

PERSONALISATION

How to stand out

From producing tailored offers to personal advertising billboards, retailers are seeking a personal touch

Personalisation may be a buzzword in retail but it is testament to the level of investment retailers are putting into ensuring their products, offers and content remain relevant to customers.

Personalisation is fuelled by consumer data so it is no surprise the greatest impact is being felt in the digital world.

Amazon blazed a trail in personalisation with its similar product recommendations, which are said to boost sales by anywhere between 10% and 30% at the online giant. Many retailers have emulated its model.

US wine retailer Wine.com has produced its own successful recommendation service by drilling down into the attributes of its products. It has gone beyond obvious wine characteristics such as 'red' or 'French' and identified 30 distinct qualities such as 'smoky' or 'tannic'.

Wine.com's new product recommendation ranks bottles based on the number of attributes they have in common and represents one of its best-performing strategies in terms of revenue per click, according to personalisation partner RichRelevance.

Bespoke offers

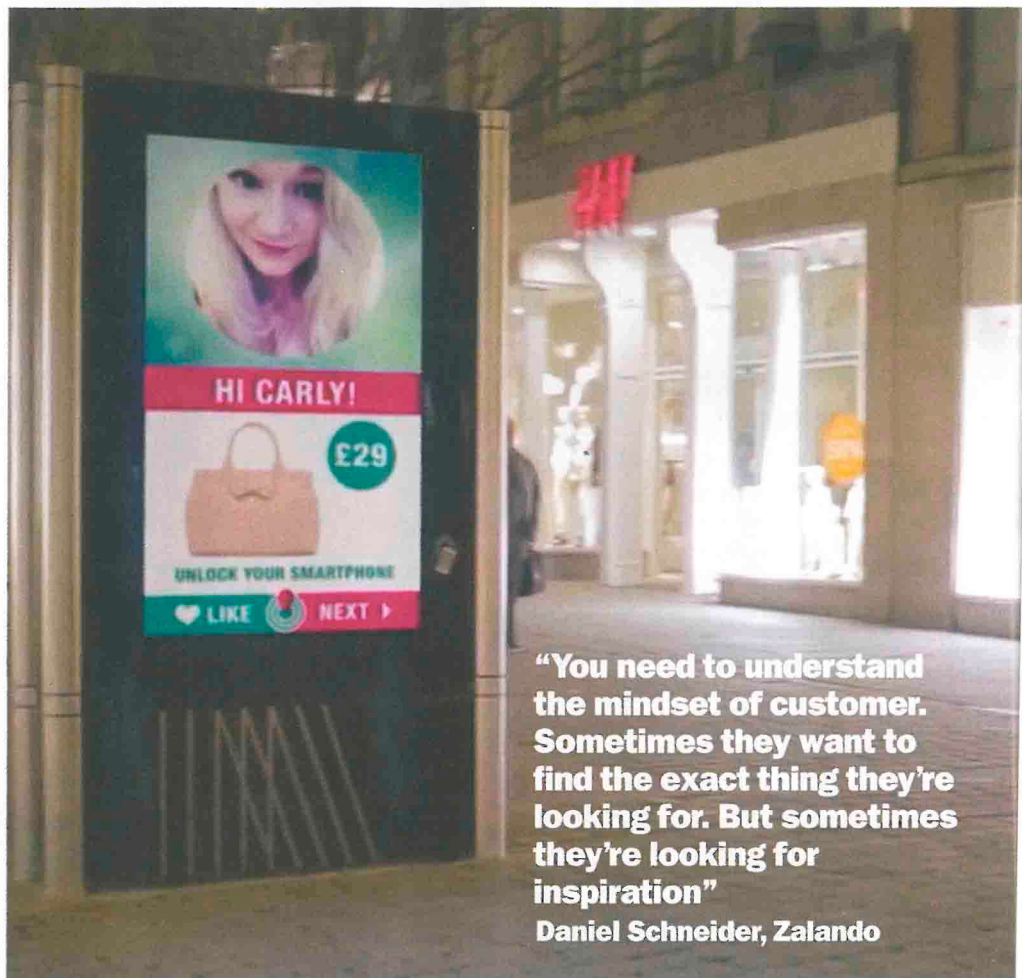
Retailers have begun to focus on individual customers rather than simply serving up similar products. Both Waitrose and Boots have launched customisable promotion schemes that enable loyalty card holders to choose which products they receive discounts on.

Meanwhile, Shop Direct is understood to have been the first retailer to have produced a fully personalised homepage for its flagship brand Very.co.uk.

That means that the 20-something who shops with Very.co.uk for fashion will find her favourite clothing brands 'front of shop' while the thrifty homemaker will see furniture and homeware products.

Shop Direct's data scientists used the retailer's wealth of customer data to develop an in-house algorithm to predict consumer behaviour. It produces 200 million promotion affinity scores, which rank the relevance of offers for each customer.

Very.co.uk can create 1.2 million versions



“You need to understand the mindset of customer. Sometimes they want to find the exact thing they’re looking for. But sometimes they’re looking for inspiration”

Daniel Schneider, Zalando

of its homepage, and flexible elements included the type of promotional messages and their position on the page. The retailer has also begun personalising search results so that shoppers looking for a particular item will see the brands and styles they like listed first.

Zalando, one of Europe's largest fashion retailers, has also launched personalised content on its website that promotes the brands its algorithms predict individual shoppers will like.

Daniel Schneider, head of product management at Zalando, says it has just scratched the surface of what is possible and is exploring personalised sort orders, size recommendations and location-based promotions across the many brands it stocks.

This year Zalando opened two tech hubs in Dublin and Helsinki that will accelerate its personalisation work. At its Dublin fashion

insights centre, Zalando plans to build “the world’s top resource for data and research related to fashion”.

It processes millions of transactions using sophisticated machine learning, data mining and analytics processes.

However, Schneider says fashion players such as Zalando face a conundrum because consumers still want to be surprised by the items they see on site.

“You need to understand the mindset of customers. Sometimes they want to find the exact thing they’re looking for fast. But sometimes they’re looking for inspiration so you’ve got to keep a nugget of surprise,” he explains.

The human touch

And it is not all about data. Zalando's latest personalisation initiative, personal stylist service Zalon, takes advantage of the human

Hear more about personalisation at the
Retail Week Customer Experience conference
Customerexperience.retail-week.com



from the crowd

data they hold to offer cross-channel personalisation.

Retailers are trying various techniques to match the in-store shopper to their digital profile and getting customers to share their data.

In-store options

Monsoon Accessorize has achieved this by arming store staff with iPads to transform them into personal assistants.

The iPads give staff access to live stock information and product pages featuring recommendations so they can promote alternative or complementary items.

Staff ask shoppers to log in to their accounts and the recommendations displayed, served up by RichRelevance's technology, are derived from both product affinities and online behaviour. The initiative has increased average order values by 133%.

Monsoon Accessorize has taken its omnichannel personalisation one step further through its e-receipts, which provide additional targeted product recommendations and offers to the customer post-purchase.

Other retailers believe the smartphones shoppers carry in their pockets are the best way to harness customer data and aid personalisation in-store.

However, Darryl Adie, director of consultancy Ampersand, says customers now need an incentive to identify themselves to retailers. "Customers are more savvy about why and who they give their data

away to. They know it is valuable and need a good reason to share it with you," he says.

Mobile-based loyalty apps have given customers that reason and both Harvey Nichols and Superdrug have recently launched their own versions. These apps provide retailers with real-time data on what, where and how the customer has shopped with them.

Beacon technology could also play a role in personalising the in-store experience.

Retailers including House of Fraser, Asda and Ted Baker have piloted in-store beacons that send push notifications directly to shoppers' smartphones when they walk around their stores.

Pushing the boundaries

Tech firm Offer Moments has used this technology to develop billboards that present personalised offers to individual shoppers. The technology connects with an app on the shopper's smartphone and builds a customer profile based on their social media data and demographic. The billboard then displays the shopper's social media profile picture and name, and lists relevant products and offers.

Shoppers that spend more than 10 seconds next to the display are sent a time-sensitive offer directly to their smartphone. The technology can also scan what the individual is wearing to offer similar brands on subsequent billboards.

Offer Moments co-founder Abdul Alim says he was inspired after watching science fiction film *Minority Report*, which hinges on the idea that people's future actions can be predicted.

The firm's tech has been used by retailers including Debenhams, New Look and Sports Direct and billboards will be introduced in the Arndale centre in Manchester, later this year.

Mobile is not the only way retailers have sought to identify shoppers – some have taken inspiration from another film, *Mission Impossible*, and adopted facial recognition technology in-store.

Tesco uses such technology in its petrol stations to determine shopper demographics in order to market relevant on-screen ads.

And, tech giant NEC has developed a product that identifies VIP shoppers so store assistants can give extra attention to potential big spenders. The business's software monitors real-time surveillance camera footage and matches against a retailer's VIP guest database.

However, sometimes it is the simple things that work. Retail giant Walmart has recently introduced a service to help customers navigate its gigantic stores by text. Customers text the product they want and an automated chat assistant texts to let them know whether the item is in stock and where to find it.

Zalando's Schneider says: "Sometimes it's the small and simple things that really work. We have to distinguish whether we're using tech simply because we're excited about it or whether it's truly adding value."

Whether it is scanning faces or texting customers stock availability details, shopping is getting a lot more personal. Personalisation is now more than a buzzword. It is a great opportunity for retailers to stand out from the crowd. **BY RETAIL WEEK STAFF**

touch. Launched in Germany in April and rolled out to Austria and Switzerland in July, the service

benefits from customer data but also, critically, from information gleaned by one of Zalando's 150 stylists who have a telephone consultation with each shopper.

After the call, the stylist selects an outfit based on the customer profile, built by existing shopping data, an online questionnaire and the consultation. The outfit is sent by free delivery and the customer can return items they do not like.

Information about what products shoppers return helps the stylist drill down further into their personal style of shoppers.

While retailers are trying to bring the personal touch to their services, stores are eager to use the wealth of online customer

