

The following guest article has been written for InternetRetailing by Dan Telling, Managing Partner at Bench, a specialist network of proven experts in data, analytical and marketing technology. Bench offers high value consulting, software acquisition services and talent solutions that empower organisations, helping them to deliver practical application of technology, rapidly drive value and accelerate change at every stage of their digital journey.



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# A new age for retail

*Dan Telling, Managing Partner at Bench looks at key opportunities and challenges with retail technology in the age of the customer.*

**T**HE CURRENT pace of change and innovation within the retail marketplace is verging on a revolution. On the one hand, organisations such as Amazon are challenging existing business models and engaging customers in new ways. While on the other we have increasingly empowered consumers who expect a seamless brand offering across an ever-growing range of channels – and they want it now! According to Forrester, 73% of customers say valuing their time is the most important thing a company can do to provide good service.

Digital transformation is redefining not just how retailers communicate with their customers, but entire business models too. Indeed, digital transformation and data intelligence are central to creating a customer-obsessed model, something which is particularly important as in this ‘age of the customer’, arguably the only competitive battleground left is customer experience.

From mobile applications to ecommerce platforms, the Internet of Things (IoT), and, more recently, AI and VR, ever advancing digital technology has led to a fundamental change in the way retailers interact with consumers – and vice versa. Yet this is only the beginning.

All of this presents a multi-faceted challenge to retailers. Not only are they attempting to embrace new operating models and approaches in order to stay competitive and stave off disruptive forces, they are also faced with a wide array of technology to choose from, as

“Frankenstacks of disconnected technology have developed primarily because organisations have been working in silos for years”

they attempt to both navigate new terrain and implement new systems to take advantage of burgeoning technology such as AI.

For heritage retailers in particular, with large legacy technology systems, this can be particularly challenging.

However, retailers need to ensure they have the basic building blocks in place in order to get real benefit from any technology they purchase – and indeed to get benefit from the technology they already have! What is often overlooked is the hugely important role data plays. Nearly every new trend such as AI, cognitive computing and IoT has data at its core. Sure, data is not as headline grabbing as the above-mentioned technologies, but none of them are possible without access to, and good integration between accurate and relevant data.

## **DON'T START WITH TECHNOLOGY**

Start with the customer experience, not with technology. All too often the tendency is to try and solve a need in the quickest way possible by throwing some technology at it. To really get value, retailers need to step back and start with the customer. Understand how your customers are interacting with your brand, how they are likely to in the future and also ask yourself: what disruptions are there in the market that might change the way they do things?

Map out what the existing customer experience looks like and how you want it to look. Include an examination of the barriers currently in the way of delivering this experience. All this information can then be used to develop a customer-focused strategy that outlines the factors of greatest impact to the customer and the business as a whole.

Build a roadmap and keep it agile. Developing a technology roadmap that encompasses the entire business and is supported by the entire senior management team is hugely important. This can help to avoid questions over which department ‘owns’ a particular technology project, as they all will. Built into this roadmap should be incremental targets, some of which can be delivered quickly in order to demonstrate value up front, as well as clear objectives that the business can work towards.

These ‘quick wins’ are critical for demonstrating the value of a system and getting that all in important buy in. This stage should not be underestimated, particularly as businesses are placing more pressure than ever before on the return on investment.

Once an overarching business roadmap has been established, organisations can then tackle

the issue of whether they have the right people and processes in place to execute it.

Appreciate that practical application of technology takes time. There was a huge amount of noise about real-time decision-making and real-time next best action marketing a few years ago, however we haven't as yet seen significant practical application of this technology.

Many organisations looked into or acquired technology to facilitate real-time when it first emerged as a leading trend, but it is only now that many are actually practically applying it.

The tendency is often to purchase a particular piece of technology, without first stepping back and putting together a clear business case and roadmap for the technology.

In the same way, the concept of cognitive computing and AI has been much discussed recently. While there have been a limited amount of practical applications of this technology to date, there is no doubt that the concept is set to dominate the landscape for some time.

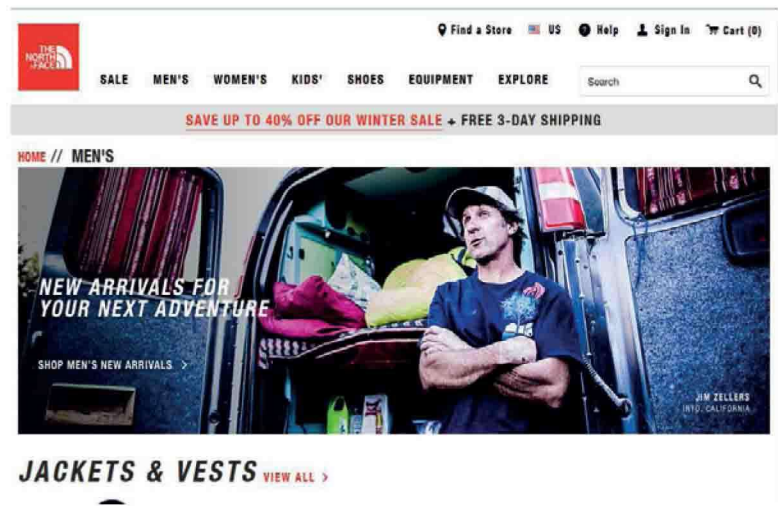
The next few years will see retailers start to get to grips with what cognitive computing can offer. Some are already making headway – The North Face is one example of where cognitive computing is being practically applied to deliver this kind of experience. Users visiting The North Face website can have a similar experience online as in-store, thanks to intelligent technology that helps customers choose a product by asking a series of questions and learning from the answers supplied.

However, retailers need to look beyond a 'gimmick-led' application of these technologies and instead investigate how they can be applied to actively improve the personalised customer experience.

Again, data is the key here. The more relevant data that is gathered, the more personalised the experience for customers. The importance of having excellent processes in place to capture and manage data is perhaps more significant than ever.

There is a growing need for data management and governance. Data management is a huge commodity. Just like any asset retailers should attach cost and value to their data. Yet how many are actually doing any of this? Only a small minority of market leaders.

The majority only consider data in this way when a specific requirement rears its head, such as GDPR. This is understandable as the cost of entry into the data value management club can be high. Yet retailers should instead look at GDPR as an opportunity to get ahead of the data game.



**Users visiting The North Face website can have a similar experience online as in-store**

The temptation to wait until a project demands better data management is commonplace, but project thinking can mean data governance and lifecycle management processes happen in a 'siloed' fashion.

#### GETTING YOUR DIGITAL ESTATE IN ORDER

Retailers are still failing to fully understand their digital estates and the systems they already have. Many are fairly digitally mature, with estates that have grown at a rapid pace and are likely to have multiple systems in place, which are not being utilised or integrated properly.

These 'Frankenstacks' of disconnected technology have developed for a number of reasons, primarily due to the fact that organisations have been working in silos for years. Each area, line of business, division, etc. often acquires technology separately. This creates a monster of parts, all probably very good in their own area but as a combination stitched and patched together and not always serving the common good.

In addition, each silo is in various stages of maturity when it comes to technology. Further compounding issues is the advent of the cloud, which has led to a greater ability to operate outside of an IT function and therefore not have to communicate across business functions and other silos.

Using technology to provide a seamless, engaging, personalised service to customers is within reach for retailers, but the majority still have much work to do to achieve this goal. However, by taking key steps to implement an operating model that puts the customer at the centre, establish an overarching business technology roadmap, tackle silos and use data more effectively, retailers will reap rewards. It is not an easy task, but with the right support and expertise, it is achievable. 