For us, customer experience is about delivering sincere moments and honest empathy in all our consumer engagements...

... Too often, experiential efforts are focussed too low in the funnel; there is extremely fertile soil in the ground above to drive experiences in the consideration and preferences phases of the customer's journey.

Another immense area of opportunity is leveraging online and offline environments harmoniously as part of a broader recognition that success hinges on the sum of all parts.

It's highly counter-intuitive to dwell on the success of individual channels rather than taking a more holistic view on the success of the business that accounts for our ability to deliver truly exceptional customer experiences.

CHRIS

As a Retail community, we have accelerated dramatically these past twelve months to meet rising consumer demands.

We have witnessed a shift towards direct-to-consumer business models as brands attempt to drive and shift customer preferences before the search battle plays out on browsers.

We are also seeing an increased focus on loyalty, with Retailers securing customer allegiances by driving connected experiences across digital and physical channels.

All of these efforts stem from a solid bedrock of data and the recognition that customers are willing to trade information in exchange for considered personalisation.

We've been working closely with Retailers to look more closely at content consumption, cart abandonment, profile data and ancillary consumer signals to better understand the entire customer lifecycle.

From here, Retailers have a solid foundation for building brand affinity and embedding emotions to reduce churn and curate a community of loyal customers.

PAUL

{Moderator}

Our lived experience of the pandemic has been greater oversight of and restrictions on human movement. Social interactions and commercial transactions have become defined by distance to the extent that we have learned a certain discomfort for proximity.

The obvious consequence of these restrictions was a swift shift to digital channels and accelerated growth in the maturity of e-commerce. Beyond that, what are the most salient changes in consumer behaviour that you have observed this year?

JASON

One of the most pronounced shifts in consumer behaviour has been the steep demand for low and no-touch fulfilment as an extension of existing click and collect options, and in our particular case, the acceleration of Telehealth services.

Speaking more broadly, the resilience of existing supply and fulfilment models has been drawn into consideration as we accelerate towards a contactless Retail environment.

The rise in fear-based purchasing and hoarding behaviour was particularly pronounced in Australia on a global scale and affected our ability to provide equitable access to products across our wider network.

In response, we adopted a more active role triaging customers to the most appropriate delivery channels, a challenging undertaking given the mechanics underwriting our franchise model.

MIKE

The extreme conditions of the pandemic shuffled consumers back into the home, providing retailers and customers alike with a rare opportunity to reassess their relationship. Since the outbreak of the pandemic, there has been a constant dialogue on translating face-to-face encounters in a digital setting.

This conversation is driving towards creating exercises in experience; we are striving to establish an emotional connection between consumers and our brand in a virtual environment, to create vehicles for experiencing products online. Consumers are reaching for connection and brands need to respond by delivering authentic, empathetic experiences.

PAUL

{Moderator}

Timing is everything. What are some of the key, real-time indicators you rely on to inform decisions around driving content and offers to customers?

CHRIS

In the context of propelling the customer down the path to purchase, we have seen that Retailers who are empowered to respond to cart abandonment triggers in near real time have drastically improved conversion rates. Cart abandonment is undeniably one of the most powerful and accessible customer signals that Retailers can leverage.

Given that the average value order on abandoned carts outweighs traditional online orders by approximately 45 percent, there is a real opportunity to reengage customers with a comprehensive omnichannel offering, communicating information on inventory or price fluctuations across relevant channels.

MIKE

Beyond conversion, the value of real-time communications has been made abundantly clear to us this year in the fulfilment stage of the customer's journey. Customer experience in fulfilment is directly informed by transparent communication.

There are enormous opportunities to secure customer allegiances and improve retention not only by offering diverse fulfilment options, but by providing timely and accurate information on delivery timelines.

Real-time visibility over your supply pipeline provides you with indispensable signals and opportunities to communicate with your customers at this stage of their journey with your brand.

JASON

It's important for Retailers to distinguish real-time from relevance, to recognise that immediacy is no guarantee of effectiveness. There are dangers for brands that profile their customers too aggressively. We should aspire to build trust through targeted communications rather than erode it by being overly familiar or intrusive without context.

By way of example, our customers are not always in the right mental or emotional state to condense content immediately after making a purchase. But information providing further context around the products they have purchased can be extremely relevant and valuable when timed effectively in the days following purchase.

PAUL

{Moderator}

What role does experience play in fostering customer loyalty?

MIKE

Customer experience is everything in loyalty. Consumers have forfeited their data in exchange for rewarding experiences, but a narrow focus on gamifying transactions rarely satisfies these expectations.

In many instances, points-based reward tiers represent a shallow, transactional approach with few short term benefits and no long-term value for the customer or business.

The notable exception is the Airlines industry, where the audience's receptiveness to elite status alongside vast redemption potential informs the success of the model. But Retailers should not suffer under the illusion that their audience will respond to the same triggers.

We are currently on a journey to better understand what loyalty means to us, to recognise the emotional connection consumers have to our brand and to deliver content and experiences that resonate to retain customers in our ecosystem.

CHRIS

While data delivered experiences are an opportunity to build trust, they are also a highly versatile mechanism from an operational and supply perspective.

A scalable, skewed rewards system can be leveraged to clear stock without resorting to discount strategies, and charitable donation options further reflect your brands commitment to reflecting and supporting the values espoused by your customers.

Any Retailers that have implemented a points-based loyalty model should reassess how granular and responsive their system is to consumer and business needs alike.

CONCLUSION

The nation's Retail community has responded emphatically to challenges flowing from the pandemic.

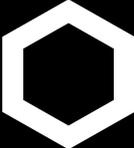
Retailers have evolved at a frenetic pass to improve their responsiveness and engage with customer's on their terms.

The capability to deliver thoughtful, rewarding experiences is firmly rooted in data capability. Consumer expectations for personalisation can only be reached by forming and acting upon a unified view of the customer's journey.

Oracle continues to work with Retailers to map these journeys and build a deeper understanding of customer lifecycles.

It is incumbent on Retailers to consider the steps they must take and the partnerships they can pursue to deliver truly responsive and rewarding customer experiences in the year ahead.



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