

# CUSTOMER EXPERIENCE & LOYALTY

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# Customer experience is key to lasting success

*Companies with high customer experience ratings – now the main commercial battleground – are more profitable and retain the loyalty of customers and staff*

◆ OVERVIEW

● CATHERINE CHETWYND

Where once companies could differentiate themselves by price, efficient supply chain or product, now their competitors are doing the same. Today the commercial battleground is customer experience. Not only is a good experience hard to achieve, but according to the *Forrester Predictions 2015* report, the gap between the best and worst companies is closing, making differentiation harder still.

A survey undertaken by Gartner showed half of those tasked with improving customer experience report to the chief executive and operating committee, and half do not, suggesting at least some organisations are taking it seriously. But analyst for Gartner Ed Thompson is not convinced that many companies have seen the light.

“In some cases, such as the UK water industry, it is regulatory – if the customer satisfaction rating drops, the sector is fined by the government,” he says. “Overnight, the industry went from not giving much thought to cus-

tomers, to appointing someone who focused on answering phone calls, fixing pipes and making sure they did not run out of water during droughts.”

Ask consumers without prompting them, “Which companies in any industry do you rate highest?” and Amazon and Apple come out top in 30 countries, according to Mr Thompson, who says Amazon has nailed the core elements of retail. These comprise of three thorny areas: checkout and paying without queueing; finding a product and searching online; and getting help.

Not only are customers centre stage, they seem to be running the show. “It is interesting to see how organisations create the illusion the consumer has control,” says Gagandeep Gadri, vice president, customer experience and analytics, at Cap Gemini. “MyWaitrose now offers a 20 per cent discount on ten items shoppers can choose from those they purchase most often, rather than having promotions thrown at them.”

Also key to the endeavour are employees. “They touch and connect with the customer, so getting them on board with the experience is key,” he says. An example of where this might

work, but often doesn’t, is where a customer can buy a mobile phone from a supermarket and pick it up in store. It is serviced by, say, O2 and he buys insurance on it under the supermarket brand, but sold by a finance company, all of which seems seamless until it becomes apparent that none of the suppliers knows the customer’s loyalty

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The two big initiatives for 2015 are customer journey mapping and personalisation, putting technology in the driving seat

card number. It is downhill from there.

This kind of experience stays with people and even if the errant supermarket gets its act together to provide a first-class service across all channels by 2020, when polled in the street, the offended customer and others will still have a bitter memory from five years before and vote against the brand. This

is one reason it is so hard for companies to shift their customer service rating.

The two big initiatives for 2015 are customer journey mapping and personalisation, putting technology in the driving seat. “People are starting to map and track every consumer across every channel so they can do the right thing at the right time to keep customers or make them happy,” says Mr Thompson.

This will relegate to history disjointed service, but will also bring customisation to services in areas such as business travel to an unprecedented degree. “Airlines are moving their model towards traveller preferences or what they are likely to buy,” says Amadeus Arlene Coyle, director of managed travel for global distribution system and technology company.

Lufthansa has signed up to Amadeus’s Altéa Corporate Recognition technology, which will allow it to tailor service to business customers from the moment the flight is booked, offering preferred baggage and seat options, preferential treatment at the airport with fast tracking through security, plus lounge access.

Customisation has become possible thanks to the amount of data organisa-

tions collect about customers, who are prepared to sacrifice some privacy for a more personal experience. A better or more enjoyable journey may also mitigate the universally grim ratings carriers get in the American Customer Satisfaction Index (ACSI).

However, standing out from the crowd is KLM, which Mr Thompson describes as a “world leader in customer experience: they experiment and do things differently”, he says. Latest ruse is sniffer dog Sherlock, a beagle who accompanies cabin crew when they are tidying aircraft after passengers have disembarked. Sherlock sniffs any item – phone, teddy bear, baseball cap – left on board, which is then attached to his harness. He follows the scent of the owner through immigration to locate them and return the item.

But good customer experience is not just about a feel-good factor. Claes Fornell, who set up ACSI, makes the point that companies with higher customer satisfaction scores grow faster, are more profitable and have a higher stock price. “On that basis, you could set up a ‘CSat’ fund, invest in it and it would outperform the Dow Jones. He did and it has,” says Mr Thompson.

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# Putting customers at the centre of business

*In a computer age driven by process and protocols, emotionally intelligent human interaction is paramount in achieving good customer service*

## ◆ COMPANY CULTURE

● CARLY CHYNOWETH

Plenty of companies like to boast that they put the customer first, but creating a truly customer-centric culture takes more than a statement on a website or in a glossy brochure; it requires strategy, leadership and real commitment from employees and managers at every level

and in every part of an organisation. It is not easy, but companies that get it right benefit, according to the Institute of Customer Service.

“Consumers and customers are far savvier than they were a decade ago, and they have higher expectations of good service,” says Jo Causon, the institute’s chief executive. “So organisations that can do this, that can deliver a customer-focused culture over a sustained

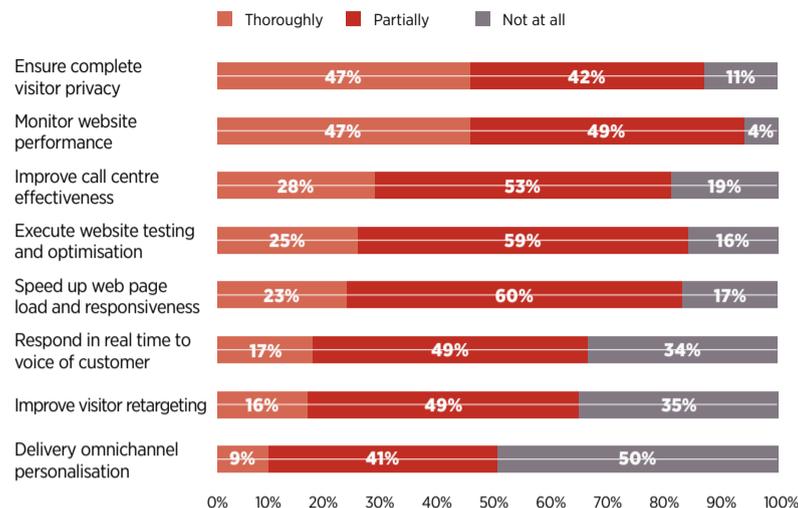
period, are more likely to outperform their competitors over the longer term.”

Building that culture needs to start from the top. “Chief executives and boards need to lead by example, and demonstrate genuine commitment to customer service,” she says. “This means including a report in the accounts, talking to their investor community about it and treating it as a strategic business driver.” This will in turn mean the company works in a more collaborative way; if customer service is part of the company’s core strategy it has to be part of all departments and all individuals’ performance measures.

This is the case at First Direct, where every person in every department is measured against how effectively they deliver against the company’s customer relationship goals, according to Tracy Garrad, the bank’s chief executive. It is also a core part of her own role. From her open-plan office, she can monitor the displays that show how many callers are waiting for help from the contact centre. If things are not progressing as smoothly as she would like, she will walk down the hall and pick up the phone herself.

“I spend time in the call centre at least once a month,” she says. “And if I have a complaint directed to me, I’ll ring the customer about it. There’s often a bit of a shock when I ring them and tell them

## HOW COMPANIES OPTIMISE THE CUSTOMER EXPERIENCE FOR EACH OF THE FOLLOWING TACTICS



Source: Econsultancy 2015

who I am... but I think it is important for business leaders to be close to what’s going on.”

Alongside this, customer satisfaction is on Ms Garrad’s leadership team meeting agenda every week. “We also have a voice of the customer forum every month, looking at every piece of insight we have from customers and with front-line staff telling us how we are doing,” she says.

Customer insight comes from a variety of sources. Some of it is fairly conventional, such as “point-of-contact surveys” – short questionnaires sent to customers after they have interacted with the bank by phone, web or e-mail – and support from specialist providers, but Ms Garrad also keeps a close eye on less traditional measures. “We track sentiment, especially changing sentiment, on social media,” she says. “I have live feeds next to my desk and I review them personally.”

Keeping an eye on Twitter, Facebook and their like gives the bank a way of monitoring unexpected customer feedback, and creates the opportunity to respond fast to criticism. This allows it to resolve the customer’s problem and, hopefully, change the message being conveyed by his or her posts. “We don’t always get things right the first time, so if a customer contacts us with negative feedback on social media, we track that feedback, respond and see how fast we can turn it around,” says Ms Garrad.



**There is no room for ‘computer says no’ – the world is more and more driven by process and systems, but there is a major requirement for human interaction**

Nick Wheeler, the founder of Charles Tyrwhitt, is another business leader who puts customer service at the centre of his thinking. For instance, he invites customers to e-mail him directly if they want to raise a concern or, more often, praise someone for great service, says Mathis Wagner, the shirt company’s head of customer services. “Service is one of the three pillars of the company,” he says. “We try to make it as easy as possible to do business with us, so we are open 24/7, you can call, e-mail, web

chat with us in a number of languages.”

All staff, not just those who interact directly with companies, are expected to put the customer first – something that is made clear from the moment new recruits join the company. “Whether you start in the buying department or IT or whatever, and regardless of the level at which you join, you will spend time in customer services,” says Mr Wagner. “They listen in to calls in the contact centre and get a feel for how it is to interact with our customers on a daily basis.”

This helps cement the customer at the centre of their thinking and helps them to understand how their own department relates to that. For instance, an IT professional will better grasp the importance of prioritising technical requests raised on behalf of customers or developing websites that better meet their needs.

The qualities companies look for in their new recruits is just as important as how they are inducted. The best look for people who have high levels of emotional intelligence, a good grasp of commercial reality and the ability to use technology to solve customers’ problems rather than being a slave to it.

There is no room for “computer says no”, says Ms Causon. “The world is more and more driven by process and systems, but there is a major requirement for human interaction. Good customer service requires people who can read the situation and react appropriately – they know when to approach a customer and when to leave them alone, whether they are interacting in person or through a web chat window, for instance.”

They will also be able to think innovatively about what customers really want and how their organisation can deliver it, in collaboration with another company, if necessary, she says. “For example, if I am going to fly short haul, I don’t choose who I fly with by the airline, but by the airport. I often go from City because it’s close, the security is quick, they have decent coffee and there are plenty of charging points so I can get work done while I wait.

“Customers aren’t interested in just one part of the picture... so what is going on now is about the ability to collaborate across many industries to create an end-to-end customer experience.”

## KEY ELEMENTS OF CUSTOMER CENTRICITY

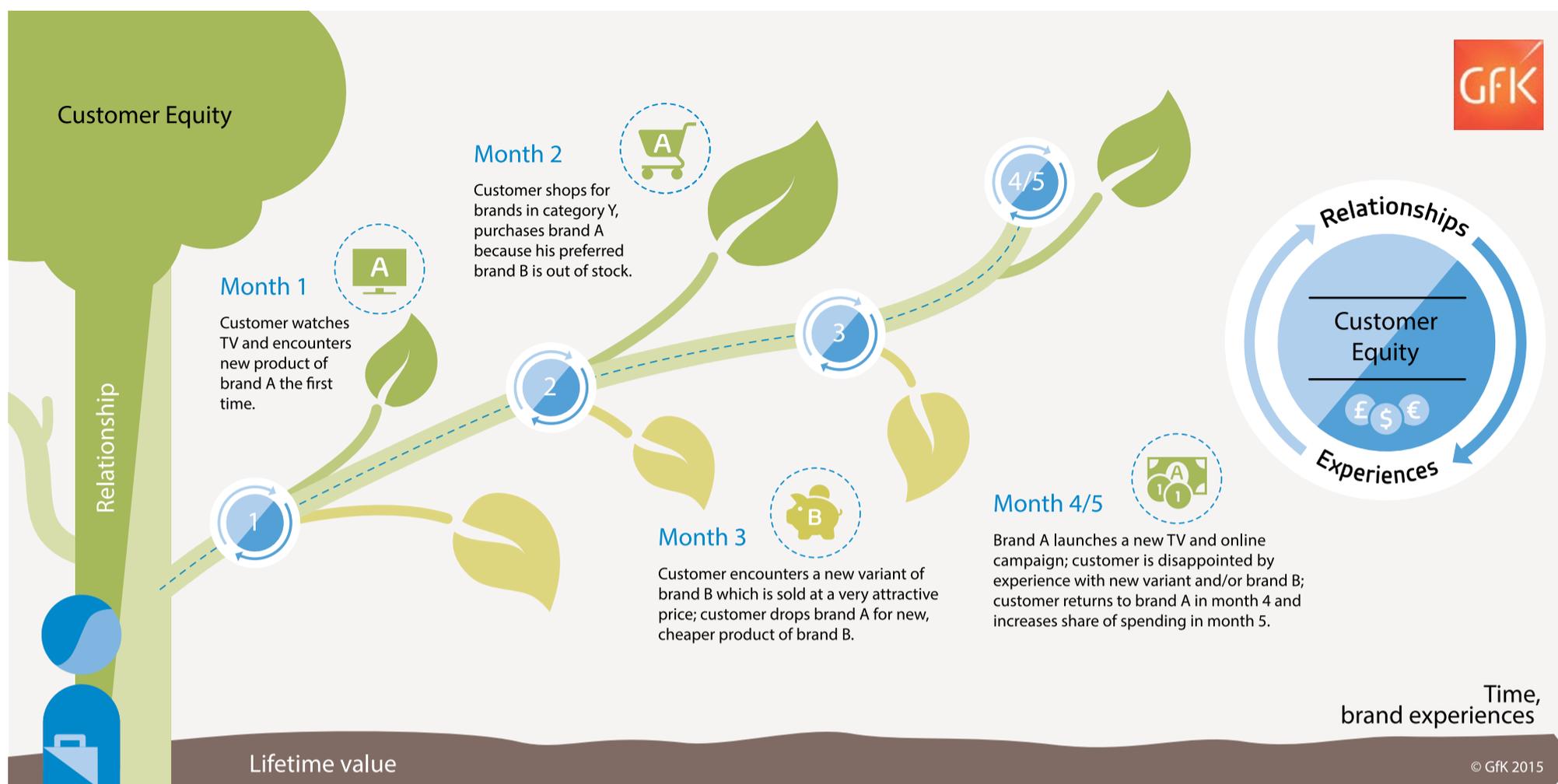


Source: Loyalty360



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COMMERCIAL FEATURE



# CUSTOMER EQUITY: BRANDS ARE STILL GETTING IT WRONG

*Customer equity is no longer about products or services, but experiences and relationships. So why do some companies still fail to connect this with bottom-line performance?*



Customer equity, or the profit-based lifetime value of your customer base, is where your firm derives its value. But today's marketing departments are not always well organised enough to manage this critical metric.

All too often, customer and brand experience are managed by separate teams in organisations. We think this has to change, given that a customer is a recipient of both the customer experience and the brand strategy.

The person who sees your ads is the same person who visits your store, interacts with you virtually and experiences your offerings. Therefore, it is crucial that businesses better integrate brand and customer experience management to build more sustainable customer equity.

## NEW CHALLENGES, OLD THINKING

Most companies manage their brands and customer loyalty programmes in a linear fashion, in part due to the structure of their organisations, which tend to silo management teams looking after separate parts of the brand and customer experience.

So they talk confidently about experience management, yet still employ "satisfaction" tools and traditional thinking – namely that delivering a higher-quality product or service makes customers happier, more satisfied and loyal. This classical understanding of customer satisfaction and loyalty grew out of the quality-management revolution of 1980s and still persists within many companies.

Similarly, the brand funnel, so often viewed as a silver bullet, really is now an out-of-date view of how consumers progress through different states from awareness, to interest, to desire, to myriad actions. This thinking follows the same recognisable linear error and paints a fundamentally misleading picture of the customer journey.

The discourse in both brand and customer experience circles, both academic and in practice, has largely accepted that today's customer journey is not linear.

## SUCCESS IN THE NEW REALITY

Speed and transparency of the data revolution has revealed the linear path or funnel

doesn't capture the real forces that drive consumer behaviour. Loyalty has changed and so has our relationship with customers.

The consumer economy has evolved well beyond the realm of products, services and brands into the age of experiences and the relationships built over the consumer journey with a brand. Technology has transformed, and continues to transform at an accelerated pace, not just consumers' lives, but also the business realities of the companies vying for our attention.

We understand our customers' behaviour and performance better than ever and we know much more about them, thanks to our ability to transform big data into smart data. This greater connection enables us to take a longer view and has altered the dialogue between consumers, the product and the brand from a uni-directional dialogue to a bi-directional one.

To be clear, we need a fundamentally new approach to understanding and managing

loyalty to be successful in the new reality.

It's no easy task. According to the *CMO Survey 2015*, almost 70 per cent of all companies continue to organise by product or service groups rather than customer groups. This makes it difficult to deliver on critical customer equity-focused objectives, such as increasing customer purchase frequency, cross-selling opportunities and new markets across existing silos of products, services and often brands within the same company.

Leading companies are starting to leverage marketing and customer management technology, such as customer relationship management, predictive analytics and micro-targeting, to engage customers at each stage of the relationship or journey.

So where to begin if evolution is a more realistic, albeit less lofty, goal than revolution? For starters, we strongly encourage companies to consider more integrated approaches for understanding and monitoring their brand management and customer management strategies and initiatives.

At the centre of this rapid shift is the focus on building customer equity of which products, services, brands, experiences and customer relationships are all an instrumental components.

Brand management and customer management silos must be taken down. Awareness, image, quality, satisfaction, loyalty and

**“ Awareness, image, quality, satisfaction, loyalty and other singular functions must be combined into a more integrated and dynamic organisation, putting the customer at the centre**

other singular functions must be combined into a more integrated and dynamic organisation, putting the customer at the centre.

The focus needs to shift to creating brand, product and customer experiences that leave a positive, memorable emotional imprint. Companies need to orchestrate these experiences dynamically across the

customer journey to build relationships and stimulate them to grow. Finally, they should use data integration to increase the speed and effectiveness of actions in the marketplace.

In following this shift, successful brands will manage new mobile, social and customer experiences in a more integrated and customer-centric way, moving beyond products and services to experiences and durable, long-term relationships. In our experience, this ultimately drives companies' bottom line and sustainable growth.

**For more information contact Andrew Warden, global director, Product Marketing at [andrew.warden@gfk.com](mailto:andrew.warden@gfk.com) or visit [www.gfk.com/bace/](http://www.gfk.com/bace/) for more information**

# Shopping was never like this

Combining a consistent high street and online presence is enabling retailers to improve customer experience and develop new ways

◆ RETAIL  
● HUGH WILSON



Returned goods can be the bane of a retailer's day, a processing cost with no sale to balance the outlay. And thanks to the anonymity of online shopping, goods often come back scuffed, marked or obviously used. Research by retail analyst Conlumino found that returns cost retailers £95.8 million in 2013, a figure that will only rise.

But on another level returns are an untapped opportunity. A recent YouGov report revealed that 63 per cent of customers say the ease of the returns process influences where they shop.

"In today's omnichannel environment, customers are making more demands on how they return products," says Niklas Hedin, chief executive of delivery management software company Centiro. "This means returning a wider variety of goods from any number of locations."

Canny retailers are going further. Online fashion retailer ASOS positively embraces returns, partly out of necessity as returns make up 37 per cent of total orders, but also in the belief that being able to easily return items is an integral part of a positive customer experience. An easy return helps ensure a sale next time round.

But experts say returns can work even harder for retailers, further enshrining customer loyalty. "For example, a retailer could provide regular high-net-worth customers with different returns options," says Mr Hedin.

"This could take the form of a certain number of free home pick-ups throughout the year or the ability to select more precise collection windows. Ultimately, in an increasingly competitive market, a more personalised approach to returns could help retailers differentiate their service."

Returns is a small but increasingly vital part of the customer journey and exemplifies the new retail reality that no part of the customer experience can be left to chance. In a world of infinite choice, a disappointed customer is one who may be lost forever.

"A retailer which delivers a bad experience is instantly replaceable with one that

provides something incrementally better. Retailers must constantly strive to deliver a better experience than the next available listing on Google," says James Gambrell, chief executive of apparel customer engagement company Fits.me.

A new generation of customers, expect flawless back-end operations, such as returns and stock control, alongside a seamless digital experience, including a responsive, user-friendly website that works as well on a smartphone as it does on a laptop. In 2015, these factors qualify as absolute basics.

But savvy customers, aware of a glut of options, increasingly look for points of difference beyond this base level. The past year has finally laid to rest the once widespread belief that online shopping meant the inevitable demise of the high street. Instead, forward-thinking retailers have differentiated themselves by combining

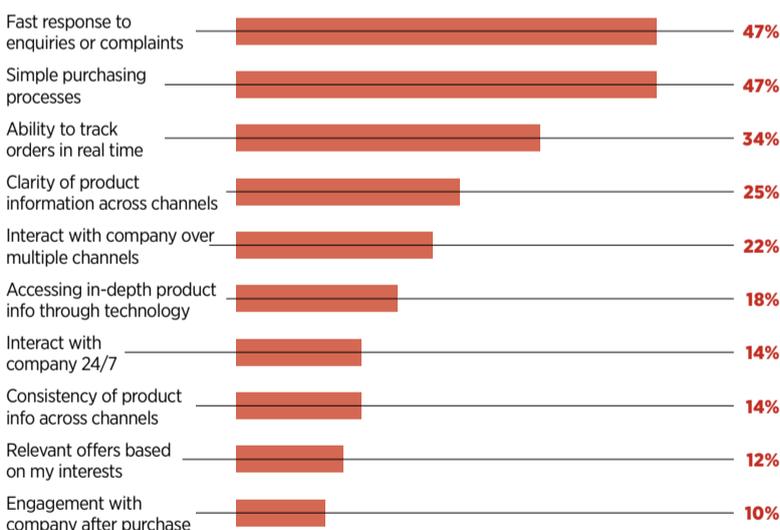
the two in surprising ways, making for a consistent and consistently compelling customer experience.

"Customers expect to experience elements of a brand's online presence within its physical stores, and vice versa, with the physical store experience influencing the online experience," says Adam Goran, divisional director of customer engagement at Grass Roots Group. Burberry is a prime example, bringing elements of its online Burberry World into the exciting, digital-physical space of its flagship London store.

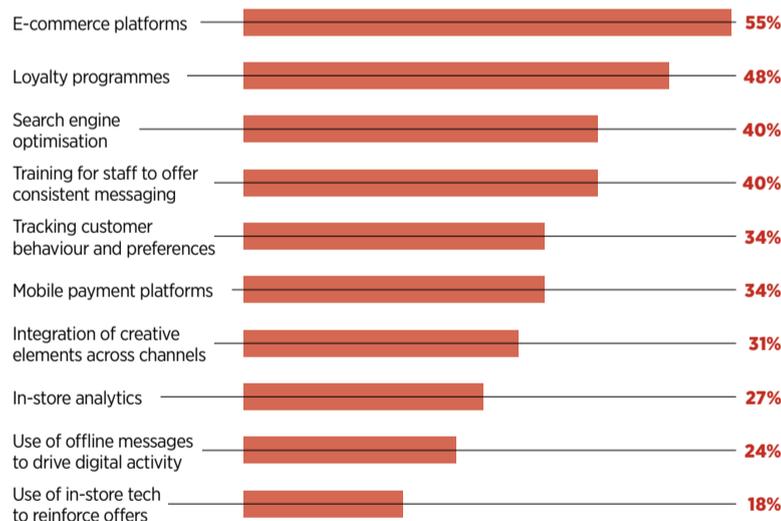
The imaginative combination of digital and physical retail has transformed the fortunes of catalogue retailer Argos, which not long ago was considered dead in the water. This summer it became the first British retailer to notch up £1 billion in mobile sales, thanks to its enthusiastic adoption of click and collect.

“Retailers must constantly strive to deliver a better experience than the next available listing on Google”

## IMPORTANT ELEMENTS OF AN IDEAL CUSTOMER EXPERIENCE



## METHODS RETAILERS USE TO SUPPORT A CONSISTENT OMNICHANNEL CUSTOMER EXPERIENCE



Source: Economist Intelligence Unit 2015

## TOP TIPS TO ENGAGE CUSTOMER LOYALTY



### EMPOWER EMPLOYEES

In a digital world staff are the essential human face of your company, in-store, in customer services or delivering goods. "There's a direct correlation between employee engagement and customer satisfaction," says Adam Goran of Grass Roots Group. "In order to maximise their potential it's essential the workforce is completely aligned with the organisation's brand values."



### CREATE CONSISTENCY

Customers expect a consistently good experience, however they shop. "If a retailer's digital business process fails, whether that's a back-end application or a customer-facing mobile app, it costs them dearly," says Michael Allen, solutions vice president at performance management software company Dynatrace. Poor stock control can mean lost customers, however whizzy your new website.



### MAKE IT EASY TO PAY

Ease of payment is especially important online. "If online stores don't provide a nearly-invisible payments experience, consumers are likely to go elsewhere," says Dan Salmons, managing director of payment service provider PayPal. That can mean ensuring payment screens resize on different devices or allowing customers to store card details securely on-site.



### MAKE IT PERSONAL

Collect customer data and use it to offer a more personalised experience, starting with loyalty schemes. "Sending generic offers for products that customers have never bought can have a damaging effect upon the output of a loyalty programme and the customers' perception of the brand," says Mr Goran. Make offers personal and relevant.



### BE SOCIAL MEDIA SAVVY

"Customers want to be excited and enticed by offers and promotions, and frequently turn to social media to see what's new or happening in-store at any given time," says Sarah Hooper, a director at digital marketers Amaze One. Make social media fun and lively, and stay up to date. Are younger customers forsaking Facebook for Snapchat?

# before

of ensuring consumer loyalty

## CASE STUDY: BURBERRY CUTS A DIGITAL DASH



Burberry's decade-long transformation to the epitome of luxury chic has been achieved by identifying a new, young customer base and giving them the digitally driven experience they recognise and appreciate.

Take the company's flagship Regent Street store, dubbed "Burberry World Live", which aims to blur the distinction between Burberry's on and offline presence. The store features a series of full-length magic mirrors that double as video screens and play appropriate multimedia content when an item chipped with a radio-frequency identification or RFID tag comes close.

Shoppers can pick up a coat or handbag and watch a video of it draped around the elegant frame of a supermodel or being lovingly created by a master craftsman, just as they might if they were browsing Burberry's online store.

Burberry started out as a raincoat company, of course, and digital rain showers occasionally sweep through the store, using the magic mirrors as their backdrop.

It's all different, playful and, given Burberry's recent history, not all that surprising. Burberry got the point of digital before most and currently boasts nearly 17 million fans on Facebook and 4.5 million Twitter followers, giving it a huge community of online advocates. By listening closely to all that social media buzz, Burberry gets a real insight into the minds of its customers.

This information is used to drive innovative digital campaigns and stunts. Earlier this year the company let followers take photos of one of its fashion shows from anywhere in the world via a tweet-activated camera.

Digital is at the heart of Burberry's customer engagement strategy. It might feel like content creation has become almost as important to the brand as selling clothes – Art of the Trench, for instance, lets customers download pictures of themselves in the iconic Burberry trench coat – but Burberry doesn't make the distinction. It thinks customers derive moments of pleasure from all the different ways they interact with the brand, contributing to a uniquely positive customer experience and a decade of success.

Customers order online and pick up in store, side-stepping the one frustrating element of internet shopping of waiting for a parcel to arrive and having to be in when it does.

"The technology now exists to make the distinction between digital and physical purchasing increasingly moot," says Henning Ogberg, general manager for Europe, the Middle East and Africa at SugarCRM, which provides customer relationship management solutions. "The recent explosion of click and collect serves as an excellent example of two previously separate areas of retail working as one."

Click and collect is one part of the seamless omnichannel retail experience customers demand, but it's also recognition of the need to humanise the potentially anonymous world of digital shopping. Customers want to be treated as individuals and offered choices relevant to their needs. Technology can drive a slicker experience, but also a more tailored one.

"Customers are constantly changing their preferences and habits," says Jed Mole, European marketing director at data analytics company Acxiom. "Customers' lives and focuses can change instantly as they change jobs, move house, get married or have a child. Retailers need to understand at which life-stage the customer is at and respond accordingly."

Data can help them do that and data from social media is an increasingly key ingredient, giving retailers the opportunity to identify not just what customers buy or browse, but what they like, how

they live and what they aspire to. It can help retailers target customers with useful, personalised promotions, rather than irritating generic offers.

There is danger in social media too, of course. A disgruntled customer taking his gripe to Twitter can do considerable damage, but a quick resolution to a complaint made over social media or a humorous response to a customer comment can help to humanise a brand.

Indeed, the depth of information now available gives retailers the chance truly to individualise communication with the customer, says Mr Ogberg. "These ever-evolving technologies allow retailers to be less big brother and more like a really good friend, caring, knowing and discreet."

And that, perhaps, is the key to good customer experience. Data can personalise the shopping experience on and offline, whether helping customers find a product easily, ping a personalised offer to their smartphone in-store or suggesting relevant companion purchases. Innovative collection and returns processes recognise the complexities of their lives and give them one less thing to worry about. In-store environments don't just promote, in the best cases they also inspire and delight.

What it all represents is a new recognition of retail's human core. "Like music, shopping is in our DNA," says David Lawrence, director of planning and insight at retail marketers TCC. "It's not just about doing the chores, it's about socialising, exploring and trying new things. Retailers must respond to this need."

## COMMERCIAL FEATURE



# PERFECTING THE SHOPPING EXPERIENCE

*The role of the shopping centre is changing. With the development of internet technologies and e-commerce, centres are rethinking the service they provide in order to retain the loyalty of customers*



intu, a FTSE 100 company which runs 21 shopping centres across the UK and in Spain, is at the forefront of transforming UK shopping centres. It is pioneering not only the merger of digital and "bricks and mortar" shopping, but also in creating a full leisure offering where customer experience is the focus.

"It's about making the connection between the online and offline worlds as seamless as possible," says intu's digital and commercial director Trevor Pereira. "Consumers have a lot of choice about how and where they do their shopping, how they pay for goods and how items end up in their homes. We see our job as helping these decisions in the best possible way, ensuring our retailers flourish whether online or off."

For intu, blending online with real-world shopping is key to this goal. Two years ago the business kicked off a programme to retro-fit its centres with powerful wi-fi connectivity and 4G networks, ensuring that smartphone users can browse uninterrupted anywhere within the malls.

The business incorporated a stress test into the build: could a customer watch high-quality video without buffering while walking from one end of the centre to the other? This might sound excessive, but there is logic in the method.

Having a strong internet connection means customers can access retailers' websites, book click-and-collect pick-ups and price-compare without having to leave the mall. But there are other less obvious uses as well; for example, it takes the strain off couples when one partner wants to shop and the other wants to watch a sporting event on the TV – now they can do both.

“Shopping should be enjoyable and we are investing a great deal of time and money in creating a genuine leisure experience”

The point of all this is to develop the ultimate shopping experience that optimises dwell time and revenue to retailers within the complexes. The internet plays a huge role in this, according to intu, as does catering for the need to have fun.

"People have a choice of how they spend their spare time," says Mr Pereira. "We want them to weigh up a visit to one of our shopping centres against going to a museum or other tourist attraction. At an intu centre, we combine all this into one location. Shopping should be enjoyable and we are investing a great deal of time and money in creating a genuine leisure experience."

intu offers IMAX cinemas, climbing walls, indoor skiing slopes, aquariums, LEGOLAND Discovery Centre, food courts and waiter-service restaurants, all geared towards creating the ultimate family day-out.

"Our focus is making those leisure and dining elements as great as they can be. We have an extensive development pipeline over the next ten years to continue to upgrade our centres. We see ourselves as among the most compelling destinations in the UK, but we are certainly not resting on our laurels."

It's a strategy that is endorsed by the industry. John Coyne, chief executive of the British Council of Shopping Centres, says these environments must be more than simply a collection of shops and must offer an alternative experience to pure online shopping.

"In an era of multichannel retailing, the role of the physical shop is about creating theatre, offering an environment for brands to showcase product and providing an experience for shoppers that extends beyond just a purchase," he says.

The effect of this is more visits to retail outlets and people staying longer, turning a couple of hours' shopping into a full day of entertainment.

To underpin the evolution, intu has spearheaded the development of a highly successful affiliate content site, intu.co.uk. With nearly 300 retailers signed up, the site received more than 18 million visitors in its first year.

intu has also created an in-house digital innovation team with web developers, digital marketing specialists and content teams driving messages to customers. There is also what Mr Pereira describes as "a lab" where new ideas are tested before the successful ones are rolled out across the portfolio.

This is a unique approach in the sector, but intu says it is necessary to realise the full benefits of the evolving retail market. The business is committed to staying at the cutting edge, continuing to surprise and delight customers however they choose to shop.

# Loyalty must keep pace with mobile

*As m-commerce continues to increase, loyalty programmes should be available on smartphones, tablets and wristwear to meet the expectations of customers on the move*

## ◆ MOBILE LOYALTY

● STEPHEN PRITCHARD

For more than a decade, retailers have looked to strengthen relationships with their customers through loyalty programmes. But these schemes tend to reward long-term customers and, because they are based on collecting points, work best for planned purchases, such as a flight.

Despite their success, conventional loyalty schemes find themselves increasingly at odds with today's smartphone-centric customers and a world of "in the moment" purchases. According to the *IMRG Capgemini e-Retail Sales Index*, UK m-commerce sales – purchases on tablets and smartphones – grew by 57 per cent between June 2014 and June 2015.

This is forcing retailers to move to mobile-based loyalty schemes, both to capture those new customers and to preserve the investments in their costly loyalty databases.

Failure to keep up with the trend for mobile shopping, as well as consumers' use of social media and mobile sites to plan and research purchases, risks driving customers to the competition.

Failing to integrate existing loyalty schemes with mobile apps means foregoing the valuable stream of data, from fashion preferences to travel patterns, captured by customers' smartphones.

And consumers are not just using mobile devices when they are out and about. Research by the MEF, an industry group, found 14 per cent of smartphone users shopped on their device while watching TV.

Moving loyalty schemes to smartphones and wristbands is the obvious next step, as it means customers have access to the brand or retailer's latest deals and their scheme membership wherever they are.

"A mobile app allows you to personalise [the experience] and to target the consumer in real time, rather than sending out paper coupons a few weeks later," says Ben Perkins, head of consumer business research at consulting firm Deloitte.

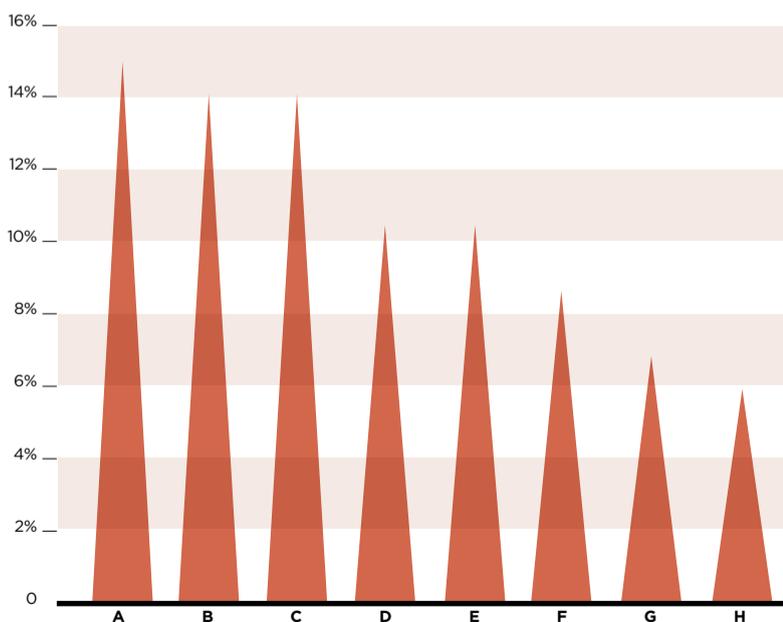
Nor is it only consumer retail that is moving to smartphones as business-to-business (B2B) transactions, especially those for small and medium-sized enterprises, are following suit.

According to Alan Kavanagh, a plasterer working in south-west London and Surrey, having his suppliers' loyalty and trade discount cards on his smartphone lets him check the best deals on a job, without having to hunt around for physical loyalty cards or print off vouchers and coupons.

Retailers, though, are still trying to discover the best way to put loyalty programmes into customers' hands. Mo-



PERCENTAGE OF UK RETAILERS OFFERING MOBILE SERVICES



A	SMS text notifications	14.9%
B	Reserve in-store with mobile	14%
C	In-store wi-fi	14%
D	Mobile website	10.4%

E	Mobile apps	10.4%
F	Check stock in-store with mobile	8.6%
G	Mobile payment facilities in-store	6.8%
H	Location and mapping facilities in-store	5.9%

bile-based loyalty schemes range from the very simple to the complex, fully featured app.

Tesco's early Clubcard app, for devices such as the BlackBerry, simply copied the company's existing loyalty card barcode on to the phone's screen; now the app lets members track their points too.

Starbucks Rewards app lets customers collect points with purchases, sends promotions and, critically, also acts as a payment service in store.

Dublin Airport, which served 21.7 million travellers in 2014, has developed an app that integrates a host of the airport's back-end systems,

including gate and departure, and even weather, information. The app gives passengers free access to the airport's wi-fi, without the need to log in, and personalised maps showing travellers the best way to the gate.

For the airport, though, moving to a mobile app was a logical next step, especially for frequent fliers. "Car parking, fast track security passes and lounge

access are available on the Dublin Airport website and Dublin Airport apps, and there has been a noticeable shift to m-commerce," says John Sisson, commercial product development manager at airport operator DAA. "Customers can set up an account with their details on their first visit. They don't have to re-enter their details and are then entitled to offers and promotions."

Even though an airport's customers are, to a degree, "captive", Dublin's experience mirrors those of both consumer and B2B retailers. The app itself is mostly about convenience, but it provides commercial revenue through added-value services, such as lounge access, and a way for the airport to stay in touch with its customers.

"Often mobile apps provide a functional experience which has little to do with rewards, but makes something easier, such as flight check-in," says Alex Smith-Bingham, UK head of digital, consumer products and retail, at Capgemini, a technology consulting firm. "But you can use it to encourage consumers to do more with you."

Although the potential to marry brand apps and loyalty programmes is huge, there are both practical and technical hurdles to overcome.

"I'd say that for now the impact of mobile apps on loyalty schemes is relatively limited," says Thomas Husson, a vice president at research firm Forrester. "We're only scratching the surface of what's going to come next. Branded app users are more likely to be loyal customers, but few consumers use branded apps on a regular basis."

One challenge is understanding the need to target offers and features in an appropriate way. A traveller might be interested in a promotional link for a hotel when searching for a flight, but that same ad would be annoying if they are using the app to check in.

"Mobile is exciting because of its impulse nature and you have much more control than you have with a mailer," says Capgemini's Mr Bingham-Smith. "But then, everyone has a letterbox."

And, despite the statistics showing a rapid growth in mobile commerce, by no means everyone has a smartphone or wants to use a retailer or brand's app.

Travel apps are popular because services such as check-in and electronic boarding passes offer an immediate benefit to the passenger. To encourage app usage, retailers need to think beyond simple promotions, and look at integrating technologies, including mobile payments and location awareness, so the app knows if you are at home, at work or travelling.

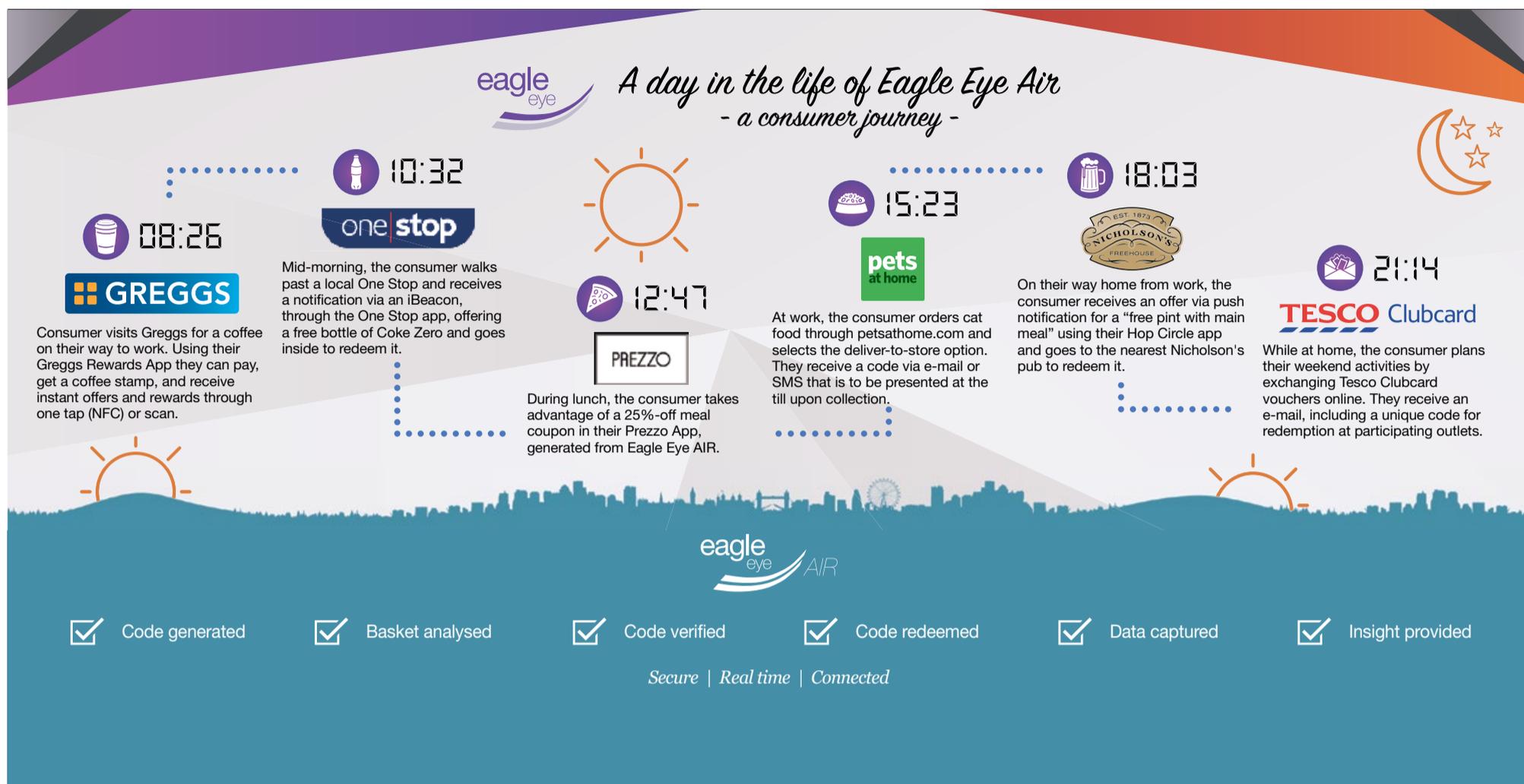
"The massive increase in mobile payments offers a real point of differentiation for mobile loyalty," says Deloitte's Mr Perkins. "You can make a promotion instant and context relevant, and not just based on previous purchasing behaviour."



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Source: Barclays 2015

COMMERCIAL FEATURE



# DIGITAL PROMOTIONS: THE ANSWER TO DELIVERING EXACTLY WHAT YOUR CUSTOMER WANTS

*A digital revolution is underway, particularly in retail, with merchants keener than ever to adopt new technologies and loyalty strategies to keep up with their customers' demands*



Last year 16 billion digital coupons were redeemed worldwide at an estimated growth rate of 50 per cent. With 35 million people owning a smartphone in the UK and, according to Planet Retail, 26 per cent wanting to receive tailored offers, real-time and relevant promotions are more important than ever if you want to attract the most profitable consumers. And this is where Eagle Eye comes in.

Eagle Eye was founded in 2003 as a digital marketing platform that securely validates and redeems digital promotions in real time for the grocer, retail and hospitality industries.

Founder, engineer and self-confessed "software geek" Steve Rothwell's original vision was to capitalise on the idea that digital is far cheaper than traditional analogue channels, such as paper, and the mobile phone is and will always be central to our lives. With

more than 30 per cent of UK adults looking at their smartphone within five minutes of waking, according to 2014 figures, and more than 14 million redemptions on the platform this year, it seems his hunch paid off.

The Eagle Eye AIR platform powers targeted and secure digital promotions and rewards, transforming the way brands and retailers engage with consumers, in real time. This enables them to deliver timely relevant, compelling promotions and rewards to consumers in a simple and secure way, and through multiple channels. The platform creates a network effect between retailers, distributors and brands, enabling stronger connections and value for all parties.

By integrating into the till process and providing single-use voucher codes that are digitally verified and redeemed, Eagle Eye AIR eliminates fraud and reduces running costs,

as well as generating real-time consumer data across multiple retailers and brands.

"These days the consumer no longer has to wait seven days to get a discount and as they are bombarded by 30,000 marketing messages every day, retailers need to send the right offer at the right time in order to engage consumers effectively and stand out from the crowd," says Mr Rothwell. "Everyone needs to see value."

The infographic illustrates how a consumer can touch an Eagle Eye-generated promotion several times throughout their day and for different reasons. With every code generated, verified and redeemed via Eagle Eye AIR, the retailers and brands involved get all their campaign data in real time ensuring they can understand their consumers better and make quicker informed decisions.

The platform also offers huge value to the consumer by giving them access to promotions and rewards at the right time and in the right place through their preferred channel whether that is e-mail, SMS, in app push notifications or paper. They also get the benefit of a quick and simple redemption process through the till, making it easier for staff too.

#### THE CONSUMER JOURNEY EXPLAINED

##### 8.26: morning coffee

Eagle Eye AIR generates a QR code linked to the consumer's unique ID, verifies against their profile and sends through rewards accordingly while also enabling payment.

Result: Greggs gets some great data about the consumer's daily activity, the consumer gets a free coffee and is more likely to call again tomorrow (with a paper coffee stamp Greggs wouldn't know who the consumer was or what they were doing).

##### 10.32: mid-morning break

Eagle Eye AIR generates a unique code, verifies the code at the till while also analysing the basket to ensure the consumer has a Coke Zero in it and validates the redemption.

Result: The consumer gets a free Coke, the store gets an extra sale, and Coke and One Stop can both start to build a profile on the consumer.

##### 12.47: lunch

Eagle Eye AIR generates a unique code, verifies and redeems it against the overall bill, giving Prezzo data around the consumer's meal preferences.

Result: The consumer is able to redeem their coupon easily while Prezzo is likely to have managed to up-sell on the meal and gained insight into the consumer's preferences for future marketing.

##### 15.23: shopping

Eagle Eye AIR generates a unique code against the order, verifies the detail at the till and supplies Pets At Home with this data.

Result: The consumer can shop in a way that suits them and Pets At Home guarantee a sale with the consumer paying up front on ordering.

##### 18.03: after-work drink

Eagle Eye AIR generates a coupon code and verifies at the till before enabling redemption. The transaction data is collected and fed back to Nicholson's in real time.

Result: Consumer gets a relevant offer they can use right now and Nicholson's can see how successful their push offer was and have increased their footfall in doing so.

##### 21.14: food shop

Eagle Eye AIR instantly generates a code and will verify upon redemption.

Result: The consumer can exchange their Tesco Clubcard voucher for an outlet that appeals to them. Tesco now see hundreds of thousands of their customers exchanging Tesco Clubcard vouchers online for instant digital codes.

Eagle Eye now works with more than 110 (and growing) retailers, brands and media agencies, including Asda, Coca-Cola, Mediacom, Pets at Home and Tesco, which are all seeing significant benefits.

Retailers are using this technology on a mass-market scale to gain competitive advantage and ensure consumers are gaining value by receiving the right offer at the right time.

**Build loyalty at a fraction of the cost of traditional loyalty schemes.**

**Speak to us on sales@eagleeye.com, visit eagleeye.com or follow us @WeAreEagleEye**

# Enlisting technology to conquer minds in the battle for customer loyalty

*It is possible to make customers love your brand, but only if you listen and consistently give them what they really want, including*

## ◆ LOYALTY

● CHARLES ORTON-JONES

Fans can be pretty nuts. Apple fans queue outside stores for days waiting for the latest iPhone. Harley-Davidson fans get tattoos of the logo. Actor Benedict Cumberbatch needs to flee through the service door of the Barbican theatre to escape his marauding adorers.

What about your firm? Do you wonder why you don't have adoring groupies? No brand gets worshipped by accident – there's a lot of work that goes into wooing and retaining customers. So what works?

Loyalty cards are rock-solid performers. The old fashioned "get nine stamps and your tenth coffee is free" is basic, but proven to be effective. Some of the biggest brands such as Starbucks and KFC rely on this approach to loyalty. However, both have shifted from paper cards to mobile apps. These are great, but they leave smaller firms asking how they too can use an app-based loyalty card.

A new system worth knowing is Droplet, created by two entrepreneurs in Birmingham.

Droplet was launched to shake up payments. Its unique selling point is that transactions take place with zero fees. The founders state: "Droplet's business model is like Skype for payments – we give away the core product and make money from optional bolt-ons."

Since traditional payment methods scrape 1 or 2 per cent from each transaction, this is a big selling point on its own. Droplet is rather snazzy, working via a mobile app on the customer's phone. But it turns out what retailers really love is the loyalty component.

Around 25 small retailers in the Leeds area, such as Café 164, Tall Boys and BangWok, have signed up to the Droplet Rewards trial. These merchants use Droplet to issue reward stamps via the app after payment. No more fiddly bits of paper. And at a flat £20 fee a month for retailers, it's cheap.

Users can see at a glance what rewards they possess, so are incentivised to return to redeem offers. Furthermore, customers can use the app to pre-order before arrival via menus listed in the app under the merchant's name. Walk into the coffee shop, and they can have your latte and croissant ready and waiting. It's a big leap from the old cardboard loyalty card model.

If you want a bespoke app then bear in mind that the cost is coming down all the time.

Harris + Hoole, the coffee chain, has a loyalty app. Last year it added a payment function to allow customers to settle the bill with just one tap, using technology created by Judo Payments. Like Droplet, there's a pre-ordering function. The Harris + Hoole ePos system can display a picture of regulars as they walk in, so baristas can greet them like old friends.

Kester Dobson, head of technology at Harris + Hoole, says: "By giving our customers the ability to personalise their in-store experience through the app, so that servers know who they are and what drink they want without having to queue, we foster a stronger and more personal relationship with our customers. Through our partnership with Judo Payments they can pay seamlessly within the app and, crucially for developing loyalty, when they hit the required number of stamps for a free drink, the server knows and tells them 'this one's on us',

eliminating the need to carry round crumpled loyalty cards in their back pockets. It keeps customers coming back."

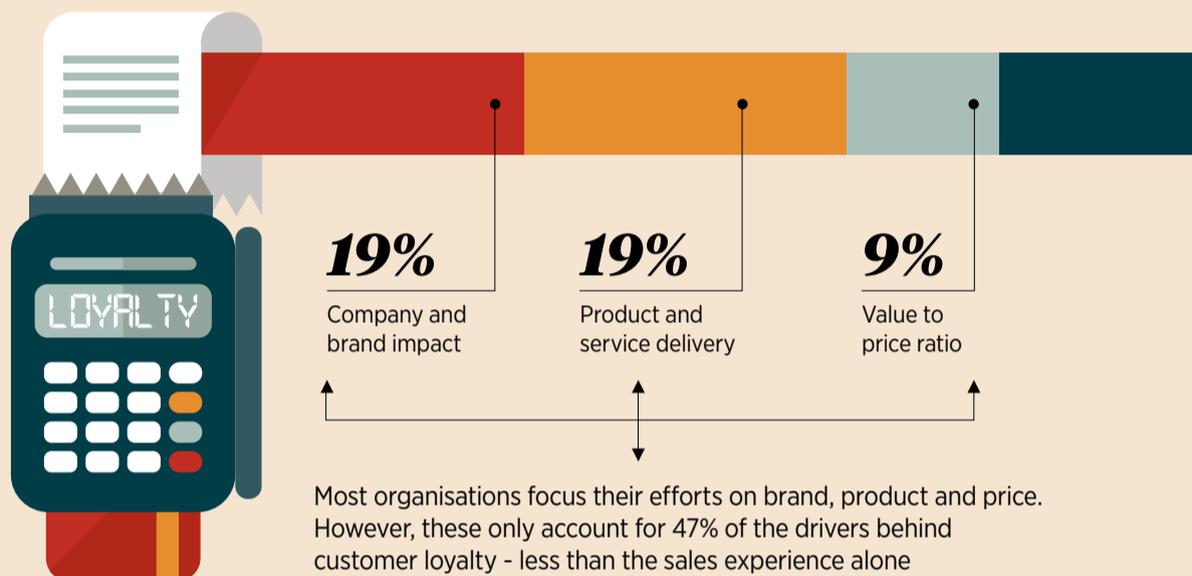
A big question for retailers is what rewards to offer with their loyalty scheme. Cash discount? Free

product? At American Express the loyalty programme is centred on money-can't-buy offers. These include early access to theatre, film and music events. This adds a bit more spice to the rest of the reward programme, which includes Nectar points and cash off at Boots and House of Fraser.

Mobile network O2 worked hard to create a set of unique rewards. The O2 Priority campaign gives customers first dibs on stuff like tickets to film awards and gigs. Nina Bibby, O2's marketing director, reveals that more than a million offers and prize draws were accepted in the second quarter of 2015. The total saved by customers last year via the plan totalled £15 million. The impact? Last quarter, O2 grew its customer base by 199,000 to 24.8 million, up 4.4 per cent year on year. Contract churn is at an all-time industry low of 0.9 per cent.

Customers who use O2 Priority show a higher consumer satisfaction index than those who don't. It's potentially expensive and if every customer redeemed every offer they'd benefit by £800 a year. But it does seem to be delivering the right results. So what can O2 do better? In order to determine what to offer next, O2 commissioned a YouGov survey which generated a genuinely important insight – what customers really wanted was a higher degree of personalisation.

## CONSUMERS' VIEW OF WHAT DRIVES CUSTOMER LOYALTY



## POWER OF CUSTOMER LOYALTY



## CUSTOMER SATISFACTION DRIVES RETENTION, RECOMMENDATION AND TRUST

Customer satisfaction is based on scores for professionalism, quality and efficiency, ease of doing business, timeliness, problem-solving and complaint-handling



Source: Institute of Customer Service 2015

# Hearts and loyalty

ing exclusive offers and special treatment

53%

Sales experience



Source: CEB

## THREE MEASURES MARKETERS TAKE TO ENGENDER TRUST IN A LOYALTY PROGRAMME



Giving a clear and easy opt-out at every stage



Only using data in ways stated



Explaining clearly why data is collected and how it will be used

Source: Direct Marketing Association 2014

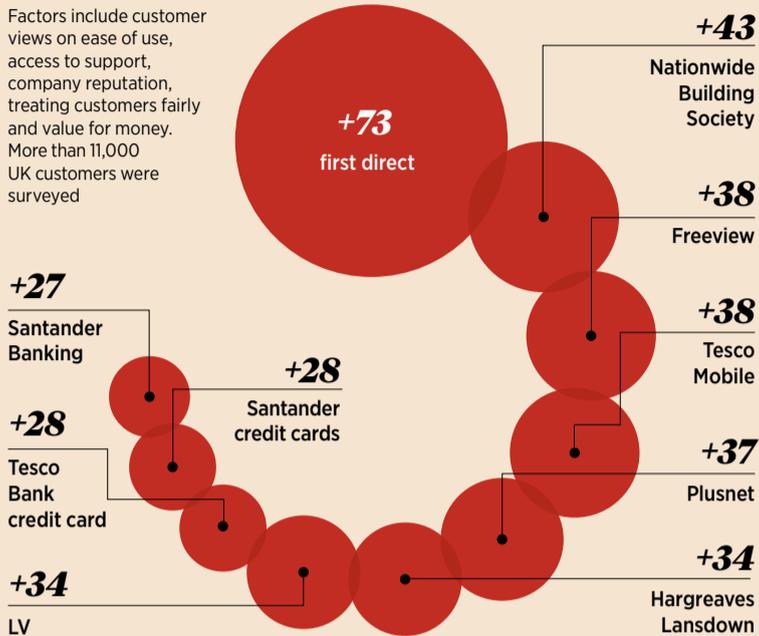
## CONSUMERS' PREFERRED WAYS TO BE CONTACTED BY BRANDS



Source: Direct Marketing Association 2013

## TOP 10 NET PROMOTERS SCORES IN THE UK

Factors include customer views on ease of use, access to support, company reputation, treating customers fairly and value for money. More than 11,000 UK customers were surveyed



Source: Satmetrix 2015

## TOP BENEFITS OF A RETAILER'S LOYALTY PROGRAMME

25%

Special shopping hours

33%

Exclusive products or events

42%

Free shipping

75%

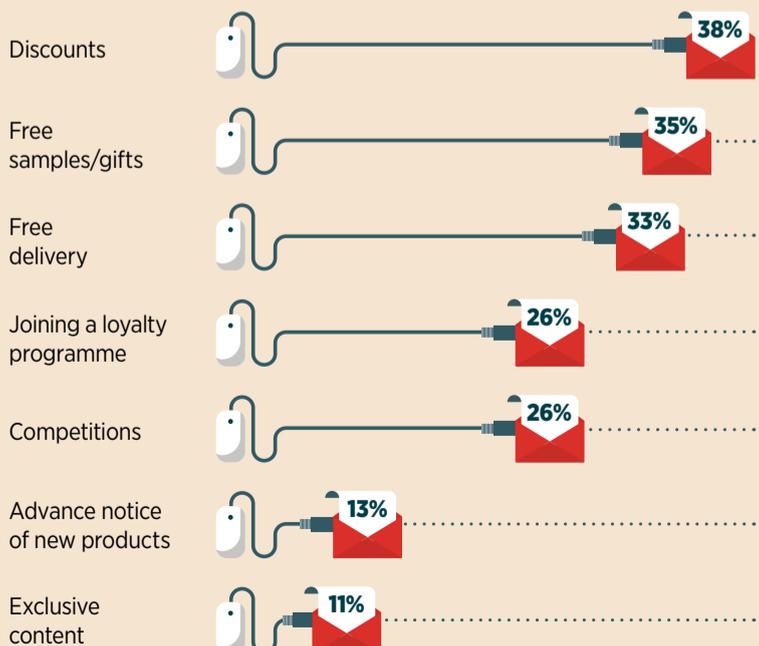
Discounted or free products

44%

Enhanced customer service

Source: Nielsen 2013

## REASONS WHY CONSUMERS SIGN UP TO BRAND E-MAILS



Source: Direct Marketing Association 2014

According to O2/YouGov, companies who personalise their communications enjoy increased sales (42 per cent), customer satisfaction (56 per cent) and customer engagement (63 per cent). Over two-thirds of those polled said companies need to invest more in personalising the communications. The outcome corroborates a survey by Infosys which produced similar numbers with 86 per cent of online shoppers, who experienced personalisation, saying it affected their purchasing decisions.



O2 commissioned a YouGov survey which generated a genuinely important insight - what customers really wanted was a higher degree of personalisation

The trouble is personalising loyalty rewards is hard. The only way to do it is to install retail software which builds a picture of customers. For example, outdoor clothing store The Clymb relies on the Sailthru platform. This collects activity and sales data on customers, no matter what sales channel they use, and allows The Clymb to tailor offers and sales material.

"Achieving real and optimal results doesn't just come from identifying who is spending the most," says Sarah Seiff Lewis, The Clymb's e-mail marketing manager. "It comes from accurately measuring actions and engagements to then get the right message in front of the right customer at the right time." The Clymb reported a 175 per cent lift in revenue per e-mail send and a 72 per cent reduction in opt-outs per sale, through the personalisation approach.

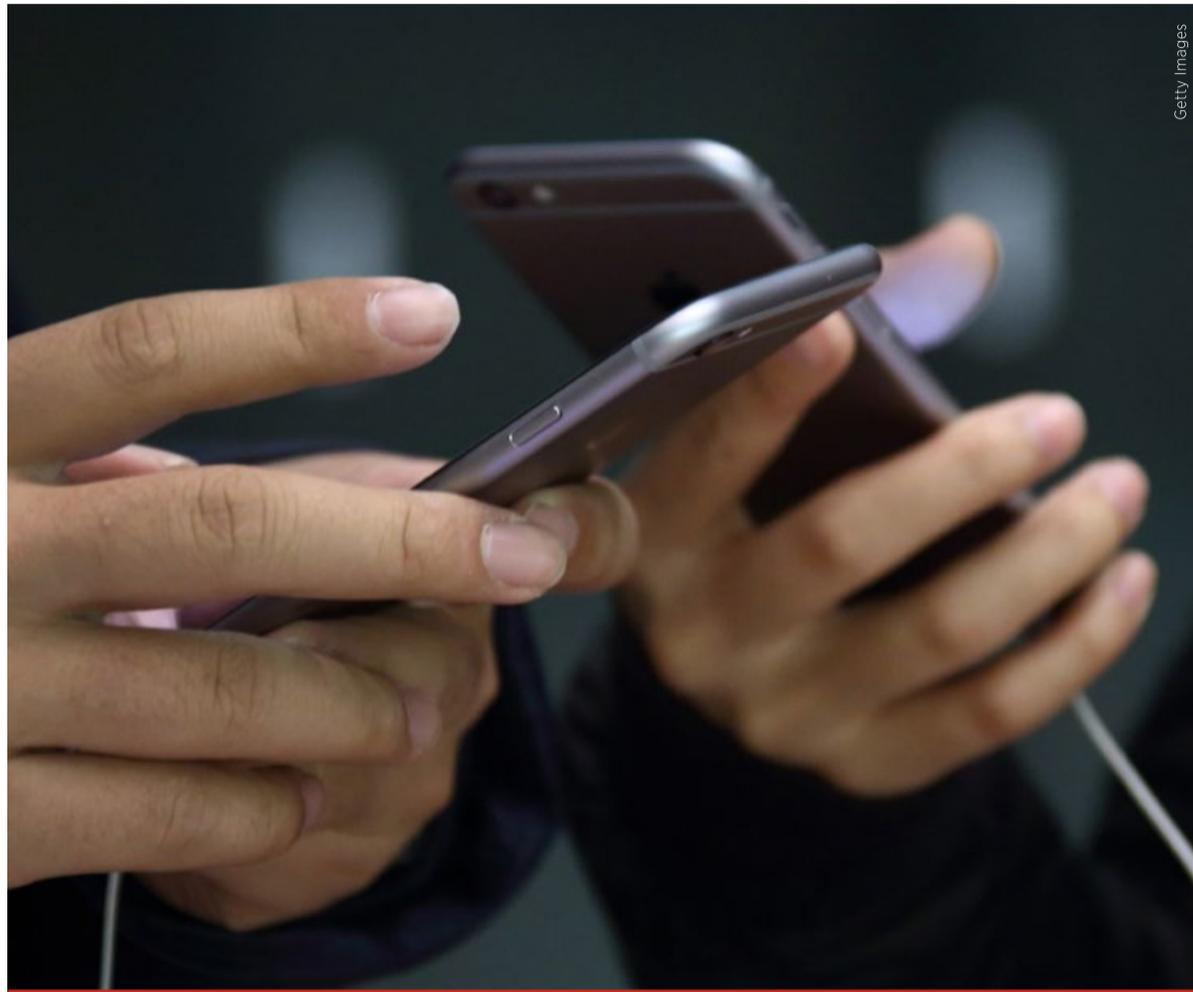
Online tights retailer Mytights.com uses the Ometria platform. The software was used to analyse customer data, producing ten distinct customer segments, such as VIP customers, at risk and lapsed shoppers. An e-mail message was tailored for each segment, followed up by two reminders; those who responded were removed from the reminder list.

The result was a rise in average order value of 17 per cent, customer reactivation of 92 per cent over the same month last year and a conversion increase of 156 per cent. E-mail revenues rose 323 per cent over the same month last year and double the average for the past 12 months. The use of Ometria by Mytights has been shortlisted on the *Retail Week* Customer Experience Awards.

Perhaps the secret to getting rewards right is to simply ask customers what they want. The price comparison website Love Energy Savings uses a SurveyMonkey poll to collect insights. The company says some of the best insights from the longer prose answers. Running a SurveyMonkey poll costs £26 a month for unlimited responses.

# Getting personal with data

*Tailoring services and special offers is a key tool for increasing customer loyalty and is being driven by the digital data retailers can collect online from consumers*



Getty Images

## ◆ DATA AND PERSONALISATION

● HAZEL DAVIS

It's no longer enough to know your sort of customer or even the kinds of places they are likely to frequent. You have to know, for instance, what time your customer walks into the café every day, what they order for breakfast and where they're going on holiday.

Luckily, that's not too difficult. With 66 per cent of UK adults owning a smartphone, the world is at consumers' fingertips. But that also means their data is at yours.

Personalisation, the buzzword of the moment, is now one of retailers' key tools for increasing customer loyalty. It is driven by the multiple sources of customer data available to businesses, thanks to things like smart sensors, beacons, face and object recognition technologies, the internet of things and wearable devices.

Now it's possible to gather and analyse more information about consumers – location, preferences, purchasing history – than ever before, offering not

just customer insight, but a form of sixth sense.

Companies such as Apple, Google and Facebook are already putting to use the information that individuals generate through online buying, browsing, "liking", swiping and commenting to anticipate their users' wants and needs with greater accuracy.

“**Personalised experiences are more engaging, entertaining, memorable and inspiring for audiences, which ultimately drives satisfaction, sales and loyalty**”

Manchester-based marketing agency Origin delivers campaigns for some of the UK's biggest brands, including the BBC, Superdrug, the Co-operative and Manchester United.

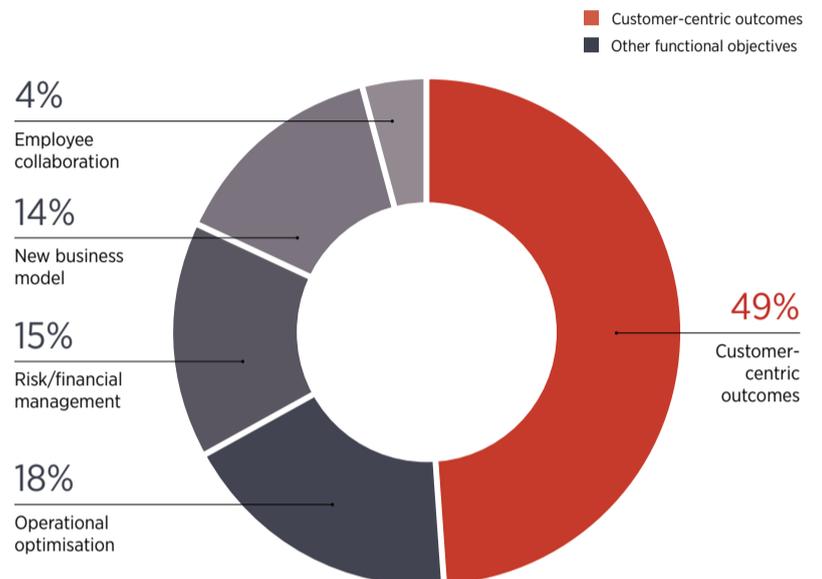
Origin digital strategist Georgia Marshall-Brown says: "The advent of digital and mobile channels has not only empowered consumers, it's also increased the amount of data that retailers know about their customers.

"With consumers now active across a diverse mix of physical and digital retail channels, a seamless customer experience throughout the path to purchase is essential. Research from Google shows that 90 per cent of consumers now move between devices when making a purchase. If a customer shares information with their favourite brand in one channel, they expect this to be known and understood at future interaction points with that brand."

Through effective data collection, companies such as Origin are able to develop comprehensive user profiles, which can be used to keep target audience preferences at the heart of all customer offers.

"Personalised experiences are more engaging, entertaining, memorable and inspiring for audiences, which ultimately drives satisfaction, sales and loyalty. The results speak for them-

## COMPANIES' OBJECTIVES FOR DATA ANALYTICS



## USING MULTIPLE DATA SOURCES

### TRADITIONAL DATA SOURCES

- Addresses and contact details
- Identifiers
- Contracts and accounts
- Relationships
- Support history

### BIG DATA SOURCES

- Call centre logs
- Unstructured documents
- E-mail text and sentiment
- Social media sentiment
- Order history

Source: IBM 2014

selves with 35 per cent of Amazon's revenue generated by its recommendation engine and 75 per cent of users selecting movies based on Netflix's recommendations," says Ms Marshall-Brown.

But not everyone has caught on to this, says Ben Pring, co-director of Cognizant's Centre for the Future of Work. "Businesses should explore in more detail how technology can better support their business. A study from Cognizant and Oxford Economics revealed that large numbers of businesses in Europe are not taking the necessary steps to unlock the value and opportunities provided by their customers' digital experiences.

"Currently only 24 per cent of business executives surveyed claim to be effective at collecting and using digital customer data, meaning many are missing out on a huge opportunity to refine their products and services in line with customer preferences. By accessing this data and analysing it, companies can understand their customers better, react faster when needed and, crucially, predict future preferences."

Perhaps this disconnect is to do with not wanting to appear too "big brother" about it, says Mr Pring. "Customers' expectations are a moving target and companies' capabilities are advancing at unprecedented

ANALYSING  
CONSUMER  
DATA



64%

of marketing executives believe that data-driven marketing will be a game-changer



48%

say it would take a prohibitively long time to put all data into a single unified database



60%

agree they have yet to unlock big data's full potential



1 in 3

do not feel that their brand is using big data in a meaningful way

CASE STUDY: O2



Getty Images

people's summer holiday plans between February and June when bookings were being made, which coincided with a peak in conversations around gym and fitness training in the same period."

Based on this insight, O2 placed offers on its Priority app in February promoting wearable products to interest those who were already thinking about getting fit for their escape to the sun. The result? A more personalised customer experience, optimised marketing, and an increase in revenue and profit.

To get to know their target audience better, O2 also makes use of Crimson Hexagon's Affinities feature. "Affinities allows us to look at the interests of our audience and from there we can compare and contrast what an iPhone user, versus a Samsung user, is interested in. Therefore, we can create more tailored content towards that audience," says Mr West.

O2 uses the Crimson Hexagon social media analytics platform to inform strategy across its business and personalise offers. This data is passed on to internal sales, marketing and product development teams to create a more personalised customer offering.

The company also looks at trends in conversation as well as identifying its custom-

ers' favourite features on different mobile devices. The web team then uses these insights to tailor assets in a more relevant way.

Daryl West, O2 Telefontica's insight lead, says: "If we can see a spike at the same time each year, we can make sure we have the relevant offers on our Priority app." For example, O2's analysis exposed a peak in conversations surrounding

rates," he says. "Amid the proliferation of personalisation and CRM [customer relationship management] technologies, customers have come to expect companies to know who they are, what they purchased and their preferences for interaction, but not to go so far as to invade their privacy and sense of security."

Actual data analysis no longer requires endless hours of brain-deadening human graft, says Miguel Milano, Europe, Middle East and Africa president of Salesforce. "Adopting an API-first strategy [application interface strategy] not only gives app developers the power and flexibility to create new business services or enhance existing products, but also the opportunity to remove the need for human influence where appropriate," he says.

"This makes personalisation on a large scale not only possible, but also profitable for businesses, while at the same time consumers get exactly what they want, at a lower cost and faster than previous bespoke services could offer. Whatever way you look at it, the potential of analytics spells a better experience for consumers."

Personalised data is going to revolutionise the travel industry, according to Pascal Clement, head of travel in-

telligence at travel technology company Amadeus. "There is a vast amount of data available across the travel and tourism industries, not just through booking engines, but through social networks, review sites and other external sources," he says, "This information has historically been stored in silos, with most processes being disconnected from each other."

Amadeus is working to bring this information together and, through its travel intelligence business unit, use the data to develop a clear understanding of each traveller's specific wishes, working towards helping travel providers deliver a more personalised experience.

Elsewhere in travel, airports such as Heathrow are already using beacon technology to improve the customer experience, alerting travellers with push notifications when the gate is open or the plane is boarding, and informing them of relevant offers based on their profile and behaviour, resulting in a more seamless airport experience and a bounty of personalised data for retailers.

“Customers have come to expect companies to know who they are, what they purchased and their preferences for interaction”



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53%

would like to implement an "engagement hub" that connects a customer's data at every touchpoint to support a seamless experience

Source: Kitewheel 2014

# HOW WELL DO YOU KNOW YOUR CUSTOMER?

Brands like O2 are turning to social data to understand what their target audiences say, want and like. Crimson Hexagon helps brands gather and action social insights, so you can find out what really matters to your target audience.

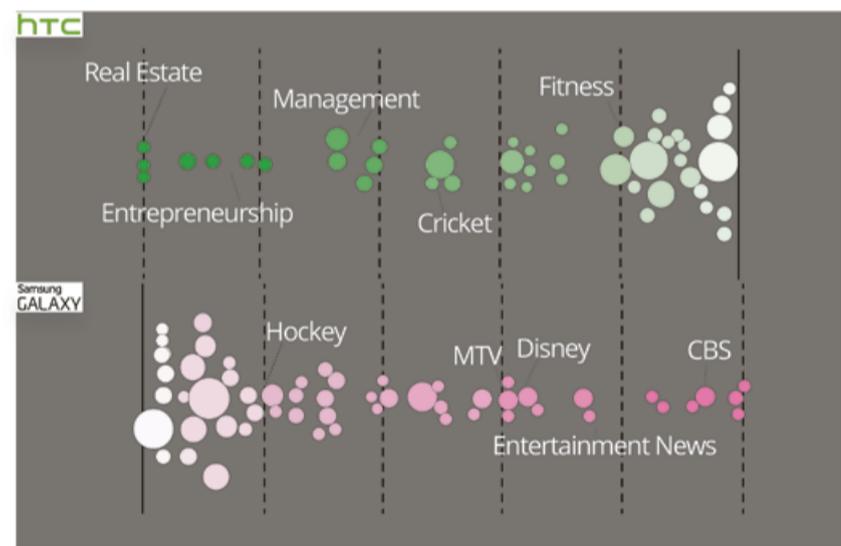
In order to personalise product offerings and messaging, brands need to obtain a deep understanding of consumer interests and preferences. More and more brands are leveraging social media as the largest source of consumer opinion, but most are still only scratching the surface of the true potential in this data.

At Crimson Hexagon we believe the value of social insights for brands lies in understanding consumer opinion and building up their target audience profile.

## Drawing insights from social data

Crimson Hexagon takes a unique approach to social media analytics, taking into account not only what social media users say but also what they follow and share.

In this graph we can see the comparison between the audiences of two mobile phones: HTC and Samsung Galaxy. While people talking about the HTC are more interested in **Real Estate, Entrepreneurship** and **Cricket**, the Samsung Galaxy audience prefers **Entertainment News, MTV** and **CBS**.



This type of insight reveals new opportunities for brands to engage with their audiences: Product, Services, Marketing and Executive teams all benefit from a deeper understanding of what customers really care about.



Social insights that fuel better customer experiences

Crimson Hexagon's platform enables brands such as Post Office, General Mills, Microsoft, and Starbucks to answer critical business questions through insights derived from social data.

[www.crimsonhexagon.com](http://www.crimsonhexagon.com)

◆ INTERVIEW

● TIM STAFFORD



Home Retail Group's Bertrand Bodson

“I call them our digital army,” says Bertrand Bodson, chief digital officer of Home Retail Group, when talking about the 30,000 employees at work on the front line in either Argos’s 755 stores or its distribution centres.

Despite being the head of one of the most advanced and, frankly, most interesting parts of the company, which owns the Argos and Homebase brands, he talks enthusiastically about employees who would not normally spring to mind when discussing Argos’s desire to be a leading digital retailer.

And he’s right to do so. Amid his talk of a “fast-paced environment” and a “start-up feel”, of “tech teams, product teams, user experience teams” and attracting the “top talent in London”, he knows that the best web design in the world will be for nothing if customers can’t get their products on time or ask questions of knowledgeable, helpful people.

This attention to both sides of the customer service equation shows why Argos has made strides with its digital strategy in recent years. Given almost all of us now use multiple devices to browse for products, read reviews, compare prices and make purchases, traditional retailers must be as compelling on small screens and big screens as they are on the high street.

And, crucially, the transition customers make when they move from looking at a product in an app on their phone, say, to an internet browser in the office, to discussing its features in store must feel “seamless”, to use the jargon. If it doesn’t, it’s unlikely they’ll be back for more.

Providing a seamless experience requires a lot of co-ordination, from synchronising information such as prices, special offers and stock availability between what’s online and what’s on the ground, to organising everyone, from web designers to customer service reps, to provide a consistent brand experience.

Because Argos customers had for years been moving from a catalogue at home to purchase in store, work on seamless transitions should have been more straightforward than for many firms. But, as Mr Bodson admits, Argos’s “capacity for invention” had “probably slipped a bit over the past few years”. That changed with an ambitious plan announced in late-2012 to “reinvent Argos as a digital retail leader”.

Mr Bodson came on board in July 2013. With an MBA from Harvard Business School, he cut his teeth in con-

and it’s clear from speaking with Bodson that he sees a seamless customer experience as a cornerstone.

Among many lessons he offers, three stand out. First, fulfil all promises made online. Many retailers “will have, let’s say, 75 per cent accuracy of their stock... but we are above 99.9 per cent accuracy, which is critical”, he says. Take a customer who finds a product on a browser at work, then reserves via their iPad, if it’s out of stock when the system shows otherwise, that customer won’t be back.

Second, firms must get the digital experience right on mobile devices. “More than £1 billion of our transactions are started on mobile now,” he says of what’s behind recent investments, and goes on – Willy Wonka style – to describe an app with “augmented reality”, another for four to eight year-olds to make online collages and so designed for “customers who cannot read yet”, and another that “works a bit like Tinder, a bit like a dating app”.

But, behind the fun, what’s crucial about mobile is it’s a great starting point for seamless transitions. Mr Bodson says: “Mobile to us is a gift because the customer gets a reservation number” added to the device and it’s the “natural link that gets you to the store and tells the person in store this is the item I have reserved, please get it for me”.

And, third, that then brings him to his 30,000-strong army in the stores and distribution centres. He describes one of the pillars of the firm’s digital transformation as “more choice, available faster” and says: “It may sound less sexy from the outside but to me it’s a big part of my job. We have completely repositioned our network of stores into a network of hub and spoke” to move stock around more easily and get customers products more quickly.

His team are also working to promise customers who have ordered and paid online to come in store, collect the product and leave again within 60 seconds if they wish. “It’s an ambition; we’re not there yet,” he concedes.

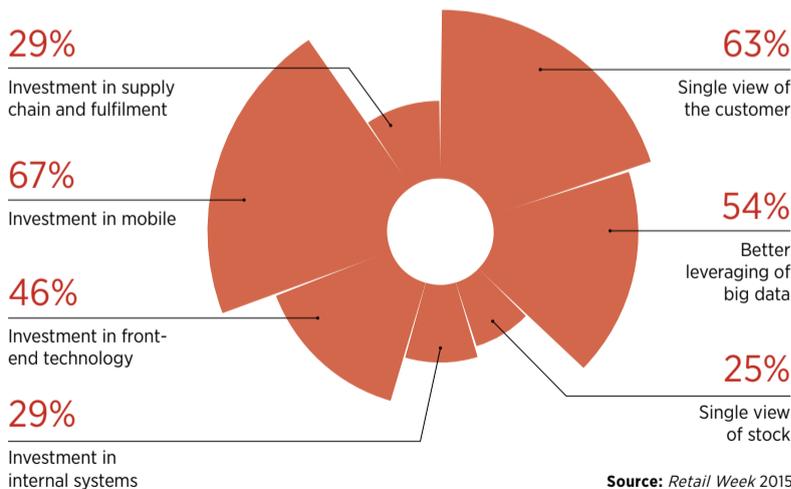
“Traditional retailers must be as compelling on small screens and big screens as they are on the high street”

Mr Bodson and his digital army provide a good template for anyone working on a seamless customer experience. He is clear that those seamless transitions should underpin any digital strategy and it’s not enough just to bring Silicon Valley experience to a UK stalwart. It’s also vital to retrain and reorganise all the relevant bits of any traditional business to help it thrive in a digital future.

# How to get a seamless experience

Leading digital expert Bertrand Bodson tells how to provide customers with a seamless multichannel shopping experience

## OMNICHANNEL PRIORITIES FOR RETAILERS



sulting before co-founding a website called Bragster.com to which people can upload videos of themselves doing stunts, such as eating a chocolate orange in record time. Its success saw a sale and integration with the Guinness World Records site; he then took senior roles at EMI before Argos.

Argos’s seamless customer experience challenge attracted him because it was at the core of the business. When he joined, 40 per cent of sales began online even though 90 per cent ended in store. “Many retailers are closer to 10-15 per cent digital and that makes it tougher” to get funding and attention, he says. Argos has staked a lot on its digital transformation

WHERE UK CUSTOMERS SHOP

75% Stores on the high street

72% Online retailers - using a computer or tablet

54% Stores on a retail park or in a shopping centre

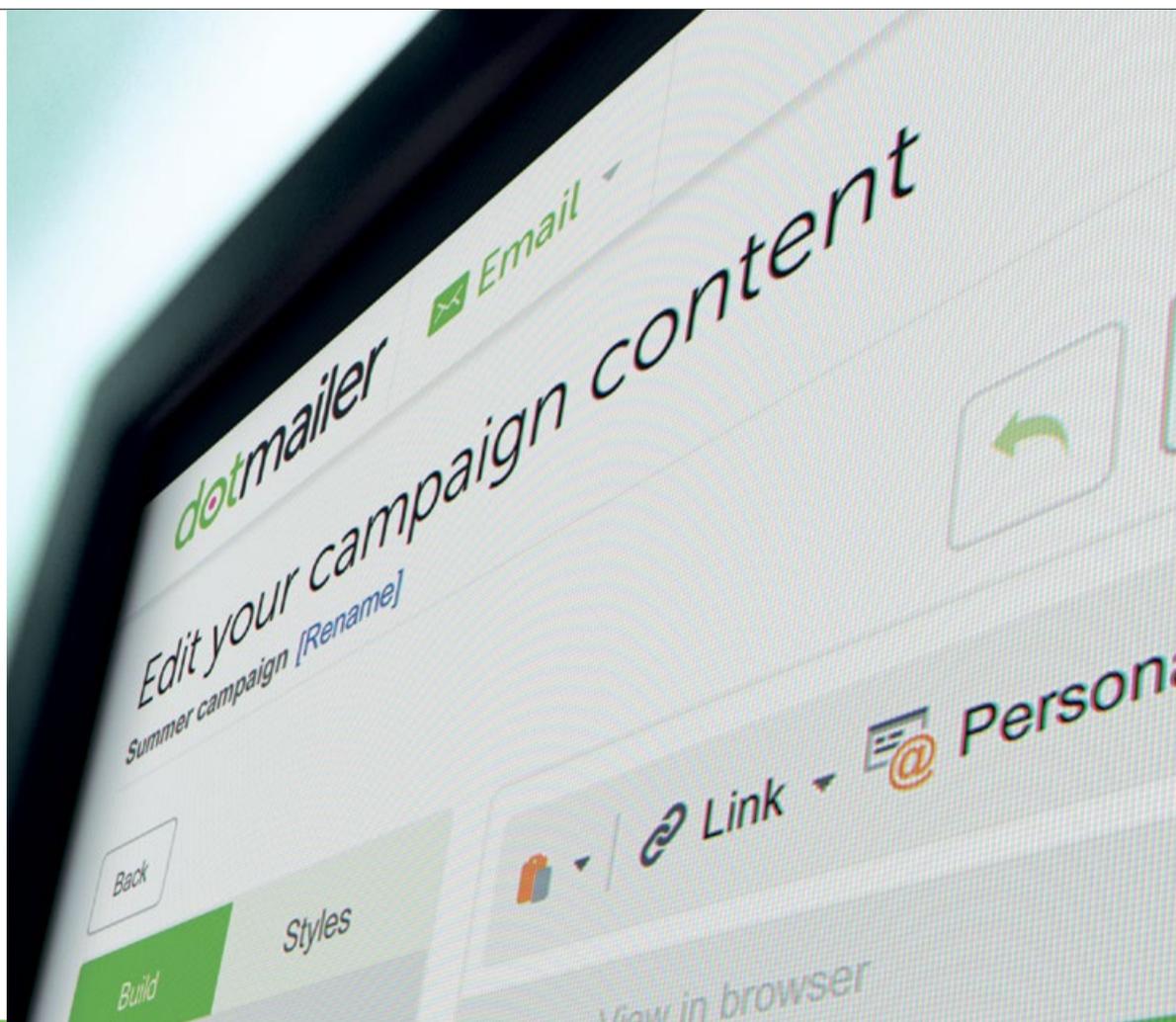
12% Unattended kiosks

10% Online retailers - using a smartphone

COMMERCIAL FEATURE

# GETTING PERSONAL WITH MARKETING AUTOMATION

*Automating multichannel marketing strategies can get companies closer to their customers and add value to the business*



In the age of evolving digital technology, marketers have multiple channels through which they can connect with new and existing customers. Smart companies are taking the multichannel approach to a new level by harnessing the latest automation technology. But they are in a minority. And as multichannel marketing automation specialist dotmailer points out, the rest are missing out on valuable opportunities to make a huge difference to their business.

Any business that is serious about driving customer loyalty needs to engage, and talk to customers in a relevant and personal way. That may be the oldest marketing principle in the book, but many companies are not recognising the advantages which modern technology could bring to their customer engagement strategies.

Marketing automation involves the use of software platforms to market more effectively through multiple channels with

mobile, social media, e-mail, landing pages and websites automating many of the repetitive marketing tasks.

Research from TFM&A Insights found that 61 per cent of respondents were not using marketing automation at all.

Since launching in 1999, dotmailer has seen the marketing industry undergo massive transformation and, in this largely untapped field of multichannel automation, it is leading the way.

There is a compelling business case for it, says marketing director Phil Draper.

"Across our own client base we have many examples of organisations, both business-to-business and business-to-consumer, that have almost doubled their average customer lifetime value by automating their multichannel marketing strategies," he says. "It's surprising that research shows that less than 50 per cent of businesses use marketing automation."

“**For a customer relationship to be authentic, it has to be developed over time and here multichannel automation offers the perfect solution**”

Their reluctance, he says, stems from a number of concerns, including breaking away from traditional methods.

"Marketers are busy. They have so many things to do at any one time, they tend to take the view that if their current programme is working, why change it? However, time and money are limited resources. Automation will save them time, giving them more opportunity to be strategic and creative, increase campaign output, and make more money," says Phil Draper.

There is also the fear of business disruption stemming from a need to overhaul their entire list of technology service providers, such as e-mail, social media and applications.

"The beauty of our SaaS platform is that it is built to play well with other systems, so clients can simply plug into what they've got without the need to change everything," he explains.

This also dispels many of the concerns that marketers and IT professionals have about the costs of having to change an entire system. Because dotmailer plays well with other platforms, a new client can just replace their e-mail platform with dotmailer and then integrate it into their existing ecosystem, at less cost and less risk than replacing everything.

Marketing often works in discrete teams, dealing with specialist areas of the function, social media, mobile, promotions and so on, and doesn't necessarily work that closely together. Automation helps to break down the silo mentality and actively encourages collaboration.

"Think big, start small, scale quickly" is dotmailer's business philosophy. Making it personal is another. Ironically, one concern that marketing traditionalists have about automation is the perceived loss of that all-important human touch.

The reality is marketing automation can be as humanised as you want it to be, says Phil Draper. "Your ultimate goal as a marketer is to form a relationship with your customers," he says. "You need to learn about them through having relevant conversations with them. They need to know that you are talking to them personally. But you don't want to be in their faces. For a customer relationship to be authentic, it has to be developed over time and here multichannel automation offers the perfect solution."

Good personalisation starts with an acknowledgement of an action someone has taken on the company website, for example, downloading a white paper or requesting a price list and thanking them for it.

Better personalisation would be a follow-up to this e-mail asking them if they enjoyed it or found it useful, and recommending something similar and directing them to a personalised landing page.

Similarly in the business-to-consumer world, a business should be recognising purchases and other customer engagements, and communicating through the right channel with the right message for each stage of the customer journey.

There are numerous channels, both online and offline, which can be personalised from direct mail e-mail, SMS and campaign landing pages. Companies use their customers' data, for instance name, gender, location, last engagement with them, to personalise these channels.

A marketing automation platform enables you to collect more than just demographic, preference data or their last engagement and conduct one-to-one conversations at scale.

At this point, marketers who do not consider themselves particularly tech-savvy may worry about ease-of-use issues. But Phil Draper assures them they have no need to. "With some of our competitors, it's true, you would need some programming knowledge to be able to use their platforms," he says. "Ours is a doddle to use; in fact, it is the first automated platform that is so user friendly, and is based around a drag-and-drop automation builder. Once people start using it, it transforms their working lives."

The easy-to-use system also allows the end-user, the marketing professional, to continue to be creative and strategic, but in a far more impactful way.

"We have an excellent database that sits within dotmailer and provides valuable marketing insights; for example, Web Insights that stores web browsing data, Social Insights that stores your customers' behaviour on social networks, and Order-Insights where customer transactions are stored," says Phil Draper.

A fundamental principle of a multichannel automation marketing strategy, which scales and evolves with the customer base, is that the marketing messages are built around the human being at the receiving end of the company's marketing campaigns.

That means engaging with them based on their individual interests and behaviours, and not just on the e-mails or web links they open or click through, and delivering highly personalised content that helps to convert potential customers into delighted regular customers.

Phil Draper concludes: "People think multichannel automation is more difficult than it actually is and that is certainly not the case when using dotmailer. The fact is it can save people a lot of time whilst adding value to your business."



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# Making social media a friend – not enemy

Stories of poor customer service broadcast on social media can cost a company dear, but handled the correct way Facebook and Twitter can be a brand's best friends

## ◆ SOCIAL MEDIA

● GABRIELLA GRIFFITH

British Airways' slogan is "To fly. To serve." The stark choice of words not only sticks in people's minds, it puts service at the heart of what it does. But in 2013, the airline felt the full force of what is possible when someone is unhappy with service in the age of the social media complaint.

Disgruntled businessman Hasan Syed took to Twitter to voice his frustrations at British Airways' handling of his father's lost luggage. "Don't fly @BritishAirways, their customer service is horrendous," he posted. But instead of simply tweeting to his followers, Mr Syed paid around \$1,000 to have the tweet promoted – by the following day the tweet had 76,800 impressions and 14,600 engagements.

The incident is the perfect example of how powerful consumers have become. It they aren't happy, they can make sure that a lot of people hear about it.

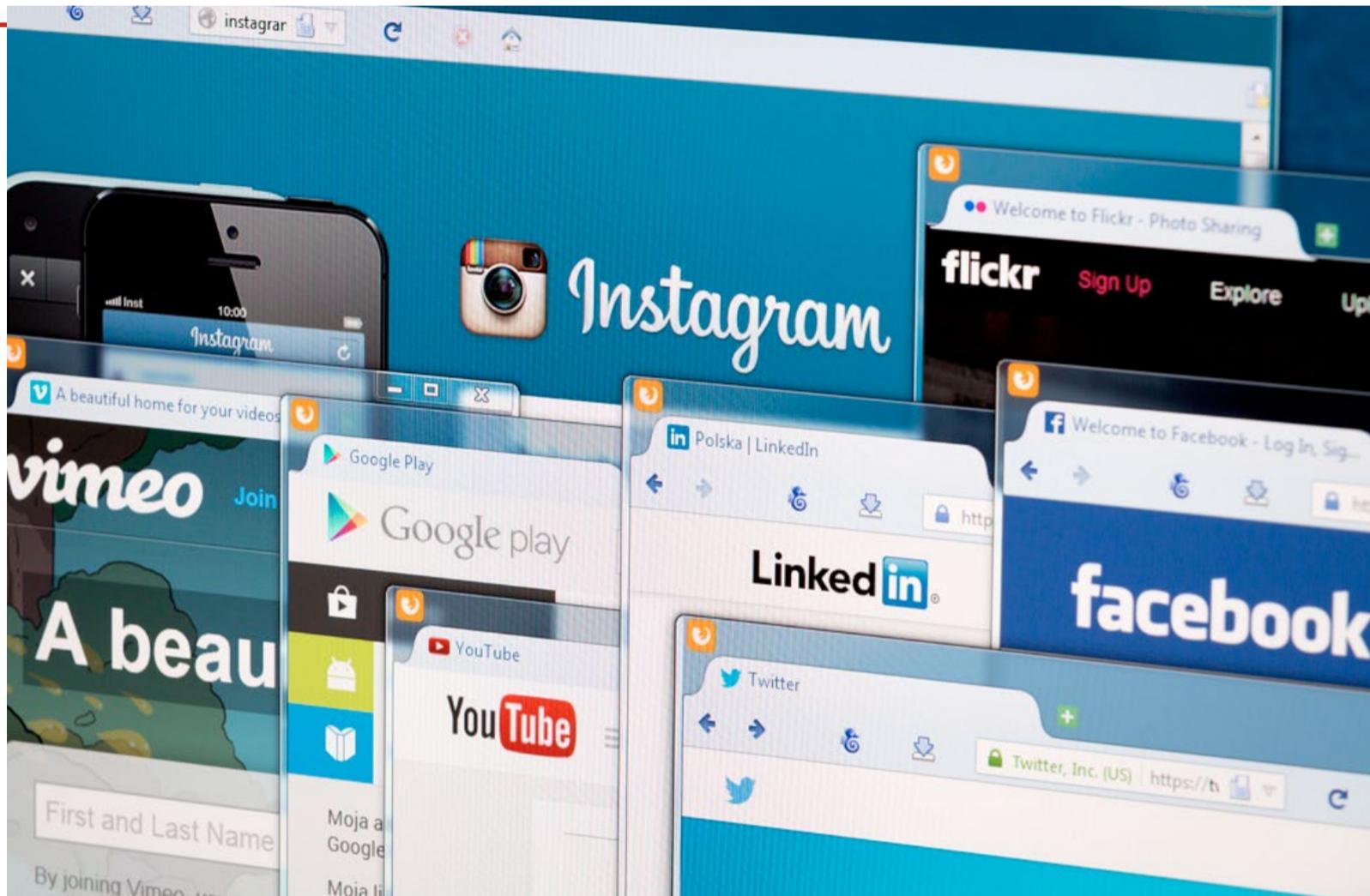
"Social media has redefined the relationship between customers and brands," says Merinda Peppard, Europe, Middle East and Africa marketing director, at Hootsuite. "Consumers have a voice and they expect to be heard. A careless strategy can leave your company exposed to online ridicule."

As terrifying as this may seem, brands shouldn't shy away from social media, it also presents a huge opportunity to communicate with customers. Social media has become one of customers' favourite places to engage with brands.

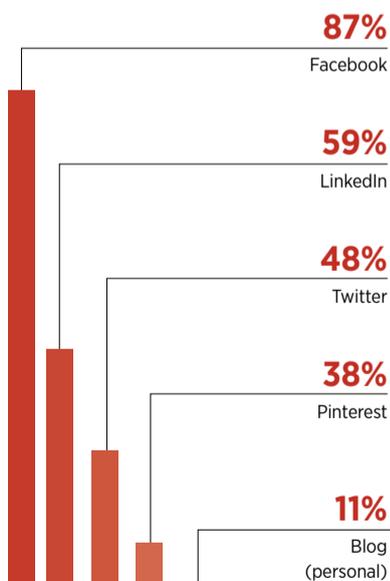
Research by BT found that while five years ago forums made up 84 per cent of social interactions with brands, now that figure is just 2 per cent. Facebook and Twitter have become the dominant channels, and social media now makes up 74 per cent of total interactions with brands.

“The way you manage a brand's social media efforts will affect the company's bottom line as those conversations, customer care issues and opportunities to connect, convert into sales

"Why should a brand use social media? Put simply, social media is where the customers are," says Blake Cahill, global head of digital at Philips. "It's where they talk about your brand and the topics that matter to them. If a company doesn't become part of that conversation, whether it's positive or negative, they lose the opportunity to shape the discussion and engage with customers on a level beyond simple



## SOCIAL MEDIA CHANNELS USED TO COMMUNICATE WITH BRANDS



Source: Kitewheel 2014

product marketing.

"Ultimately, the way you manage a brand's social media efforts will affect the company's bottom line as those conversations, customer care issues and opportunities to connect, convert into sales."

Sure enough, Bain & Company research found that customers who engage with companies over social media spend an average of 30 per cent more than they would do with another company. By chatting with people on social channels, companies can not only resolve issues quickly, but if they're clever about it, they can surprise and delight with positive and witty messaging.

Back in 2012, O2 proved how true this can be by turning around what could have been a social media disaster into a triumph. A widespread network issue, lasting two days, sent thousands of cheesed-off customers on to Twitter, determined to vent their anger. Instead of hiding from the Twitter storm, O2 headed into the eye, responding honestly, openly and, where appropriate, with humour. Conversations about the brand eventually turned from complaints to huge praise and sympathy thanks to their efforts.

"The crucial factors in a social media strategy are being upfront and consistent," says Nicola Millard, customer experience futurologist at BT Global Services. "Approaches to social media strategy vary greatly from sector to sector and business to business; some

## BRAND INSIGHTS



### Process

53 per cent of marketing executives reported having a formal process in their organisation for proactively monitoring social media.



### Scale

45 per cent said it is unlikely their brand can afford to respond to every consumer's social media opportunity.



### Automation

54 per cent would like to be able to detect and reply automatically to consumers on social media; 34 per cent are currently developing this ability.



### Individual identification

52 per cent would like to know if social media brand comments are actually from their customers, as they occur; 40 per cent are currently developing this ability.



### Proactive response

56 per cent want to provide help (not sell) as assistance is being requested on a social network; 38 per cent are currently developing this ability.

Source: Kitewheel 2014

like to answer pretty much everything, while more sensitive sectors such as banking may feel it prudent to direct queries to less public channels. But an openness to talk is key."

Another key factor in creating a successful social media strategy is speed and efficiency. A study by Lithium Tech-

nologies found that 53 per cent of people expect a brand to respond to tweets within an hour. Unfortunately, recent research by Brand Watch found that only 11.2 per cent of brands respond to questions within 60 minutes, so there is work to be done. Having a dedicated social media customer service team is one way

**DORCHESTER COLLECTION**



Luxury hotel group Dorchester Collection not only knows how to charm customers with its crisp white sheets and polite doormen, its stellar customer service continues on social media. The company does this by interacting with its customers on social media, but also by analysing the data it provides.

“Over the past two years we’ve created a new reporting model which uses social media and online reputation to identify the main drivers of guest engagement,” explains

Ana Brant, director for global guest experience and innovation. “From this we are able to alter guest experience strategies and employee development programmes to ensure every one of our ten hotels is achieving our business mission.”

Dorchester Collection analyses social conversations about the hotel group across Facebook and Twitter, which enables them to pinpoint keywords its guests use to describe their experiences with them. “We can look at the de-

lighters and the setbacks, and innovate accordingly,” says Ms Brant.

The management consulting firm Gallup has a global luxury database and if hotels score 48 per cent in its fully engaged test, it pronounces them “world-class organisations”. Dorchester Collection scored 55 per cent.

“We have also been able to measure the link between customer focus and business performance over the past year,” adds Ms Brant. “Heightened guest engagement has resulted in significantly increased revenues; we’ve reduced the number of actively disengaged guests by responding to social feedback and have boosted social media followings on Facebook – 11,500 likes, Instagram – 20,000 followers and Twitter – 28,000 followers.”

**DIRECT LINE GROUP**



Last year Direct Line Group launched a new brand proposition called Insurance that Simply Works. Keen to make sure this was a complete operational shift in the business, rather than a marketing campaign, the group makes sure social media customer service is at the centre of the new brand promise.

“From the outset, we made sure that social media wasn’t just the marketing team’s responsibility or just another channel in a media plan, but much more than that,” says Mark Evans, Direct Line Group’s chief marketing officer.

In practice, Direct Line can be impressive. During the summer it started responding to commuter gripes

during the Tube strike by sending out care packages, including everything from donuts to refreshing foot spray and sun cream, using #EverydayFixes. The Twittersphere loved it.

Shortly after this Direct Line Group, which has 5,723 followers on Twitter, was named by *Harvard Business Review* and *Lady Geek* as the most empathetic brand on the social network.

Mr Evans puts Direct Line Group’s success down to investing in

training, not just investing in commuter gifts.

“The importance we place on customer service across social media is reflected in the way we choose and train our team,” he says. “We select employees from our customer services and claims departments to work solely on social media. We then spend time training them on everything from brand to marketing to social media, to ensure they are best equipped to deliver the strongest customer service.”

to ensure messages get spotted quickly.

Social media strategies can be about a lot more than simply reacting to and engaging with customers. Social media holds a mine of data which is just waiting to be analysed. If this is done well, companies can learn a lot about their own brand reputation and that of their competitors.

There are many tools to use to look closely at the data produced by social media. Hootsuite is at the forefront of this.

“The best way to manage and analyse your customer relationships on social is to use an effective

social media management tool to listen and monitor all your social channels, and alert the correct departments to inquiries in real time,” says Ms Peppard. “This not only allows you to maintain a two-way dialogue with your customers, but also monitor brand mentions.”

Twitter understands the power of customer data for brands. Never has this been more apparent, however, than this summer when it announced it was launching an API or application programming interface to give companies easy access to the entire back catalogue of tweets.

This is expected to give brands the opportunity to review tweets during advertising campaigns of old, during product launches gone by and see how unhappy customers were treated historically. This is a clear message to companies – analysis through

social can lead to important insight.

Social media can help you, just as much as it can help your customers.

“**The best way to manage and analyse your customer relationships on social is to use an effective social media management tool**”



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# New generation is looking for a fresh experience

*Established banks in particular face an uphill struggle to win back the trust of customers as they come under the competitive fire of agile challengers*

◆ FINANCIAL SERVICES  
● CLARE GASCOIGNE

It's not been an easy few years for the financial services industry, facing not only global meltdown, but also increasing high-level scrutiny from regulators and lawmakers.

However, there are plenty who would argue that it's not been an easy few decades for the industry's customers. Scandal after scandal has broken trust; from the debacle of endowment mortgages to the high cost of poor performing pensions, the customer has often seemed to be at the bottom of the priority list.

Now a new generation is driving change and there are new players in the market providing it. From Apple Pay to Metro Bank, traditional financial services companies are being challenged like never before and will need to become far more customer-centric to survive.

"Millennials [those reaching adulthood around the year 2000] want to buy in a different way; they have a degree of scepticism about financial services and a much more self-directed lifestyle," says Martin Green, general manager of Europe, the Middle East and Africa at Medallia, a software company focusing on customer experience. "What we are seeing is financial service companies trying to understand the 'customer journey' much more deeply."

Once mapped, those journeys and interaction – from opening a new current account to complaining about unreasonable charges – can be broken down to determine which bits work or don't work for the customer, and improved accordingly.

Technology obviously plays a big part in this but, leaving aside the issue of cost, which can play havoc with a company's ability to provide online or mobile services, in order to use technology advantageously, the financial services industry needs to understand how technology is used.

"Take the smartphone," says Alastair Newton, vice president for research in banking at Gartner, a research and advisory company. "The most used function on a smartphone is the camera. So banks could be looking at remote cheque deposit, where the customer takes a picture of the cheque, or using the camera when opening a new account, perhaps to take a picture of a driving licence."

That then matches up with the way we use our personal technology and enhances the customer's experience of interacting with their bank.

## TOP REASONS FOR USING MOBILE BANKING



Source: Vocalink 2013

But it's not simply about the ease of transaction. "Banks will have to make the leap from service provider to trusted adviser," says Ben Robinson, author of a paper on experience-driven banking, and chief strategy and marketing officer at Temenos, which specialises in software for financial services. "The success of new banking ventures such as Simple [the online banking startup, based in the United States, which offered customers data-rich analysis of the spending habits] demonstrates that customers would like their banks to be more involved in their financial and commercial lives."

**“**Traditional financial services companies are being challenged like never before and will need to become far more customer-centric to survive**”**

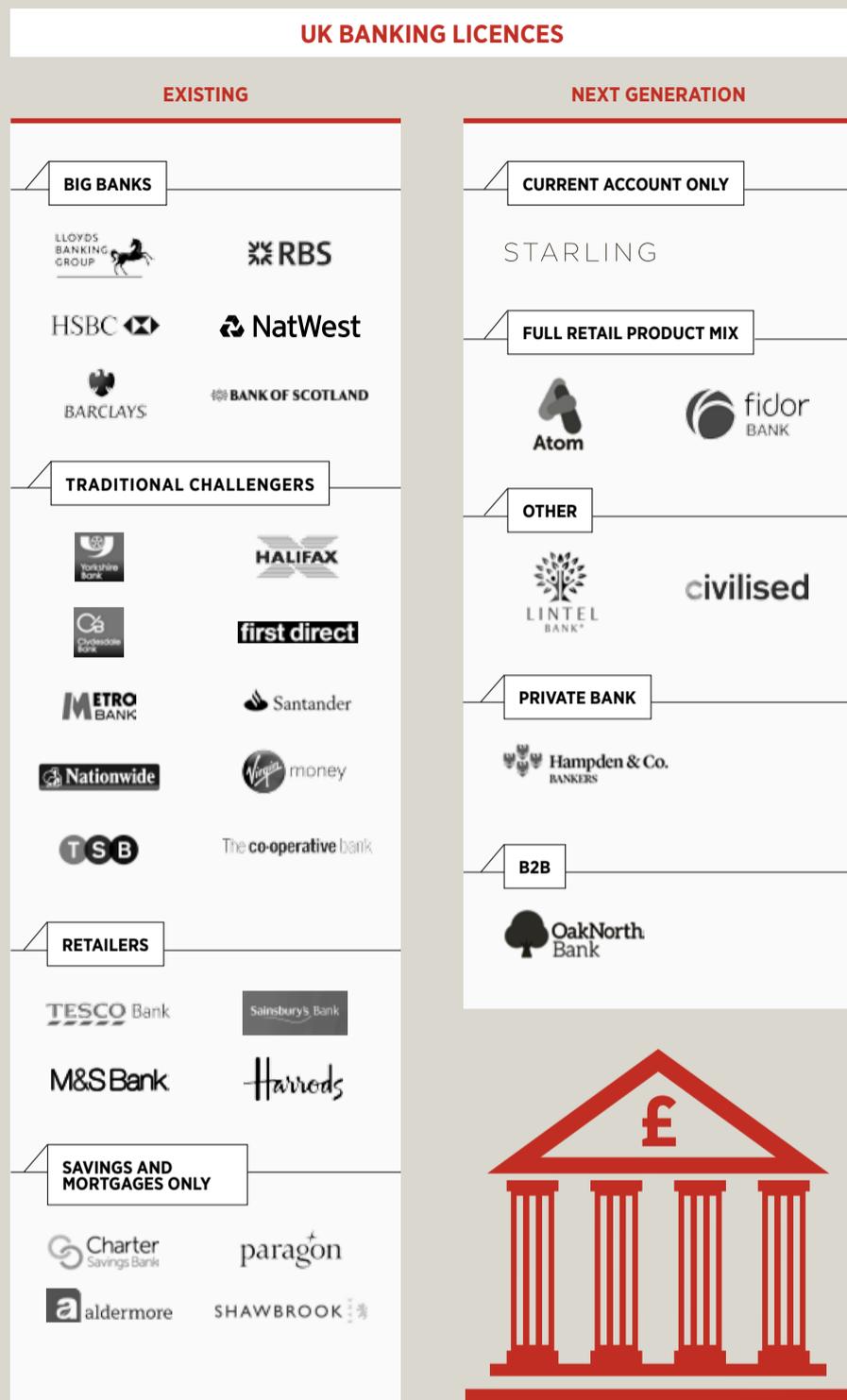
Technology can be used to know a customer to the same degree that a bank manager of the 1950s knew his customers; it's simply that the knowledge is not gleaned from afternoons on the golf course or cosy chats in the office. That data can then be mined to provide a service of real value, offering products tailored to the customer that could be delivered and accessed through a variety of channels.

Temenos cites a variety of ways in which banks could offer experience-driven services, including apps to help customers understand their financial goals, such as saving targets, offers based on location, such as discounts at a local restaurant, digital wallets to help manage multiple financial relationships, such as with utilities, peer-to-peer advice and lending.

Many of these are already on offer. Garanti, a Turkish bank, has had considerable success with its mobile app iGaranti, which enables customers to send money directly to their Facebook friends, without needing to know bank details. You can get cash out of an ATM using your phone instead of a card, transfer money by speaking into your phone and ask an avatar for personalised financial advice.

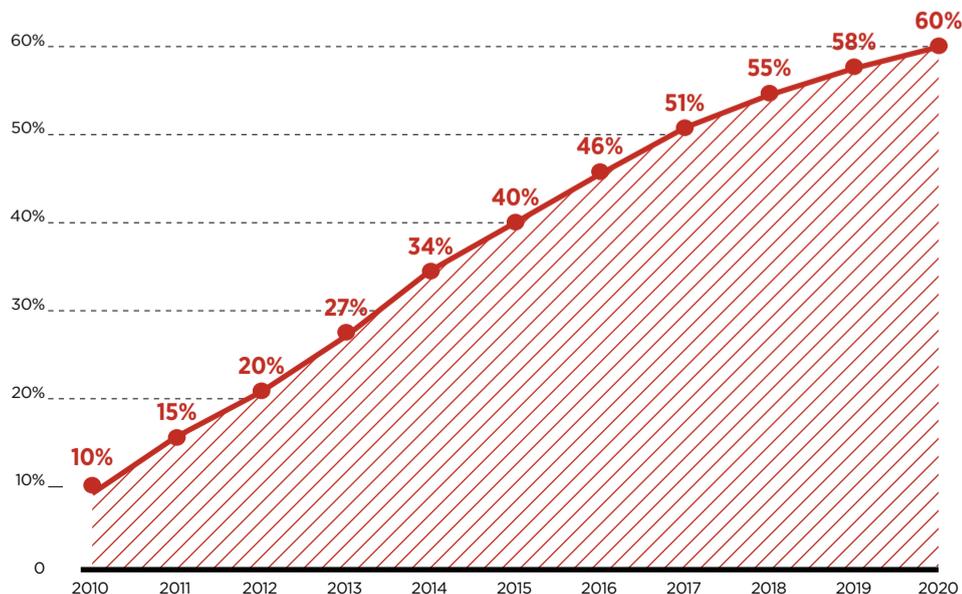
According to Isik Ilhan, Garanti direct manager: "Many young people don't have any experience of managing

## NEW SEGMENTATION IN UK RETAIL BANKING



Source: Starling

## SHARE OF UK ADULTS WHO USE MOBILE BANKING



Source: FICO

**NEXT GENERATION BANKING**



What do all the next generation, challenger banks have in common? Oodles of chutzpah and lots of rude comments about traditional banks.

The new, nimble startups are more akin to a Silicon Valley tech company than anything that would be recognised by Captain Mainwaring, the stereotypical bank manager portrayed in

TV's classic *Dad's Army*.

Often founded and led by individuals who have spent many years in traditional banks, the new banks will need all the brash confidence they can muster. According to Anthony Thomson, founder of Metro Bank and Atom Bank, getting a UK banking licence is "like being beaten again and again".



**ATOM**

One of the newest kids on the block is Atom Bank, the no-branches, mobile-only bank that calls itself "the Uber of online banking". It offers its customers six values, aiming to be respectful, sharing, pioneering, courageous, energetic and joyful.

So far, so Disney. According to Mark Mullen, chief executive, whose CV includes top dog at HSBC's First Direct: "We need better banks. But we also need smaller banks. Banks that won't sit back and try to do as little as possible, or to put it another way, do what they absolutely must, not what they should. We need new banks. We need more banks. We need different banks. And we need them now."

Which is all very well, but the detail remains thin. Atom, which is the first bank focused on a mobile app to gain a banking licence, but only received that licence in June, is the brainchild of chairman Anthony Thomson, who founded Metro Bank, also one of the challengers to traditional players.



**STARLING**

Current-account-only internet bank, Starling's website promises: "We're building a bank that doesn't really look like a bank at all. Mobile beyond anything you've ever experienced, we'll make managing your finances effortless and empowering."

It's not been so effortless to get here. The bank was only created last year, but there has already been a high-profile bust up in the boardroom, with chief technology officer Tom Blomfield leaving the startup in February, along with three other senior managers.

Chief executive Anne Boden says that by focusing on a single product, all of Starling's investment will be concentrated "on the things customers need and use the most".

She adds: "Why do customers have multiple products that do slightly different shades of the same things? Because selling complex products, with opaque charging models, made really good commercial sense."

Starling believes that by limiting its offering to customers, it can provide a best-in-class product that will win over consumers.



**OAKNORTH**

Positioned as a lender to small businesses, OakNorth also specialises in retail deposit accounts.

The difference is that it will accept a variety of collateral, compared with the traditional small business lending mantra of property, property, property; it plans to offer loans of up to £3 million.

The bank has one feather in its cap with the appointment of Lord Adair Turner, the former head of the UK's financial watchdog, the Financial Services Authority, to its board. But founders Rishi Khosla and Ricky Knox bring the entrepreneurial flair. The pair have separately built businesses ranging from a research and analytics service provider for the global financial sector to a social digital payments platform.

That background, says Mr Khosla, means OakNorth will understand the entrepreneurs it hopes to serve.

money and spending, so we're trying to make it easier and more enjoyable."

One of the big problems for many full-service banks is they may well struggle to find the money to invest in the huge variety of services needed for their increasingly fragmented customer base. The startups, unburdened by legacy IT architecture, are able to nip in and steal a comparatively small bit of that base, a kind of slow death by a thousand cuts, which leaves the behemoths with either the unprofitable bits or the unprofitable customers.

It's not easy for the traditional players, with their piecemeal IT and corporate mindset that focuses

on pushing products, to understand the old business model is changing. Nor is it simply a question of out-competing your neighbouring bank; customers are no longer comparing Bank A with Bank B, but comparing Bank A with other digital players, such as taxi service Uber or peer-to-peer travel agent Airbnb. They are looking for a different kind of experience and service.

"Financial services companies need to be working with their customers'

needs, perhaps investing in a product, such as data storage, that does not drive revenue now, but will do further downstream," says Gartner's Mr Newton.

So, for example, PolicyGenius, an insurance broker that started up in 2014, made its name with the Insurance Checkup, an online survey that tells the customer what insurance they need or if they need any at all. The service un-

derstands that most of us find financial services dull and boring – we want a quick, easy and unbiased experience.

Mr Green, of Medalia, calls this "the Uber-isation of financial services". It involves rethinking what we want and how we want it; it involves a fresh eye and a willingness to be radical. However, it is not all always about ditching the traditional – after all, Metro has based its business model around being a branch-based bank – but it is about offering a proper, customer-based service.

Mr Green, of Medalia, calls this "the Uber-isation of financial services". It involves rethinking what we want and how we want it; it involves a fresh eye and a willingness to be radical. However, it is not all always about ditching the traditional – after all, Metro has based its business model around being a branch-based bank – but it is about offering a proper, customer-based service.

**“Most of us find financial services dull and boring – we want a quick, easy and unbiased experience”**



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**MOBILE APPS**  
NEED-TO-KNOW INFO FROM Usablenet

The average app user has **36 apps** installed on his or her smartphone



**Reasons for downloading an app:**

**33%** recommended by others

**31%** sounded interesting/fun

**24%** familiarity with company/brand

**18%** access exclusive discounts/rewards

**How app commerce is evolving**

**18%** of the UK's top 500 retailers, and over

**50%** of the US's top 500 retailers

**offer a transactional app**

**4 in 5** mobile users have used a retailer's mobile app



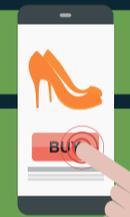
**1 in 4** mobile users shop on a retailer's mobile app on a weekly basis



**1 in 2** app users turn to apps to help make purchase decisions

**45%** of these use apps to look for more business or product information

**29%** and use apps to make a purchase (either online or offline)



**Considerations for App-loyalty**

**RE-ENGAGEMENT**

**1/3** of app users stop using/uninstall apps because they **lost interest**

**30%** would use an app again if offered a **discount**

**24%** would reuse an app if offered exclusive or **bonus content**

**TRANSPARENCY**

**2/3** of mobile media users worldwide consider transparency **very important** and say that it is important to know that a mobile app is **collecting or sharing their personal information**

**USER EXPERIENCE**

**54%** of Millennials globally say that a **poor mobile experience** would make it less likely for them to use a business's other products

**Usablenet** Usablenet is a global technology services company, focused on helping brands with their enterprise mobile strategy and execution.

Visit our website [www.usablenet.com](http://www.usablenet.com) and follow us on Twitter [@Usablenet](https://twitter.com/Usablenet). For the full infographic and sources, please see <http://knowledgecenter.usablenet.com/infographic-mobile-apps-need-to-know-info>



## Bring Your Loyalty Card to Life

With over 30 years of experience in the market, CPI understands your loyalty card requirements. We support loyalty programmes through the provision of personalised cards, key fobs, custom card packaging, direct mail and fulfilment.

Card Manufacturing

Creative Design Services

Card Packaging

Card Services

As a market leader in card programmes, we have a proven track record working with retailers, industry processors and prepaid programme managers. We understand that each loyalty programme is unique. CPI can help you develop a range of card products that anchor your brand, create visual impact and generate emotional connections with customers.

Contact CPI to learn more about the products and services available to enhance your loyalty programme.

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