The following guest article has been written for Internet Retailing by Alison Wiltshire, Global Practice Lead, Retail and Consumer Goods, BT. BT is one of the world's leading providers of communications services and solutions, with 6,500 large corporate and public sector customers in 180 countries, including top brands/retailers on every continent. Its Alexander Black demonstration stores in the UK, New York and Milan show retailers how they can transform their physical stores to meet the needs of digital consumers.

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Digital attraction

Alison Wiltshire, **Global Practice Lead, Retail and Consumer Goods, BT examines why data is the key to engaging customers in the bricks and mortar store.**

SHOPPERS ARE more than ready to embrace new retail technologies such as touch screens, smart fitting rooms and augmented reality, but just installing a selection of the hottest digital innovations can't give customers the engaging, personal experience they seek. The cold reality is that successful customer engagement in real life stores is all about hard data and business analytics. How well bricks and mortar retailers use their data will sort the winners from the rest of the pack.

The online experience has dramatically raised the bar for physical stores. Used to the convenience, personalisation and fun (by and large) of buying online, today's digital consumers now want to find those same qualities when they shop in real life. A defining characteristic of online retailing is its capacity to track/monitor/respond to shopper behaviour in real time – offering us product comparisons, personal recommendations and incentives that encourage us to add something to our basket or head for the check out. Bricks and mortar retailers can collect and use data in the same way to deliver similar levels of engagement in store.

However, despite around 90% of us using our smartphones when shopping, only a handful of retailers can identify shoppers when they enter the store. Retailers should leverage this trend (with in store Wi-fi) to identify individual customers and send each customer a personal welcome as soon as he or she approaches the store. Data from smartphones can also reveal dwell time, which departments a shopper visits,

> **Technology must connect devices, collect and transmit data back to the enterprise, and feed insights to customers, associates and store managers in a meaningful way**

what route they take around the shop and other interactions. This can link with data about each shopper's purchase history and interests, enabling the retailer to attract consumers with personalised offers or tailored marketing content.

ENGAGING CUSTOMERS

Data collected via IoT devices and sensors inside the store will help retailers track shopper movement, predict behaviour and develop more interactive experiences that appeal to all the senses. For example, data from cameras can drive dynamic marketing content that reflects customers' age and gender, and contribute to the right vibe for the store brand.

RFID tags on merchandise give every item a voice, from smart labels that provide comprehensive product information and stock levels to intelligent fitting rooms that transform the often frustrating experience of trying on clothes. The intelligent fitting room identifies each item that the customer chooses to try, and then offers more information about the product, such as inventory levels. It can make recommendations about accessories – just like it would online. The intelligent fitting room also lets the customer send an alert to a sales associate who can fetch different sizes or colours to try on.

One of the advantages of shopping online is how easy it is to compare products. RFID allows buyers to digitally compare different products side by side in store.

Using product data to create high quality content also provides a way to connect creatively with customers and build a more appealing overall store experience. Leading Portuguese retailer Sonae is using digital technology to engage with customers in its Worten electronics stores, where giant video walls extend the range of products on offer and let customers 'see and touch' a full size fridge or washing machine.

Retailers must also leverage third party data streams such as weather reports, social media and locality information. Equipped with insight in real time, store managers can rapidly change what's on promotion or introduce special offers, sending updated content directly to digital signage and customer touchpoints.

Interaction with a great sales associate is at the heart of a positive customer experience in store. With the right data, and equipped with mobile devices and sales tools, digitally-enabled associates have everything they need to engage with customers and guide them through their sales journey to its conclusion. Instant access to inventory, detailed product information, plus

Thomas Pink is looking to technology to delight customers and deliver great new digital experiences in New York

the customer's purchase history and contact details, mean associates can give everyone the benefit of a personal shopping, 'clienteling' experience. For example, Dixons Carphone's tablet based-sales tool Pin Point has helped deliver a 30% increase in customer satisfaction and a 40% increase in sales conversions.

Data from customers, inventory and digital touchpoints will generate a whole new level of information about inventory and customer behaviour that can be used dynamically behind the scenes to fine tune operations and drive sales.

Of course, when we say 'data', most of the time we really mean 'insight'. Collecting the data is only the first step. Extracting value is the real goal. Bricks and mortar retailers need sophisticated, specialist business analytical tools that will turn raw data into business insights that can be communicated quickly to the people who can use them – store managers, marketing teams, buyers, HR and finance managers to refine the customer experience, empower associates and optimise every aspect of store operations. It also needs to be connected.

As industry analyst Forrester says: "Technology must connect devices, collect and transmit data back to the enterprise, and feed insights to customers, associates, and store managers in a meaningful way. Without this foundational layer in place, most digital store experiences won't meet the needs of customers or the retailer." Retailers will need a single digital platform that connects all customer touchpoints, collects and aggregates datasets and provides advanced analytical tools. For

example, in Italy, Auchan-owned real estate company Gallerie Commerciali Italia is using a single network to bring together data from digital devices throughout its malls and to provide free Wi-fi for shoppers. Gallerie Commerciali Italia will analyse this data and use it to offer services to its retailers to help further enhance customer experience.

Retailing has always been a bit like the old circus trick of keeping lots of plates spinning at once. Only in the digital age, there will be more plates and they'll spin faster. But real-time data and a continuous thread of insight make it much easier to understand what's going on, what's working well and what needs urgent attention.

In the race to create an engaging in store experience for digital consumers, the winners will be those who understand and prioritise the power of data capture and analytics, and turn it to their advantage.

RIGHT PLACE, RIGHT TIME AT THOMAS PINK

Leading shirt maker Thomas Pink turned to the Internet of Things to digitise its store on New York's Wall Street. The company installed the pilot Acuitas Digital IoT digital store solution to help it track, in real-time, the movement of merchandise and people around the store. Big data analytics predict shopper behaviour and provide a foundation for real-time interactive in-store experiences. This will help it to personalise customer service, optimise store layout, improve employee workflows and thus reduce cost and grow sales.

The technology from the Acuitas Digital Alliance brings together multiple sensors to automatically scan the whole store. The Thomas Pink store combines RFID sensors to provide real-time inventory visibility and video sensors to help it better understand customer behaviour; what they are buying, who goes where in the store, merchandising effectiveness and how the store is performing.