



How to strike the balance between cool and creepy

Offering customers the more personalised, tailored shopping experience they increasingly expect without encroaching on their privacy remains a fine art. **Nicola Smith** reports

Step into Asics' flagship store in Hamburg, Germany and an interactive digital product adviser will invite customers to answer a series of questions about themselves.

Shoppers enter the information on an iPad and recommended products tailored to their needs appear on a large wall-mounted screen.

According to a RichRelevance survey it is the future: 76% of shoppers think it is "cool" to get digital help finding relevant products and information while in-store.

But 73% say it would be "creepy" if a retailer used facial recognition technology to target advertisements on digital screens based on age and gender.

So how can retailers strike the right balance? It is a fine art, as Diane Kegley, chief marketing officer of RichRelevance, explains.

"Even a personal greeting by first name was rejected by 73% of consumers in our survey. Retailers need to understand when and how consumers want to interact with the brand, and respect individual's preferences," she says.

Consumers have grown used to – and come to expect – a personalised experience when shopping online. UK cashback website Quidco recently surveyed more than 3,600 of

its users and found 77% expected a retailer's website to display products and offers that appeal to their tastes.

Personal recommendations

"Shoppers were most keen to receive personalised offers, followed by personalised products and email content," says Quidco managing director Andy Oldham.

One brand reporting success from personalised product recommendations is fashion e-tailer Asos. "We have built our own recommendations capability, combining our in-house fashion knowledge with cutting-edge data science techniques," says its digital experience director David Williams.

"We first trialled this in a dedicated section of our mobile app and are now proceeding to integrate it across key parts of the user journey – for example, powering the 'you might also like' section of product pages."

Williams adds that personalisation enables retailers to promote an extensive product range while still allowing shoppers to quickly find the items they want.

"It works – we've seen significant lift in key KPIs in the areas where we've deployed our recommendations technology," he says.

Mountain and snow sports retailer Ellis Brigham, which has 25 UK stores and an online shop, works with personalisation specialist Persomi to deliver a more tailored customer experience online. "[It] allows us to personalise web pages, create overlay ads and send emails depending on user behaviour," says Zak Hood, Ellis Brigham ecommerce manager.

Tailored discounts

The retailer is also working on offering personalised discounts relating to brands that customers have shown an interest in.

Striking the balance between cool and creepy is all about relevance, says Hood.

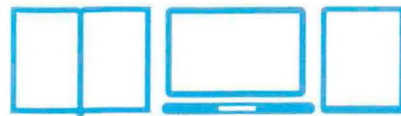
"For example, you might be looking at winter climbing equipment on our product pages, and not realise we've got indoor ice climbing walls in two of our bigger stores where you can practice and try out new kit. It makes sense to let people know about things like this."

Personalising the experience while people are engaged is one thing; actively pursuing them beyond the retailer's site is another.

"Following people around the internet once they've left your site with retargeting campaigns is completely different, and something we steer away from," Hood says. ▶

PERSONALISATION

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Retailers can use tablets and mobile devices to show personalised content in-store

While personalisation continues to advance online, consumers are still adjusting to a tailored shopping experience in-store. But change is under way. “We are starting to see a shift in personalisation moving into physical stores as retailers are rapidly discovering innovative ways to appeal to the younger customers,” says Kegley.

One example is the use of tablets by shop assistants to assist with checking stock levels and cross-selling. Last year, Carphone Warehouse said that Pin Point, its in-store price comparison tool that allows staff to research and present tariffs tailored to consumers’ needs, has helped drive customer satisfaction and conversion.

Kegley cites beacon technology, which triggers location-specific messages on a consumer’s smartphone when they are close to a shop, as another growing trend in-store. To date this technology has been piloted by several retailers including Tesco, Asda, Waitrose and John Lewis.

“Information ranges from interactive maps that help shoppers quickly navigate their way around a shopping mall to relevant promotions and offers that suit their personal preferences,” says Kegley.

Creepy technology

Yet Oldham believes beacon technology strays dangerously close to the mark. “It can become creepy if consumers are targeted with personalised content at places or times they are not expecting it. Retailers will have to be extremely careful that the content they are pushing out is useful to shoppers, otherwise it will be seen as invasive,” he says.

In future, Kegley predicts changing rooms that allow shoppers to interact with the clothing they are trying on, giving them access to ‘complete the look’ recommendations and exposing consumers to more products.

Whether this will take off remains to be

seen. The RichRelevance survey found 55% of respondents would find it “creepy” if screens in dressing rooms start to recommend products based on purchase behaviour.

Inevitably, being able to provide any level of personalised experience, whether online or in-store, relies on consumers sharing data.

For retailers, the message is clear: “Consumers are willing to give away their personal details as long as they feel that they are getting something in return – such as in the form of discounts, time efficiency, relevant content based on recent purchases, and loyalty points,” observes Kegley.

Sharing data

According to Quidco, the personal information that shoppers are most happy to share with retailers is their gender, followed by their name and brand preferences.

Personal income, retail spending habits and address are the details people feel most uncomfortable disclosing.

“In return, they expect meaningful personalisation. By this, we mean content that is genuinely relevant and appealing to them, rather than just a personal greeting on an email or website,” says Oldham.

“The marketing materials they are targeted with need to have substance, be of interest to that individual, improve their experience as a customer and really add value to their relationship with the brand.”

Some retailers use the data they have collected during the online purchase process. Asos is one example.

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Zak Hood, Ellis Brigham

“We don’t ask for, nor require, any more data than the customer already gives us as part of their shopping experience,” says Williams. “If we do ask for more in future, we’ll make it absolutely clear what the customer benefit will be when we do so.”

Others, like Ellis Brigham, give consumers the choice to share greater detail. “When someone signs up for our newsletter they have the choice to give us a lot of information about their interests, or none at all. It really depends on the individual and why they’re signing up. It’s always best to let them decide,” says Hood.

Collecting data in stores is more challenging. Point of sale provides a valuable opportunity for data capture. Men’s streetwear retailer Fat Buddha Store, which has a shop in Glasgow and an online store, adds all of its customers to its EPOS system, storing information about their purchases.

Leslie Docherty, owner of Fat Buddha, says: “If a customer buys a pair of Nike Air Max 1 trainers, for example, they will get a call from us when the next delivery of Air Max 1 trainers land in store, just to make them aware that quantity is limited and as a valued customer they are getting first choice.

“On a number of occasions we’ve sold out of some styles before they made it to the shopfloor simply by calling existing customers.”

However, Docherty also believes that the key to success lies in being explicit about the customer benefits of data sharing. At Fat Buddha, these include being invited to launch events and receiving notification of sale previews.

“Once you tell them these benefits, 99% of people are happy to share their details,” says Docherty.

Gaining customers’ trust

Once retailers have won customers’ trust, they must work hard to retain it by ensuring that any personalisation remains consistently relevant. It is a lesson that Fat Buddha learned quickly when it began using data collected at point of sale to contact customers about new products.

“At first we were a bit too call-happy, and learned that customers only want to be called if the product is really relevant to them,” says Docherty. “You really need to know your customer and their needs.”

There is no right or wrong answer when it comes to the cool or creepy debate, and retailers are still finding their way. But one thing is clear: a wavering focus on customer needs should ensure retailers stay on the right side of the personalisation tracks.