red ant

Multi-Channel Commerce –

the challenges of...

Gaining the single customer view in a multi-channel world

red ant

Introduction

Smart brands deal with their customers through a variety of channels and brand 'faces' – they don't limit themselves to just one approach; unfortunately this has not always been the case with eCommerce. In marketing campaigns successful brands adopt consumer engagement at the heart of their proposition, targeting greater interactions across multiple channels with both on and offline integration; this is why they are successful, because they understand the expectations of consumers within a campaign.

There have been - and in many cases still are - failures to provide a unified customer experience caused by the disconnection between marketing campaigns and eCommerce processes. The nature of this focuses around the two camps - marketing and process - that eCommerce is often divided into. For brands to be successful or continue their current success the two outlooks will have to merge to meet customer expectations and ultimately the expectations of their wider company. To achieve this, brands will have to adopt the single customer view that must:

- be able to identify the consumer and track activity
- be flexible enough to cater for the consumer across devices and channels
- join these up so that no activity is run in silo

Social commerce is a required step along the path to achieving the single customer view, although it is not a panacea. Brands must learn to adapt their outreach to cater to ever shifting consumer expectations, or find their position slipping to others in the market that do.

What is the single customer view?

Put succinctly, the single customer view provides in a meaningful form of transparency and uniformity of all interactions between a brand and a customer. From a social commerce perspective, the single customer view is a starting point for proactive communication and outreach to a customer, leveraging existing knowledge about the customer to deliver better service and increased sales; from an eCommerce perspective this is a paradigm shift from a merchandising perspective to a customer-centric approach that allows the customer to engage with the brand as part of marketing and retail. Whilst technology makes this feasible, the underlying structure of the shift in mindset relies upon three core pillars:

- The Business
- The Customer
- The Process

The Business
For successful brands the business will still be performing strongly even after the competition have adopted the single customer view, social commerce or whatever other technologies are over the horizon. The pillar of business in the single customer view provides a wider strategic appreciation, evaluating bottom line returns across channel and activity over time and planning where to push goals further. Whilst the process is focused on optimising interaction over shorter time periods, the business should be addressing long term aims, along with structural and social challenges.

The Customer
Customers do not split their dealings with a brand into experience by channel, they just experience 'the brand' as a whole. It is true that some channels will be stronger than others within a brand's outreach, but the strength of the experience is weighted by the weakest channel across customer interaction. For the single customer view, this means that brands must focus on a unified customer experience and appreciate the role of the individual within that process. The quality of each channel must be consistent whether Facebook page, Twitter stream, mobile application or sales assistant in the retail outlet, and the focus should always be towards the customer; after all, **Facebook profiles or mobile application sessions do not purchase - the consumers behind them do!**

The Process

The 'commerce' in social commerce is still the primary goal for any retailer - to adequately fulfil this and make the most from the single customer view there also needs to be a focus on the offering and the results that it is delivering in both the short and medium term. The starting point for this is to ensure that metrics are being captured that are pertinent and relevant to both the brand and retail goals - without solid information, correct decisions cannot be made. With the correct information being captured and reported against, sampling can occur across multi-variant tests, not just in one channel but in all channels, and the resultant information used to improve all channels by being clear about success and, even more importantly, failure.

If the single customer view is starting to sound like the paperless office that is to be expected to a degree, the key differences that will turn it from being a pipe dream into something that will start to be adopted by all brands are expectation and exploitation. Consumers will come to expect the personalised service from all but cost centric brand propositions, and will accept limited exploitation of that expectation helping to push the aims of the brand.

What is multi-channel in social commerce?

Any brand that is seriously engaged in eCommerce activity will already be to an extent multi-channel - social media has to a degree forced this onto brands through increased customer expectation. Social commerce takes this one step further and actively embraces social media channels to enter into a dialogue with consumers. Operating in multiple channels is not the same as delivering successful multi-channel engagement - the chief failings are:

- Limited if any 'joined up' experiences for the customer across channels, and
- Garbage in – Garbage out with data and profiling delivering a garbled picture of activity

Unless the desired result is purely functional, people engage through experiences - in retail this encompasses the consumer journey and is directed by the brand story. For successful multi-channel engagement, each channel needs to reflect the same story and the same chapter of the story that the consumer has reached; disconnected channels across the brand story are analogous to making the consumer read chapter one again and again each time the consumer engages with the brand. This in part triggers the second point - if the consumer is not identified across channels and treated as an individual, the profiling information is rendered useless with each channel reporting the same individual independently and no two channels cooperating to build the customer experience.

Multi-channel experiences are a natural extension for social commerce, since social commerce is already customer-centric and focused to the needs of the consumer. For many social commerce implementations the multi-channel approach remains online through social media, reaching out to consumers as they trigger activity through the monitoring of social channels. The growth of out of home digital activity and its connected nature allows social commerce to place itself at the hub of the single customer view by capturing and returning customer information and interactions, triggering further automated activity on behalf of the brand. It is this automation that lends social commerce to taking the centralised role in the single customer view as opposed to the CRM. Social commerce is focused towards real-time actions to foster proactive relationships, a CRM to a large degree acts as a repository and knowledgebase for reactive tasks; consumer expectation of speed and response demands either the CRM to take on existing facets of social commerce, or for social commerce to handle the interactions with potentially a CRM repository integrated for reactive tasks.

Defining a single customer view

There are many ways to approach building the concept of a single customer view into a brand's retail approach, since these will change dependent on the brand and to a large degree the structure of the brand (bricks and clicks, direct mail, pure play eCommerce, etc...).
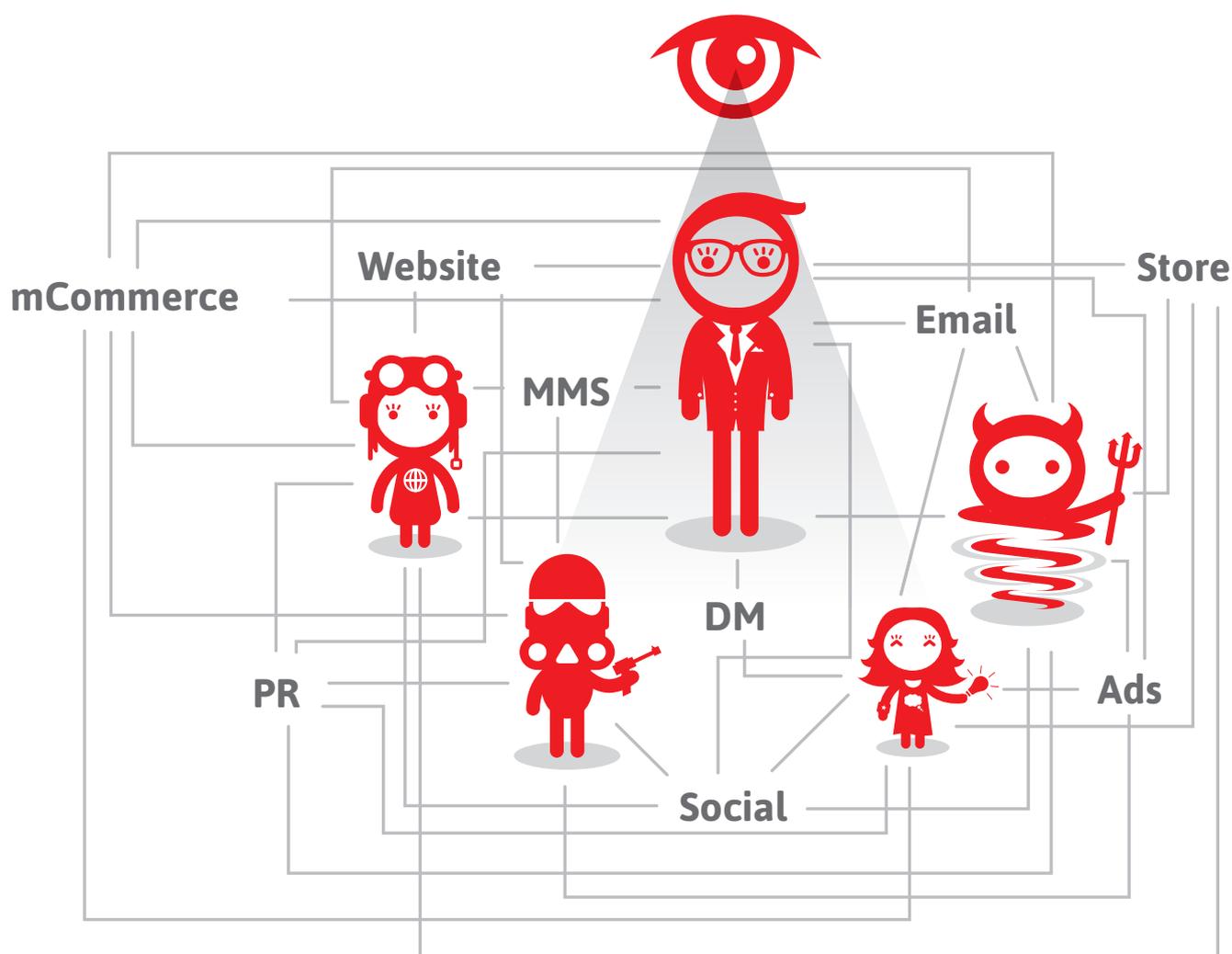
There are three key pillars to the single customer view that cross all approaches. The remainder of this paper focuses on each of these pillars and the challenges that each presents. As an overview, however, each pillar should consider the following:

The Business	The Customer	The Process
Structural and social challenges	Understanding the customer	Activation
Execution challenges	Creating the brand story	Reporting
Cost and return on investment	Building the vision	Evaluation

The Business

The question that needs to be asked from a brand perspective is "should the brand try to adopt the single client view across multiple channels?" There are compelling reasons for adoption; there are also significant hurdles that a brand may need to overcome to achieving this aim, principal amongst them are:

- Structural and social challenges
- Execution challenges
- Cost and return on investment

All of these areas need to be evaluated before a brand can effectively make a decision.

Structural and social challenges

From the perspective of how a brand handles eCommerce adopting the single customer view requires a paradigm shift from being driven by the requirements of merchandising and order management to a consumer-centric approach that encompasses merchandising and order management, but also factors the consumer into every facet of the process under an ethos that is adopted by each employee of the business. The roles, responsibilities and communication routes may (depending on the current structure of the brand), require rebuilding to achieve this which is no small task. A brand needs to address the following questions in order to ensure that the correct structural and social challenges have been answered.

Are my team structures correct for multi-channel?

A unified customer experience requires greater communication and cooperation across teams within the brand that go far beyond agreeing to the same branding guidelines. Teams that are responsible for client engagement need to be in constant communication to achieve consistency, where these teams are handled across a tree structure that breaks out into distinct silos of activity (e.g. direct mail, social media, eCommerce website, mobile), non-communication, or reliance of communication up and down a the hierarchy tree will place efforts at risk and not allow the speed required to meet customer expectation effectively.

A brand could reorganise these teams to achieve a structure that more closely matches the customer-centric approach which would be both costly and time consuming. A simpler and easier approach would be to adopt some of the principles of employee empowerment found in Total Quality Management (TQM), and create sideways reporting channels across teams. In this approach each employee within a team will have a corresponding reciprocating colleague within another team that they will keep informed of developments and activities that pertain to their involvement; it is the responsibility of each receiving employee to communicate these messages out to their team.

How do I achieve employee buy-in?

In any initiative that requires additional effort by employees the employee needs to be brought into the endeavour or efforts will be stymied. Depending on the internal culture within a brand the effort required to gain employee buy-in may be easy or difficult. Adopting the single customer view and providing a unified customer experience can become an easy sell to employees provided it is also coupled with responsibility and recognition. In the same way analytics would be used upon a website to identify successful pages and content, the single customer view should provide analytics of the employees involved with that customer. Employees that are involved in delivering a positive customer experience from the shop floor, online service or responsible for creating a particularly successful journey offline or online can and should have their efforts recognised. The same holds true for teams when reporting across channels.

How does this feed back to my business?

With the correct structures, communication and buy-in from teams and employees the unified customer experience should be achieved across multiple channels and from an overview perspective the bottom line will increase. The bottom line is not the only measure that brands should use when evaluating performance with the single customer view. Brands need to plan feedback to create a picture that shows the overall health of interactions, bottom line and with the greater insight now available to provide accurate projections of future activity and trend. From the outset these reports need to be specified to feed back to the wider business and board of directors in order to allow the correct strategic decisions to be made.

Execution Challenges

Building and maintaining the infrastructure and approach across channels holds its own set of challenges. Technology, processing and delivery stand out immediately, but the greatest risks are those ongoing concerns of maintaining consumer expectation. By entering into a dialogue with the customer online with social commerce or extended offline with the single customer view brands enter into an engagement contract, an implied promise to listen and respond – it is less a formal equivalent of a social contract (see the theories of Hobbes, Locke and Rousseau), but in terms of the success of a the single customer view it is certainly as important, since:

- Nothing devalues trust in a brand like a broken promise
- Digital footprints of betrayal are exceptionally hard to erase
- Customers are rarely shy about advertising when they have been let down, especially those that have taken the trouble to engage
- A break of the engagement contract destroys value and brand equity since the goal posts have been moved by the brand, leaving retention equity a very distant proposition

With a view to execution, brands need to address the following non-exclusive questions.

Which channels to enter and which to avoid?

In maintaining the unified customer experience, the presence of the brand is only as strong as the weakest channel that the consumer engages with; e.g. consider a well cooked meal that was accompanied by poor service; the abiding memory is of the poor service, not the quality of the food. To avoid tainting the experience, brands should be selective in the channels they choose and commit to those channels the resources required to maintain the minimum required customer service per channel.

An established brand should have a good idea of where its customers reside through previous marketing efforts. Brands should maintain an approach to channels they operate in that is open, but wary of being stretched too thin. In this way, channels of business differ from digital marketing campaigns where niche markets and subcultures of existing consumers can be targeted. The rationale behind the difference in each is:

- Will I continue to regularly do business here (a channel)?
- Does this open up an opportunity that is limited in time (a campaign)?

With regards to the single customer view, a campaign draws consumers into a channel; to gain correct insight, the campaign should be recorded as the source of the consumer activity and may, if the activity warrants, grow into a channel in its own right, when the brand finds it practicable to commit. There is no rule that states that a brand must enter into all channels from the start of the move towards the single customer view.

How should delivery be approached?

Delivery in any project is a risk; delivery in a move to change the focus of a revenue stream(s) is doubly so. The temptation is always to try to deliver all elements at once - the idea is strong, the road ahead is planned and the projections are off the charts - why not? Trying to deliver any complex system or change in one fell swoop is largely doomed to failure - any one of a plethora of IT projects that have been shelved, cancelled or bought out of trouble should be enough prima facie evidence that this approach doesn't work.

To successfully deliver the single customer view is a journey which involves evolution of process and approach, not a revolution. The steps required also parallel those of a journey:

- Have a clear destination
- Plan stops in advance to recoup and review
- Accept there may be detours and at times you may not be travelling alone
- Acknowledge that where one stage finishes the next needs to begin

Provided there is a clear route for all channels to cooperate with each other, brands can evolve and react to changing conditions to build their systems.

What is the importance of technology?

All too often marketing teams are hung up on technology and what is in vogue. In the consumer-centric approach of the single customer view, technology is an enabler to underpin the relationship between consumer and the brand; technology is not the reason for the relationship. For technology to become an enabler, brands must consider which channels they are operating in, what is the appropriate use of technology at each of the touch points with the customer for those channels (e.g. should sales assistants be equipped with tablet computers to return customer histories); how does the technology reinforce the relationship and feed back into the single customer view, and what is the value this brings to the brand to justify the capital and ongoing expense?

Cost and return on investment

Cost cannot be discounted as a primary factor of whether and / or how a brand should adopt the single customer view across multi-channel. To put in place the systems, to retrain employees and to maintain each of the channels of business is not an inexpensive capital investment or recurring cost.

How much will this cost?

Depending on the channels that are to be integrated and the activities that occur, the cost will change from brand to brand. The costs for gaining the single customer view can be controlled by:

- Building from a solid social commerce platform that factors in support for communicating with multiple channels
- Building the view both across and in channels, in measurable increments
- Evaluating each step in the process to rate against expected return; understanding those areas within endeavours that drive up the cost and consider alternatives

Gaining the single customer view is not cheap, either in terms of capital outlay or ongoing costs - worthwhile gains rarely are inexpensive.

How much will this increase bottom line?

As with cost, the returns from the single customer view will change from brand to brand. Increases in engagement with the consumer and providing a unified consumer experience will increase advocacy and this leads to significant returns to the bottom line. Deloitte[1] conducted a study that placed engaged consumers as delivering twice the spend value and three times subsequent sales through advocacy value.
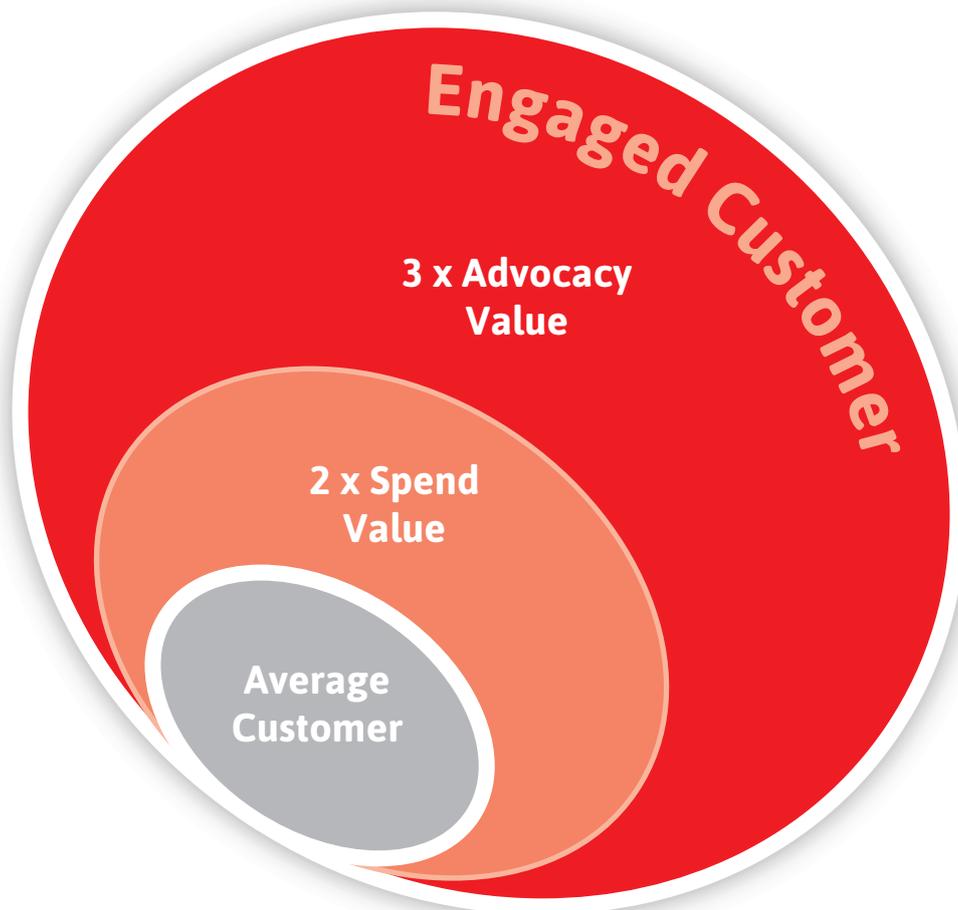
Spend value incorporates how much the engaged customer spends on the brand's products and services over the lifetime of their relationship. **Advocacy value** is derived from subsequent sales that have been triggered by review, posting socially, offline recommendations and the engaged consumer acting as an extension of the brand's marketing and sales force within their social circle or community of practice.

Long term benefits of the single customer view run beyond short term sales, by capturing consumer insight to the granular level it provides. The journey that the brand and the customer take together can be mapped and guided to increase further sales, and trending in customers can be reviewed to make strategic decisions in business direction and brand perception.

[1] "A new breed of brand advocates; social networking redefines consumer engagement" Deloitte 2010

The Customer

The customer is at the heart of the paradigm shift required for the single customer view - of the three pillars it is also the most exciting. The challenges of the customer pillar are:

- Understanding the customer
- Creating the brand story

Each of the challenges revolve around consumer and brand needs and desires across the multiple channels that a brand is operating in, and back into its method of business.

Understanding the customer

It is impossible to engage with customers without adequately knowing who they are and what they want; their needs and desires also change dependent on what they are doing and where they are engaging. Understanding both the general and the specific requirements of customers is essential to providing the single customer view and the increased sales and relationships that evolve from it.

How does task affect engagement in a unified experience?
One of the challenges of the unified consumer experience is rationalising against the shifting needs of the consumer. For a brand there is likely to be correlation across customer needs by the nature of the consumer base of the brand, and in social commerce the underpinning element is 'commerce', allowing those consumers to buy products. The way consumers approach brand engagement will vary depending on their current activities; for example, the same customer will engage with the brand and channel in two different ways when buying a time-sensitive, perfunctory purchase or a considered gift.

For the unified experience to meet the needs of the consumers in a channel, the brand story needs to allow for shortcuts. While it is true that it is impossible to keep all of the people happy all of the time, the structures within a channel should be malleable to the extent that consumers with differing needs can work with the brand to achieve them even if their desires aren't met.

How do customers work in specific channels?
Each channel will have its own specific requirements and style, and consumers adapt to working in that particular style. Thought needs to be given to how to best maximise engagement across each channel. This falls into two specific considerations:

- The style of the consumers within the channel
- The style of the message and aims that need to be delivered through the channel

To a large degree, the first starts to frame the second - but not entirely. When planning how to talk to consumers through a channel, a brand needs to consider:

- Tone, phrase and linguistics
- What has previously got them talking - is there a push to certain products or lines that can be capitalised on in trend?
- What are competitors doing successfully, and what does not appear to be working?

In addition, some research across potential key influencers would highlight common user generated content patterns, e.g.:

- How personal is the communication between consumers?
- How much do they share (how could they drive sales through influence)?
- What is the common level of engagement?

The brand's need to reach the consumers and engage in sales activity must underpin the message within the channel, or lead to a channel that does.

**How should a customer appear in the single customer view?**
Whilst the single customer view is a change of mindset, eventually the customer will need to be modelled, profiled and reported on. The challenges in building the model and subsequent profile are:

- Defining what should be modelled to hold optimal information about the consumer
- Rationalising legacy customer data to move it into the centralised model
- Building quick routes to capture customer activity
- Analysing trending activity to profile consumers into groups

Social commerce platforms should be in a position to address most of these challenges, since the platforms have already addressed them to communicate through social channels. The models within social commerce are loosely coupled to provide multiple views to the consumer. With this loose coupling, as new social channels open up, social commerce platforms are extending to capture activity (although many normalise activity until a social channel is seen as established), and since one of the aims of social commerce is to build dialogue, key influencers should have already been identified and communication started.

Creating the brand story

Unfortunately the brand story for each individual brand will change according to its nature. The challenges for long term engagement are consistency, channel synchronisation and for many, understanding the picture that can be built from the story - in effect, what is possible. Well-conceived brand stories will push them ever forward in the consciousness of their consumers and lead to lasting adoption and advocacy. The following diagram shows some of the channels that a brand story should operate in.
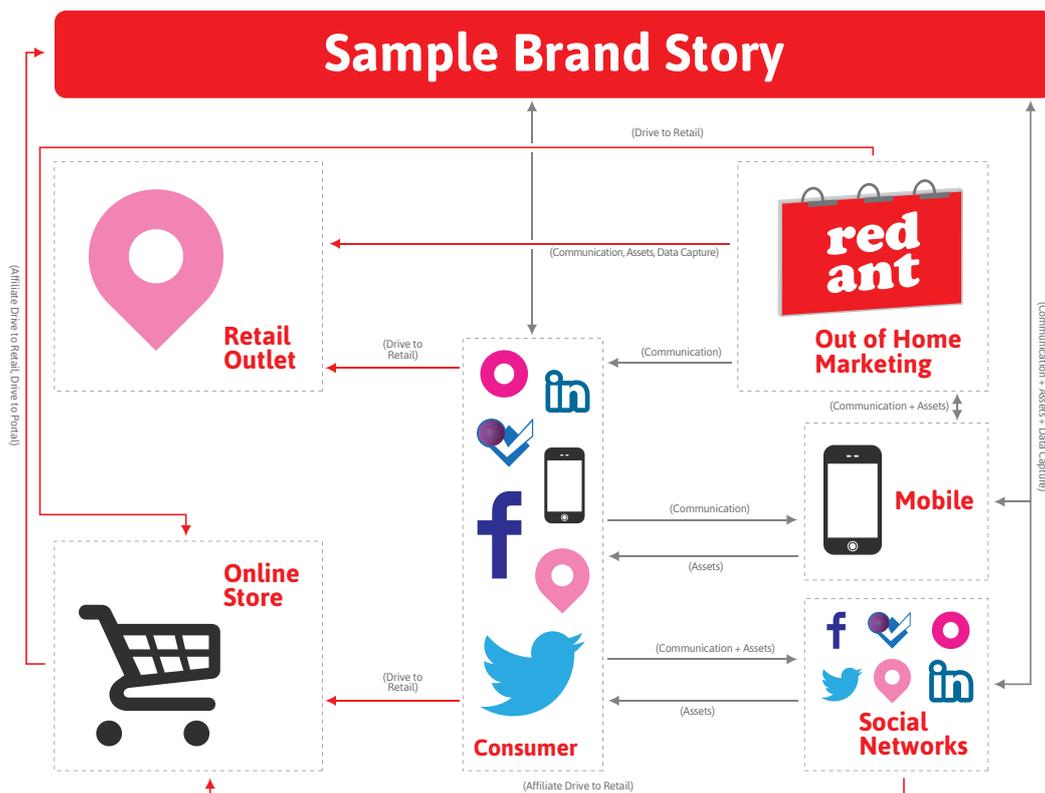
With a foundation of social commerce and with the single customer view, each of these channels build the overall brand story. The activities in each of them can change, but consider the following scenario:

The customer enters a retail store and is prompted to check in on their mobile phone. Once checked in, the phone can then provide details and in-store locations of all of the products they have been previously viewing online, as well as those products of interest that their friends have shared online. As the customer browses the store, the mobile phone can be used to pick up further information about products through barcode recognition – for groceries this could be recipe ideas, for clothes it could be suggestions for accessorising. In each instance the customer can choose to purchase directly, save to a wish list, ask their social circle for feedback or move on to the next item of interest.

As the customer checks in, the sales assistants within the store can view current customer activity using tablet computers; and if the customer is browsing products, they can see their behaviour as they enter different departments in store. A sales assistant armed with information about the customer, including buying patterns (on and offline), products of interest on this visit and in previous engagements with the brand, previous notes from other sales assistants and, most importantly, whether the customer has been approached before (since no one likes being harassed), can then approach the customer to offer informed, practical help. Both assistant and customer can then give feedback, helping to build not only a picture of the customer, but also the customer service skills of the assistant.

The consumer then continues their shopping trip; if they want a specific item they may look for that in several stores. Whilst they are doing so they have access on their mobile phone to the details, images and price (along with other recommended items), of the first store that offered the single customer view and can use these for comparison. Since the customer asked for feedback from their friends that was pushed out by the brand to social channels, they can also see feedback being alerted by the social channel as it is given, keeping that product front of mind. After comparing alternatives from several other brands the customer decides to purchase from the first store and is able to confirm this via the mobile application, allowing the product to be selected and waiting at the sales counter for collection.

A few days after the shopping trip, the customer is emailed by the brand, to check if they are still happy with their choice, to let them know of new lines of interest and finally, since their sharing has triggered several of their friends to purchase online, they can now use the attached voucher online for a 10% saving on the accessory that goes with their purchase.

At each stage in the above scenario, information is captured about the consumer's activities with the brand, and, where permission is given, tranches of that information are shared across channels (especially social), to get wider feedback. Internally, pertinent information is shared with employees to enable them to engage with the customer with a uniform high level of service.

The Process

Business adoption is required before a brand can take on the single customer view, and once approved, the unified customer experience (both inside and outside the brand) will generate the types of engagements that will keep consumers purchasing again and again; the single customer view is not a single step, though, and will require nurturing and adapting over time to evolve with the changing needs of both the business and the customer. This appreciation of growth and adaption is handled by the process pillar.

The challenges the process pillar needs to cover to continue to achieve optimum success by evolving a brand's single customer view are:

• Activation
• Reporting
• Evaluation

These need to be addressed both daily and over reasonable cycles of improvement.

Activation

The importance of activation is inversely proportional to the distance an activation channel is from the centre of the brand story. This is not, as first appears, a move away from the consumer-centric approach that is adopted by the single customer view, but a response to the requirement of having a solid foundation on which to build the consumer-centric outlook and the practical and fiscal priorities in supporting the brand story. At the heart of the activation should be a strong social commerce platform - as stated previously, a solid social commerce platform will already support multiple channels and should allow future channels to be integrated seamlessly. In addition, social commerce should allow:

• Automatic engagement with consumers across generalisations leaving employees to focus on the most important advocates and influencers to drive future sales
• The surfacing of pertinent information to each of the consumers, social networks of consumers, in-store devices and employees as it relates to specific customers
• Customised shopping experiences shared across online and offline channels

As the brand story grows new channels will open, each reliant upon the central core of the systems already in place for the single customer view. Employees and brand advocates should be the first port of call to evaluate and soft launch new channels before announcing them to the wider consumer base to ensure that the story flows and fits the unified customer experience.

Reporting

Rapid reporting is essential to the single customer view, to maximise engagement with consumers taking part in the brand story. Without pertinent information, it is impossible for a brand to react and move accurately in response to the demands and desires of consumers, which will lead to stagnation, a poor unified experience and ultimately disconnected customers. Regular reporting should consider:

- Brevity – reports should be able to be reviewed at a glance
- Weekly – reporting periods should extend to a timeframe no longer than one week (shorter in the evaluation of new channels and activities)
- Trended – each report should be considered in the light of the previous report to show at a glance changes in consumer behaviour

Social commerce platforms should extend this to also allow analysis reports that, as a minimum, show:

- Revenue return and engagement by channel
- Revenue return and engagement by activity (both in and across channels)
- Multi-variant testing in that is not restricted to digital channels
- Trending activity against profiled consumer groups
- Gaps in potential revenue by rating consumer interest against product availability

Reports need to be communicated internally by the brand to quickly pass on lessons learnt and improve the unified customer experience.

Evaluation

Successful brands, businesses and even people always seek to improve. The single customer view, by focusing on the consumer, is evaluated by the engagement and subsequent purchases derived from that consumer (either direct or through recommendation). Whilst specific improvement can be a goal in itself, there is a science of improvement philosophies (Kaizen, Six Sigma, TQM to name a few) that can be adopted and used with reporting across cycles to try and better the returns from each cycle and then plan for improvement.

Improvement is focused on having pertinent information at the finger tips of those employees responsible for ongoing marketing and sales of the brand, as well as a strong brand journey which engages consumers; both of which will lead to an increasing bottom line.

Conclusion

The multi-faceted world we live in today dictates to us that brands must start adopting the single customer view. Social and eCommerce platforms need to embrace the convergence of social, mobile and offline channels in today's retail market in order for this to become a reality.

It is time to move beyond standard views of the customer and what their journey should be. It is paramount that brands experience the epiphany of realising that adopting the data that technology and science make readily available - investing time in concepts such as the social graph in order to unlock the treasure chest of consumer information - will change their business approaches forever. Enabling brands to understand more about the consumer than ever before will bring us ever closer to the goal of the single customer view, where individuals freely give information about themselves on various outlets and social channels, oblivious to or just accepting the fact that it will, in reality, be used to allow brands to engage with them in a highly targeted way.

By embracing this new customer-driven approach, brands will find that they have the power to direct, influence and target products and services in such a controlled and calculated way that they are suddenly ahead of the trending curve and waiting for the next seasonal change or reactive adoption of technology.

Social and eCommerce platforms are able to extend their reach into the offline world through social and mobile, using them to enhance overall service delivery and effectively close the customer sales loop. The future of our commerce-infused world is not an online-centric one - it is one that uses all areas of customer interaction within multi-channel retail and then brings about the convergence of these channels for that single customer view.

About Red Ant – Technology for smarter retailers

Red Ant partners with retailers to deliver smarter ways to engage with customers through connected mobile experiences. Our connected experience platform RetailOS joins up all your devices and touch points to deliver a seamless shopping experience. RetailOS fully integrates with your existing technology and data sources for an enhanced customer experience to drive engagement and loyalty.

Connected retail experiences
Delivering a seamless shopping experience across mobile, tablet, kiosk, wearables and in-store displays

Personalised customer loyalty
Engaging and rewarding to make every customer feel like a VIP whilst capturing valuable shopper insight

Smarter customer service
Empowering employees with valuable customer insights and knowledge with our cognitive sales advisor and trainer

Founded in 1999, Red Ant has been part of the evolution of digital and consistently at the forefront of innovation and technology change with our strategic partners including IBM, Samsung, and Hybris. In 2014 Red Ant won the IBM Watson Mobile Developer Challenge, and is currently the only company in Europe using the unique capabilities of IBM Watson to develop next-generation retail apps.

Red Ant – Working. Smarter. Together.
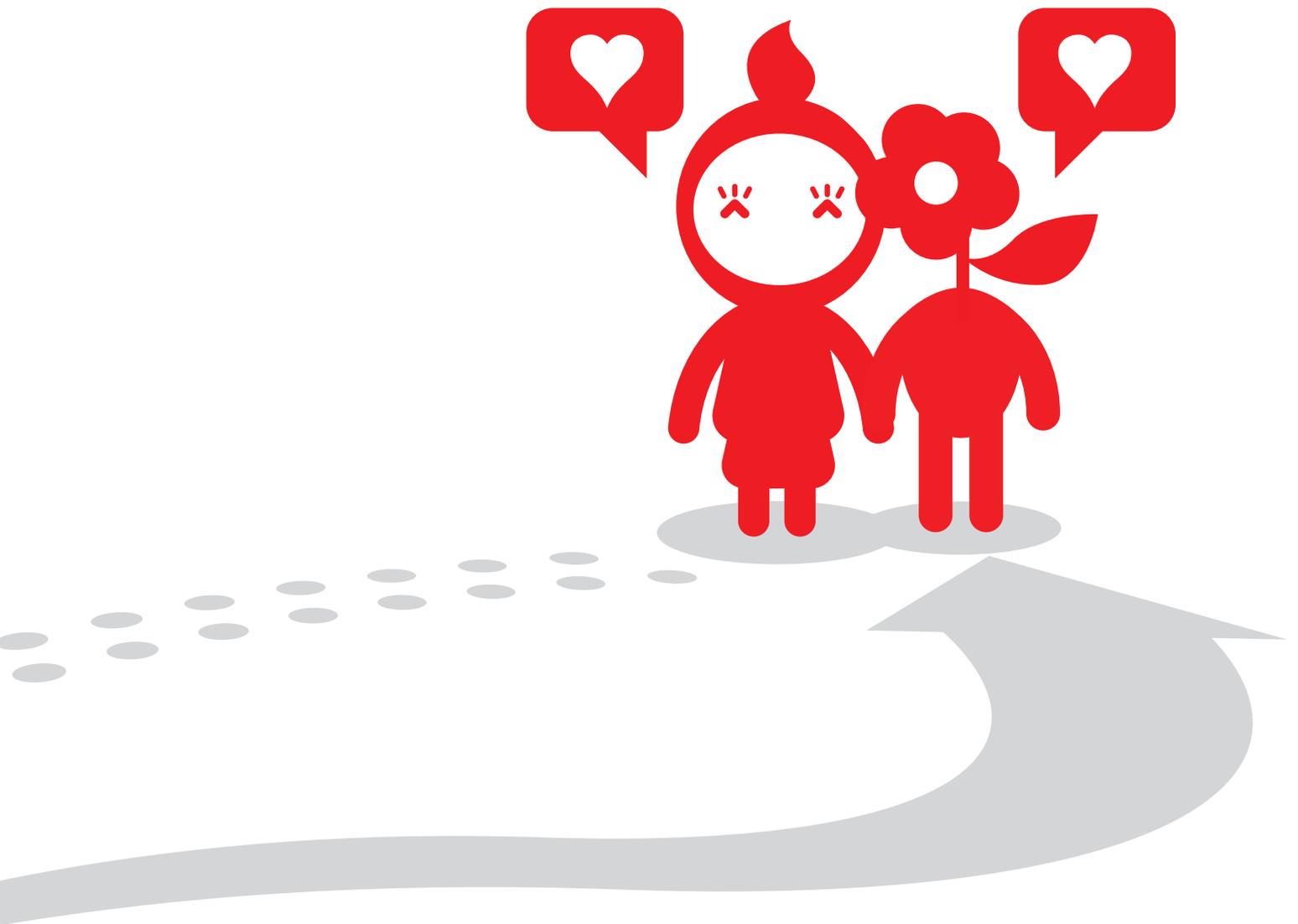
If you would like to talk further about **retail technology**, please give us a call on

0845 459 3333

e: info@redant.com

www.redant.com