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Customer Journey Led Retailing

As companies make the shift to online commerce, the ones who do it successfully have one thing in common: a technology strategy built around the customer.

VIEWPOINT

Author Snapshot – Marise Kumar

Founder of C2B Strategies, Marise Kumar is a seasoned consumer and retail industry professional with general management, strategy, marketing and innovation experience across companies such as Colgate-Palmolive, Whirlpool, Best Buy and Lowe's. She is known for building business strategies with a strong consumer core. Her approach to delivering profitable results is to start with consumer insights & analytics, build an outline of the consumers' journey and how it maps to an organization's business model, culture and values.

ABOUT I.B.I.S.

I.B.I.S., Inc., a Sonata Software Company, is a member of the elite Microsoft Dynamics® Strategic Development Partner program, an honor reserved for those Partners who have demonstrated deep industry and functional expertise. I.B.I.S. has that expertise in global supply chain management, and they used that knowledge and experience to create one of the most flexible and advanced supply chain applications available today.

ABOUT SONATA SOFTWARE

Sonata Software is a global IT solutions firm focused on catalysing business transformation initiatives of its clients through deep domain knowledge, technology expertise and customer commitment. The company delivers innovative solutions for Travel, Retail & Distribution and Software Product companies through IP based Platforms, Products and Services, that bring together new digital technologies such as Omni-channel commerce, Mobility, Analytics, Cloud and ERP, to drive enhanced customer engagement, operations efficiency and return on IT investments. A trusted long-term service provider to Fortune 500 companies across both the software product development and enterprise business segments, Sonata seeks to add differentiated value to leadership who want to make an impact on their businesses, with IT.

Technology has changed the relationship between businesses and their customers in countless ways, and among the most fundamental is this: if people can walk into your store and buy something, they now expect to be able to buy it from you online, too.

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So, many companies find themselves facing the question: how do we go digital?

Each company has to address important considerations as they research and plan the shift to go digital. That includes exploring the possibilities and limitations of technology and how it intersects with current infrastructure; understanding the business implications of customers being able to shop both online as well as in the store; laying out technology roadmaps; and investment decisions with large price tags, among quite a few others.

But despite the extensive research and planning that go into any digital transformation, they don't always end well. For every success story about a company that gets it right and finds growth beyond expectation, there's a cautionary story about another that sees paltry returns for their trouble.

Planning the shift to go digital

Putting the customer at the center of the digital transformation

So, what makes the difference between profitable growth and sunk costs?

In my experience, it's a customer-driven technology strategy. The companies that best execute a shift to online commerce don't just ask, "How do we move our business online?" Instead, they ask, "How do we create a great customer experience across all selling, media and social media channels?"

Starting with that question leads to developing a digital transformation strategy that's built around the people who, as a business, it should always be the goal to serve: customers. We've fallen into a bad habit of viewing 'technology' as an end in itself, but we must keep in mind that technology's value is always measured by how well it serves the people who use it.

Doing the hard work to truly understand your customer and what they want in an online experience, and then incorporating those insights into your strategy is perhaps the single most important factor in ensuring a shift to digital is a success. If your customers' online experience doesn't meet their needs or expectations, then all the time, work and capital you've put into taking your business online will have been a waste.

Companies have to put the customer at the center of their digital transformation.

Read on for a handful of best practices that could be helpful in achieving this goal.

Map your customers' journey and look for opportunities to improve.

A good place to begin is examining your customers' journey through their online experience with your company. Try to put yourself in their shoes—how do they find you online? What does the online shopping process look like? How do they navigate your site or application to find what they want? What's the checkout and payment process like? Once purchased, how do you deliver the product or service?

While mapping their journey, focus on understanding your customers' pain points and––to use an interesting term—delighters. What about the experience—pleasant, convenient or positive? Is there a way to emphasize that? What might leave customers frustrated, confused or disappointed? How can that be improved?

Though it might seem counterintuitive at first, pain points can sometimes be growth opportunities. When you can change or improve something that customers don't like,

Turning customer pain points into growth opportunities.
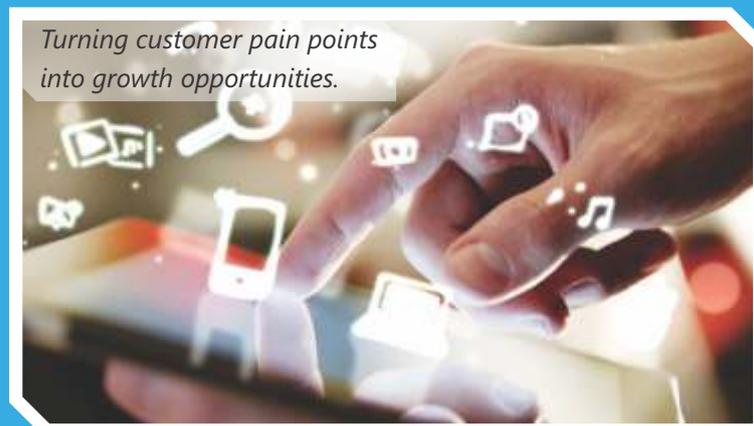
it can show up in your bottom line. For example, having to manually enter credit card and address information may frustrate customers, so incorporating third-party payment platforms like PayPal to make the purchase process easier and quicker could increase sales.

Break down your insights into specific customer requirements and think about how to address them.

To turn customer insights into something actionable, list out your customers' requirements. The term 'requirements' implies specific things customers need, want or expect from their online interaction with your business.

From there, think about potential features that address those wants, needs and expectations. There are obviously multiple ways to execute a strategy, so keep an open mind and test a few.

It's also important to remember that today's customer will not necessarily be tomorrow's. **The customer landscape is always changing, so try to factor in flexibility.** It's also wise to keep a series of improvements in the pipeline to stay ahead of the curve.

Make a business case for each strategy proposal to prioritize growth.

Examining the business case for each proposed feature or change to your customers' online experience is essential, because there will inevitably be a huge number of potential features you might implement —indeed, many more than those that are feasible to accomplish. **Evaluating whether the impact of each proposed feature will both serve customers and help meet business growth goals** will help identify the ones that should be prioritized.

Understand the operational implications for the business.

It bears repeating: successful execution depends on good planning. It's imperative to understand the demands and implications that each aspect of your plan will have on your business operations. If you roll out features that overpromise on what you can actually deliver, service will suffer and you'll end up with unhappy customers.

So, make an honest evaluation of organizational capacity and create a realistic roadmap of what to do when. If part of your strategy will require making changes in the store footprint, consider what kind of modifications to your supply chain or training, retraining, or hiring of new staff that may require.

As an example, let's look at a relatively simple-sounding idea: buy online, pick up in store (Let's call it BOPIS). It seems straightforward, but in the case of a large chain of stores, the investment and change in processes could be significant. BOPIS may require structural changes at the front of the store so consumers can easily park and come in, or even drive through. Store processes may need

to be modified if additional labor is necessary. If you are using existing associates, they need to know how to respond to orders, which may require training. The store may also need additional space to stock products as well as a way to monitor those stocks to ensure they can fulfill online orders. There would likely also need to be modifications to the software systems, so that the online channel could talk to the store channel in real time.

Those are only a few of the considerations, but hopefully they demonstrate the profound operational impact that a seemingly simple business change can have.

Promote customer-centered ways of working.

The better a business understands its customers, the better it can serve them. Do what you can to share meaningful information and insights about your customers with people across the organization, so that everyone understands not just what they're doing, but also why they're doing it and who they're doing it to serve. **Customer insight should not be the exclusive domain of marketing.**

You might also consider how you can shape your organization and its departments around the customer. One option might be breaking the business down into natural groupings based on the customer journey to create small, specialized groups that focus on each of stage of that journey.

Conduct regular reviews to measure progress and make adjustments.

Once a business implements any component of its shift to digital, it's essential to regularly measure and evaluate its impact.

Establish a set of internal and external metrics to measure progress, and when you analyze the results, bring different departments together to foster a deep, three-dimensional understanding of how your customers and your business are responding to the changes you've implemented. New insights spark new ideas and will inevitably lead to yet more possibilities of how you might improve your customers' online experience.

A thorough review process will also help you identify where further adjustments need to be made to optimize the impact of your strategy. The changes you implement likely won't be perfect right out of the gate, so expect to do some finessing before you get things right.

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SONATA IN RETAIL

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