



Dynamics Matters
Podcast

The secret to creating a personal retail experience

With Stacy Keen - Retail & Consumer Goods Lead, Microsoft

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“Your most unhappy customers are your greatest source of learning” – Bill Gates

Do you know why your customers buy from you, and what makes them come again? Better still, do you know why your customers don't buy or come back? It's with this nugget of intelligence that you can begin to mould your products, services, and experience around that your customer desires.

Microsoft's Business Applications lead for Retail, Stacy Keen, can relate this to her own experience:

“I'm going through a house renovation. I order some paint and pop into my local DIY store to pick it up - if they had messaged me to suggest I might also need filler and paint brushes - and here's 10% off - I'm more likely to buy.” Microsoft call this: in the moment marketing. Something many retailers are still struggling to get to grips with, and losing business as a result, as Keen goes on to say. “Whereas now I'm going to shop around to find the best value for paint brushes.”



Happy customers are more likely to part with their money

It's true to say that – and you can judge this on your own experience - the more personal you make the buying process, the greater the likelihood of repeat sale and recommendation. And if you think about the last thing you bought, this makes sense, right?

Research by consulting firm Accenture confirmed this when it found 91% of consumers said they were more likely to shop with brands that provide offers and suggestions more relevant to them.

Managing your data well is key to this because from it comes the intelligence you need to learn who your customers are, why they buy from you, their preferences and preferred buying habits and much more besides. Data gives you a 360-degree view of each customer.

Gather data, learn about each customer, sell more; simple. Or is it? If it were so, then every retailer would be thriving. Yet many are not. Why? One of the reasons is the pace of change.

Do you have strangers in your store?

The needs of the business - the things that keep board members happy - and those of the customer, are often like two alien planets orbiting each other, never quite aligning. The retailer doesn't always know what the customer wants. And the customer isn't quite sure what need the retailer can fulfil. It's a marriage of convenience, at best.

But modern retailing doesn't need to be this way. Shouldn't be this way. The technology exists to collect and analyse the data behind the customers buying journey, providing the insight to deliver a more personal experience. Perhaps there's something else amiss?

According to research undertaken by WorldSkills UK, fewer than half of British employers believe young people are leaving full-time education with sufficient advanced digital skills. While 76% of firms think a lack of digital skills would hit their profitability.

Yet, the skills gap challenge is nothing new. It's one of the reasons Microsoft has put so much emphasis in the development of low-code/no-code technology you can find in tools such as Power Apps. These tools make it easier to create the technology needed to solve the challenges that prevent the connection with customers. So, if not a skills deficit, at least not now, what are retailers missing when it comes to personalising customer experiences?

Perhaps American Author and former business big wig, Seth Godin, has the solution: *"Don't find customers for your product. Find products for your customers."* A sound strategy, based on need fulfilment. But how do you match products to customer need in this way?





Stand on the other side of the counter

Have you ever taken yourself through the experience your customers go through when they buy from your store, physical or virtual? If not, I suggest you try it. You might find the experience revealing.

Does it leave you with the sense of a transactional engagement, with no real feeling that you are anything more than a number on the balance sheet? Or perhaps it's better than you'd hoped, but with room for improvement. Taking yourself on such a journey - through the eyes of a customer - will reveal much to you. It's a simple way to get a sense of whether you have any real connection to those who matter most.

Combining this physical experience together with data will help direct the changes you need to make to improve the way you interact with

customers. It may well answer some of the questions Microsoft's Keen believes you need to ask of yourself: *"What's the risk of churn of your customers leaving? Or what's the average lifetime value of spend they can get from customers? Or what's the next best product or service that you should be thinking about reaching out to consumers with? If you're able to answer these then you're a step further forward than most other retailers."*

One final thought to consider is that research conducted by eConsultancy found that 80% of companies reported seeing an uplift in profit after increasing personalisation efforts. It clearly pays to know who's buying from you, and why.

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