



Industry Insights introduction: Channie Mize

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After a busy three days in New York at NRF2018, speaking with a range of retailers and attending sessions, it's clear that some exciting things will emerge from retail in 2018.

Retailers have put off capital investment over the last year, instead focusing on reducing costs and consolidating operations, but 2018 is shaping up to be a year when they will concentrate on longer term plans, investing back into their company's technical and analytical capabilities. The biggest investment is likely to be cross-channel pricing capabilities that help retailers understand and manage customer demand across the wide range of channels they use. Achieving any kind of cross- or omni-channel implementation requires substantial infrastructure changes, that enable real-time transactions, analytics, and removing silos of data that together ensure the IT infrastructure delivers a single version of the truth and can function at speed of the business. Many organisations have been steadily making changes to achieve those goals. The trends for 2018 at NRF underline that.

The design, cost and viability

of electronic store labelling (ESL) can remove the greatest headaches of running a retail store, and cut costs, and it won't be long before retailers use these signs to actively market to consumers, changing pricing and promotions to reflect a competitor offer, locality of a user, or other insights gained.

Personalisation will move from simplistic (often endless) email promotions or product recommendation based on buying habits, to a less cluttered, more refined approach. It will span channels, and make use of new data sources such as geo-location.

Retailers have spent so much time on online user experience, that wider customer experience has fallen by the side. Customers want to be loyal to brands they love, but poke them in the ribs with poor customer service and they'll get frustrated and move on, as seen in the retail banking and utility sectors. Retailers that make customer experience special, instead of just another commodity, will win. Price is fast losing its attraction as a differentiator.

Gaining insights from data has always been key to learning about customers and improving service and product offering, as

well as overall customer experience. The amount of data we have is becoming immense, and almost impossible for a team of humans to manage in a meaningful way. This is where artificial intelligence and machine learning come in. They can find patterns in data faster than any human, and in 2018 we will see more retailers use them to free up category managers and marketers to focus on making decisions from patterns presented, rather than spending weeks haphazardly hunting for them.

Many vendors at NRF were talking about using location services to understand where a customer is in a shopping centre or within a store, so that push notifications can be sent to mobile devices. The personalisation potential is huge: Imagine being able to tell a customer they are 20 feet from the dress they browsed online last week, and offering them a 10% discount in store today.

But retailers must not get so immersed in technology projects that they take their eyes off the ball. Ultimately the big winners in retail are those that are focused on doing the basics better, faster, smarter and cheaper.