PROXIMITY COMMERCE
IT'S ALL ABOUT THE CONVERSATION

The evolution of multiple channels for traditional retailers has resulted in fragmented operations leading to a poor user experience. Reply has coined a new term "Proximity Commerce" which better describes how retailers should approach Omnichannel. The new term "Proximity Commerce" seeks to encapsulate where retail is heading and fit with how customers and technology are driving the agenda for retailers.

IT'S NOT ABOUT THE CHANNEL, IT'S ABOUT THE CONVERSATION

Over the past few years most retailers have added an ecommerce web site to supplement store and call centre sales. In many instances, new mobile apps or mobile web site have added further channels, and many are looking at how they can exploit new technologies such as wearables. However, the ever increasing ways to shop with a retailer has resulted in an inconsistent user experience where the quality of service can differ depending on what channel is used.

Our view is it's no longer about the channel, it's about the 'conversation' and the dialogue that a customer has their personal network and the retailer in the run up to a purchase and beyond.

Conversations are how we first build trust and then relationships. Relationships built on trust can stand the test of time and it is this type of loyalty that Retailers strive for. Understanding the conversation can span many interactions is a must; if you don't remember my name we're not off to a good start. Using technology to help enable the conversation is Proximity Commerce. Proximity Commerce allows us to build a close relationship with our customers, to interact with them wherever they are, to remember their name, their preferences and to bring the shopping experience to life.

BEING SOCIAL

Customers are increasingly living their lives online and this includes their shopping. Every stage of the journey from desire to delight may be shared with countless online friends. When shopping for electronics the opinion of other purchasers is key through the many reviews now available, whilst the trend in fashion retail is to share the look and show off the latest acquisitions. Proximity Commerce is about using technology to remain close and relevant to the customer whilst enabling the use of social media to simplify and enhance the customer's experience.

As social media starts to become ubiquitous in retail, retailers must be mindful that the IQ of the crowd can in fact be greater than the most intelligent individual. The sales cycle has extended as customers start to get help from all sorts of third parties; friends via Social Media, parents via face time, reviews at our finger tips, possibly 'mobile assistants', and so on.

BEING MOBILE

The Mobile device is driving consumerisation and fuelling the conversation. There are expected to be over 10 billion mobile devices worldwide by 2018, the UK mobile marketing spend is already doubling year-on-year, a 1/4 of internet traffic is related to Facebook, 5G coming and these numbers are already out of date.

Customers don't want to work hard to find product information, they want the interface to be both engaging and interactive. They also want the information to be relevant, to be personalised to them and Proximity Commerce can make this happen; *It's often the "silent conversation" that makes our lives easier!*

The Customer will use this information on the move and in stores, but who is more informed; your staff or your customers? Every customer has the "crowd" at their fingertips at anytime and anywhere, so why not provide the same accessibility to your customer-facing staff… *Avoid having a "Awkward conversation"!*

The combination of social media, touch screen and mobile technologies has enabled this conversation, but this conversation must be relevant and retailers need to work hard to ensure it is.

EXPECTATIONS

Customer expectations have shifted and they now expect the same quality service wherever they choose to engage with the retailer; regardless of channel and supported by technology:

A SIMPLE PROPOSITION. Retailers have inadvertently created complex and artificial boundaries through the nature of their internal operations, but this can often translate to the customer as nonsensical:

"We don't do deliveries to home from this store"
"You can't return that product here, we don't run that line"
"I'm not sure why the price is cheaper online"
"Sorry but we don't have that in stock in this store, I wouldn't trust the stock on the website".

Customers are not interested in the concept of "channel", they simply want to shop at their convenience, possible even using their mobile device in your store.

PERSONAL SERVICE. Proximity Commerce supports the new world of retail by enabling retailers to utilise the best of technology to recreate the level of personal customer interaction commonplace in the 1950s. Back then, customers' personal tastes and sizing were known by their tailor and they received genuine personal service.

Proximity Commerce can bring personalisation to today's masses. Retailers can gather details on personal preferences, size, offers and recommendations to shorten yet enhance the purchasing experience. Retailers can now reach out to customers depending on location, offer services depending on the context and trigger the Zero Moment of Truth.

ADDED BENEFITS OF BELONGING WITHOUT INTRUSION. People like to be a member of something if it has a heightened status with their peers and offers extra benefits. Customers who become a member are more loyal and will have more meaningful conversations.

Proximity Commerce helps retailers from overstepping the mark with the level of communication with the customer by providing ways and methods of reaching out to the customer at the right time. It's not just about pushing promotions, why not let the store manager know that one of his loyal customers with a consistent high spend as just walked in the store. Greet that customer with a handshake.

SERVICE ON THE CUSTOMERS' TERMS. Customers are beginning to drive the service they want, the provenance they expect, the products they like and how they want to engage. Customers don't want a card on the mat saying 'You were out', they want same day delivery or a convenient collection point. Many customers don't want the product air-miles, whilst others are more concerned about the conditions of those who make the products we buy. Next year / season / month things will be different, so we must build a relationship with our customers so we better understand what they do want.

UNIQUELY REPLY

So how do you convert Proximity Commerce into a closer relationship with your customers and increase sales? First we must recognise that the conversation we have with our customers will impact the entire supply chain: sourcing of products, how much stock is held, how stock is delivered, how we engage…!

Reply believes that, to create a really compelling Proximity Commerce solution, retailers must lay the foundations of Proximity Commerce within their IT infrastructure, taking an end-to-end approach.

Having an architecture that understands data, enables integration and embraces change is the route to engaging the customer; to have a meaningful and lasting conversation.

We should first focus on the need to ensure that data flows consistently across the enterprise:

– Customer data - so we can build a trusted and long term relationships, we can provide the service the customers expect regardless of which channel they use and to know what the customer likes now and what they will want tomorrow.
– Product data - so we can provide a consist message about the products and service we provide, to the customer and to our colleagues in our stores and call centres.
– Stock data - so we understand how to best meet the promises we have made, ensure we can always meet our customers' demands and plan ahead to maximise efficiency.

To ensure that this data is always presented consistently, be it on a customer's mobile, a customer advisors terminal, a buyer about to select a supplier or a warehouse operator about to pick some stock, the different technologies and applications we use to deliver these services must communicate with one another. Integration Excellence is an absolute necessity if retailers are to make the conversation engaging and lasting. Integration is not just the passing of information from one application to another, it is ensuring the end to end service is operational and will meet the customer demand.

And finally, for Proximity Commerce solutions to remain engaging, we must innovate. Our design of mobile user interfaces, our solutions for Proximity Marketing and our live Mobile payment solutions might be innovative today, but it won't be long until they are commonplace. Innovation is at the core of Reply, and we bring that innovation to Proximity Commerce.

To lay the foundations of Proximity Commerce and add the latest innovation to engage our customers, to have a meaningful and lasting conversation, we create an architecture that understands data, enables integration, and embraces change.