



***Dynamics Matters
Podcast***

How retailers can get ahead and stay ahead

With Colm McArdle - Microsoft Retail & Technology Expert

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Did you know that 80% of consumers will leave the website if there's no free shipping? Or that 70% of consumers are generally unhappy with returns policies. Many don't.

Know your customer. This is the well-known, and mostly well understood, element to delivering great customer experience – and increasing custom as a result. A connected experience right the way through online and instore. It's the element that allows retailers to differentiate themselves.

"People will sit up and take notice of you if you will sit up and take notice of what makes them sit up and take notice." – Harry Selfridge

But achieving it is difficult. Customers engage in so many ways how can you bring it all together in a single view? Well, there is one thing that allows you to do this. But before I reveal what it is, here's a retail riddle for you:

- **Every retailer has it, but no one retailer can touch it.**
- **You cannot see, feel, smell or hear it, yet it connects customers, products, and retailers alike.**
- **With enough of this you'll have 360 of that.**
- **What am I?**

Did you get it? Well done if so, although I'm afraid there are no prizes. For those of you who didn't the answer is: data. Yes, that's right. Data.



Data connects the customer experience

A point emphasised during a recent discussion with Microsoft Retail Technology expert, Colm McArdle. There is a feeling that rather than consolidating and taking shelter, the pandemic has encouraged many retailers to accelerate investment in, what we'll call, retail experience technology. Technology that connects the customer journey no matter how they're engaging.

For example, the likes of electrical goods retailer AO moving from an online only model to launching new stores mid-pandemic. Or the reverse. Garden centre giant Dobbies becoming the first retailer to install Microsoft Dynamics Commerce to beef up their online presence, since very few people were able to make it to their stores. For this reason, more retailers have the solutions in place to enhance the customer experience, but data is often an afterthought.

Data insight and the customer experience

Retailers are now finding the data they have is unconnected, disparate, and often unrecognisable in its current form. That's where the biggest challenge – and opportunity - for today's retailer is. Connecting data from which to derive meaningful insight.

Connecting data allows for two things to happen:

- 1. Retailers can build enough of a picture of each customer from which to shape engagement. Offers and promotions on certain products may gently nudge a customer to buy.**
- 2. Data provides general insight from which to inform wider decision making on products, service, and business direction.**

Failure to connect data increases the risk of being left behind. You customers now expect you to know at least a little about their preferences.

McArdle believes there is a valuable lesson here for when implementing new technology. Consider data and how it will thread through any new systems, first.



A close-up photograph of a red ceramic mug on a red surface. To the right of the mug is the spine of a red book with the word "KNOWLEDGE" printed in large, bold, black capital letters. The background is slightly blurred, showing what appears to be a newspaper or magazine.

KNOWLEDGE

Know enough, but not too much

Retailers have the data, now the need is to harvest information in a way that doesn't spook the customer. For example, popping up information on similar shirts bought before is ok, but some customers may not want you to know much more than that. Start flashing offers for girls' clothes because they know it's your daughter's birthday (before you do) is likely a step too far.

Microsoft's McArdle believes it's a fine balancing act: "Before investing in technology, retailers need to be cognizant of buying trends, and the ability to deal with them fast because those customers won't be around forever.

"Customer demands is broken into understanding what the customer journey is. Where did the customer come from and where do they end up? What were they interested in? Why did they leave your site? Because if you don't understand that, you're not in a very good place"

This gives retailers an advantage

Retailers who have invested in technology either to take advantage of pandemic driven changes in buying behaviour, or that have done it to survive, now have a foundation. It is easier to improve and adapt as things change. It's now a case of evolution rather than rip and replace.

Microsoft has also redeveloped its technology approach to increase flexibility. Breaking the Commerce element of retailing way from the main Dynamics 365 platform making it a composable piece of technology. You no longer need the entire Dynamics stack to take advantage. A retailer could be running on a non-Microsoft back-end but are still able to review the data flowing across it and Dynamics 365 Commerce, capturing all customers touch points.

The data threading its way through all points of engagement, regardless of system, is now visible. Retailers can use it to check journeys and key touch points. Then take this insight to create relevant offers and recommendations ready for next time.

Data offers a digital footprint retailers can use to empower each journey, increasing the value of each engagement. And this was a point McArdle emphasised when advising how retailers can get ahead of the competition. Start with data.

If you can capture, manage, govern, it, then extract the insight it has to offer – and then use it to fuel a point of engagement that is meaningful for the customer, that's where retailers can differentiate themselves from others.



Contact HSO



Contact Michael Lonnon

mlonnon@hso.com

07849087668



the results company

1st Floor, Enterprise Point, Altrincham Road, Sharston, Manchester. M22 9AF | T +44 (0)161 300 6060 | info-uk@hso.com

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