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Against the backdrop of an increasingly digital world, brands across sectors must examine the value of a first-class, omnichannel customer experience, considering how consumer expectations are not just demanding this, but shaping it for themselves

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CONSUMER TRENDS

Customer experience on demand

A consumer revolution is underway as customers crave the convenience of omnichannel shopping and demand a personalised experience

Emily Hill

New data from the John Lewis Partnership Card shows that one in fifteen purchases are now made between the hours of midnight and 6am. Velocity Commerce, which manages Amazon and eBay sales for a range of brands including Sony and Hoover, reveals that typical weekday purchasing starts at 5am with 20 per cent of sales concluded by the time the working day begins.

“This should be no surprise to anyone,” says Blackett Ditchburn, strategy director at innovation consultancy Fearlessly Frank. “Shops that only opened from nine to five, six days a week are ancient history. The last 40 years have seen the steady ascendance of customer convenience. If retail has learnt anything about survival, it is that it must follow the customer.”

As long as we have money coming into our accounts the sales will boom, Eddie Latham, director of Velocity Commerce adds. “On a monthly basis, spending follows the ‘pay day’ trend. Looking at statistics from July this year, sales were 23 per cent less before people had been paid.”

Current consumer trends show that the way customers prefer to engage with companies is changing.

“Buying something new is exciting and consumers want to experience that buzz when they make a purchase,” says Jamie Martin, chief executive of Ideal Shopping Direct. “It’s a key part of the psychology of buying. Retailers need to feed this excitement; this is what we mean



87%

of consumers say it's important to purchase from brands or retailers that understand "the real me"

93%

agree it's important that every interaction with a brand is "excellent"

Accenture 2019

by engagement. It's not enough to have the best price or product."

The physical store isn't dead, but to maintain its relevance it must be wholly reimagined for the future customer. Take Samsung, which has embraced omnichannel while insisting the battle for bricks versus clicks is very much alive.

"Customer experience and engagement have historically been face to face in traditional" shops," says Tanya Weller, director of Samsung KX. "The struggle faced by retailers on the high street is well documented; it seems we hear of a new casualty every day. KX is our marker in the sand to press reset on retail.

"We have seen first-hand how tech, combined with local people, culture, history, fashion and design can bring a location to mind to enhance the customer experience and make it feel more personal for each individual who walks through the doors."

“

Future customer experience needs to be data driven, personalised and omnichannel; the overarching aim should be to make customers feel special and valued at all times

Mike Glegg
Vice president of sales, Cardlytics



More fickle, less loyal

According to the purchase intelligence company Cardlytics, the future customer will be more fickle and less traditionally brand loyal.

"Already in retail, around 70 per cent of sales come from just 30 per cent of loyal customers. The question for brands will increasingly be how to attract the remaining 70 per cent," says Mike Glegg, vice president of sales at Cardlytics.

"Future customer experience needs to be data driven, personalised and omnichannel; the overarching aim should be to make customers feel special and valued at all times."

Mr Glegg points to Amazon Prime as a perfect example of how the future customer will demand a more personalised experience so they can get exactly what they want anytime, anywhere.

"Our data shows that Amazon Prime members spend on average £590 on the platform

every year, compared to just £230 spent by non-Prime members. Listen to your customers and you'll quickly reap the rewards."

Ultimately, we need to look at future generations to understand the future customer and this means getting to grips with Generation Z, according to Joel Davis, co-founder of adtech specialists Mighty Social.

"Generation Z is the largest youth population in our planet's history and comprises 32 per cent of our global population of 7.7 billion in 2019. Gen Z will make up 40 per cent of all global consumers by 2020. More than nine out of ten parents say Generation Z influences their household decisions."

The expectations of this young cohort will seem utterly space age to their grandparents. Accenture has forecast that by 2022, more than half of customers will select services based on a business's artificial intelligence rather than its traditional brand.

This could lead to various futuristic scenarios playing out in the real world, from intelligent booking and scheduling functionality built into smartphones, to listening technologies that allow devices to suggest relevant purchases and events. ●

RISE OF THE 'NIGHT-SHOPPER'

1 in 15

online purchases is now made between midnight and 6am

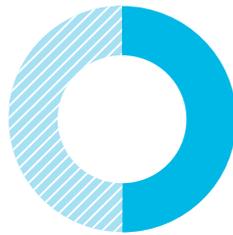
2/3rds

of night-shoppers are women

23%

rise in amount spent by night-shoppers in 2019 compared to 2018

John Lewis & Partners 2019



50%+

of customers will select services based on a business's artificial intelligence rather than its traditional brand by 2022

Accenture 2019



Omnichannel will only get bigger

"Shopping is becoming spread across the whole flow of life; no longer confined to 'opening hours', it is part of our daily existence," according to Blackett Ditchburn of consultancy Fearlessly Frank. "At the extreme, acquiring things is becoming an intuitive process rather than the old way of making a list, planning a shopping expedition, taking time out to execute it."

It's clear that omnichannel, which embraces all approaches and works across all platforms, is vitally important and will only get bigger in the future. "It won't be good enough just to make great things; they have to be provided in a way that adds value to the customer," says Sam Jordan, executive vice president of Manifesto Growth Architects.

Just look at the biggest business success stories in contemporary culture, such as Uber, Airbnb, Monzo and Tesla, all brands that offer great customer experience, which is driving them towards the next generation of shoppers.

Meanwhile, the impact of not taking an omnichannel approach proves devastating. The likes of Thomas Cook, Toys R Us and a host of other retailers and brands that have chosen to stick to their principles have paid the ultimate price by not adapting to consumers' changing behaviours.

Their failure to compete is a stark reminder that if organisations stay legacy-driven and siloed, they will ultimately lose customers, revenues and their brand to new entrants and challengers.



BEST PRACTICE

Creating the ultimate experience

Czech-born writer Milan Kundera observed: “Business has only two functions: marketing and innovation.” So what should businesses do if they want to innovate in marketing?

Emily Hill

To an outsider, marketing is a discipline that may appear complicated and daunting: opaque in its strategies and processes, often mired in jargon. Each sector has its own favoured methods for reaching and retaining its target audience.

For instance, fashion marketers understand their brand’s product, philosophy and the points of differentiation better than a retail marketer because they live and breathe that

brand. While marketers for digitally native brands have the edge in direct-to-consumer marketing and advertising.

From not-for-profit organisations’ detailed nurture programmes, and focus on avoiding donor attrition, to innovation in retail, best practice across sectors, if unified, creates the ultimate customer experience.

Not for profit

All marketing is designed to extract as much money as possible from those who engage

with it and the charity sector thrives above all on appealing to the emotions. It harvests information for donations and prolongs relationships through a dedicated email strategy, which constantly reminds the donor how much he or she is valued. “The not-for-profit sector is best in class when it comes to cultivating new relationships,” says Hannah Johnson, managing director at Blue State, the digital strategy and marketing firm whose most notable successes include involvement in the 2008 and 2012 Barack Obama US presidential campaigns. “They acknowledge that the first six months of a charity getting to know their new supporter and vice versa can be the difference between someone becoming disengaged versus being an advocate.”

Retail

Retail is arguably facing the biggest challenges of any sector thanks to the ever-decreasing footfall in bricks-and-mortar stores. The cleverest marketers have responded to the inevitability of this trend by reimagining why a customer visits a shop. “We don’t need to go to buy a product, but we do if we want to experience it,” says Nicola Gittins, senior lecturer in marketing communications at Birmingham City University, who gives Nike as an example. Nike’s newest outpost in New York spans five floors and includes a basketball half-court, football trial area, treadmill that simulates outdoor runs and customisable shoe bar where shoppers can create a personalised pair of Nike Air Force 1s. Ms Gittins also references IKEA when it opened a new store in Clermont-Ferrand, France: “People celebrated by literally climbing a wall which was a replica of a furnished apartment.”

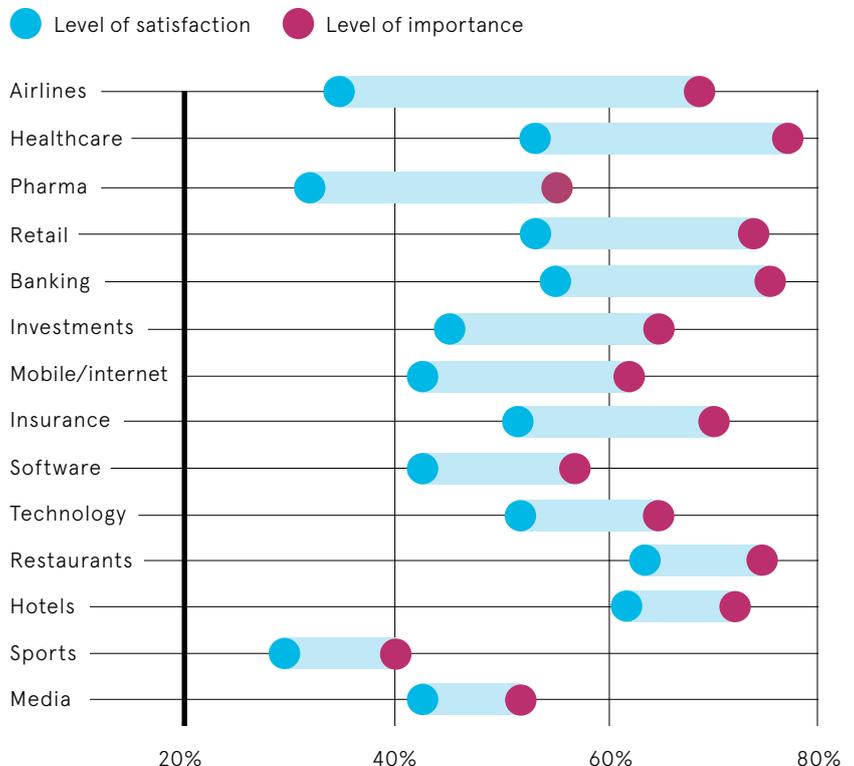


An omnichannel approach is essential in a world where customers have the ability to interact with a brand in numerous ways

Sukhy Cheema
Chief executive, Branding London

EXPERIENCE AND EXPECTATION GAP

When making purchase decisions and considering the role of the customer experience, there is a consistent gap between experience and expectation across sectors



PwC Future of Customer Experience Survey 2017-18

B2C

Generation Z is spending more time online than others before them and the business-to-consumer (B2C) marketing sector is exploiting the possibilities of all the data Gen Z is voluntarily handing over. Companies such as Amazon Prime and Uber demonstrate how they are precision-marketing on a one-to-one basis with marketing as a discipline being defined by the pace at which it’s evolving. Data is now everywhere and in demand from every part of businesses.

B2B

While data is undoubtedly king, business-to-business (B2B) marketers insist there’s no substitute for face-to-face marketing when maintaining long-term relationships. “The marketing model is changing, as the media landscape has moved on so much over recent years. But even in a digital world, we strive to incorporate as much face-to-face marketing

as we can as we have a complex message to sell that is tailored to different industries,” explains Colin Dulson, managing director of business leadership consultants Berrison. “This is true for most B2B campaigns; your diverse audience needs to be interested and involved. We find thought-leadership pieces, debates and events are an essential tool in marketing, to educate as well as raise awareness.” When everything is about the future, B2B marketing stresses marketers shouldn’t neglect the past. As Andre Backner, director at Bridge Insurance Brokers, concludes: “Our heritage means a lot to our clients, some of whom we have worked with for decades.”

Health and beauty

But there’s no ignoring the fact that we live in a brave new world, and the health and beauty sector is leading the way when it comes to exploiting the possibilities of social media. “There was a time when a beauty brand’s image was a supermodel wrapped up in a multi-million-dollar TV advertising campaign,” says Elliott Jacobs, Europe, Middle East and Africa commerce consulting director

at LiveArea. “Cosmetics, beauty and personal care are swapping supermodels for influencers; think Instagram, Snapchat and YouTube. This trend has resulted in a surge in interactive, consumer-generated content. Empowering customers as micro-influencers can have an enormous effect on how the brand is perceived among peers.”

Omnichannel solution

Ultimately, according to Sukhy Cheema, chief executive of Branding London, the most brilliant contemporary marketing minds will examine and take inspiration from all the strategies that different disciplines excel in and combine them. “The customer expects brands to be able to provide them with an omnichannel physical or digital experience, including desktop, mobile, in-store or personal, where the brand feeling and experience are consistent. Combining these approaches will result in having a more complete and satisfying customer experience of the brand. An omnichannel approach is essential in a world where customers have the ability to interact with a brand in numerous ways.” ●



Achieving brand symphony

An effective customer marketing platform can boost brand loyalty and increase revenue

Amid the explosion of digital platforms in the modern era, a company seeking a consistent, timely and relevant marketing strategy across its various platforms can face significant challenges. It may not have access to useful customer data, may be unsure about why they lose subscribers or be unclear about how to deliver a better service.

But what if this process could be smoother? What if a brand could engage with their customers in a way that felt less like marketing and more like a conversation led by the consumer, which gave the company more insight and the customer more access to the things that they wanted, when they wanted them?

It's the kind of brand symphony that Danish company Agillic has been successfully implementing for its growing portfolio of clients and their customers during the last few years. With offices in Copenhagen, Stockholm, Zurich and London, the customer marketing platform has gained a solid reputation in Europe and was recognised with an award from a prominent Danish internet trade association "for creating an elegant and efficient platform, which with pragmatic and smart solutions makes life easier for companies that want to enhance personal contact with consumers".

Incorporating some of the most advanced technology in the field, including artificial intelligence and the option to combine first and third-party data in paid media to improve advertising effectiveness, the Agillic platform can integrate with a variety of software, sources and systems. A cloud-based scalable technology, it analyses, translates and securely stores real-time data, which provides insights that have been helping



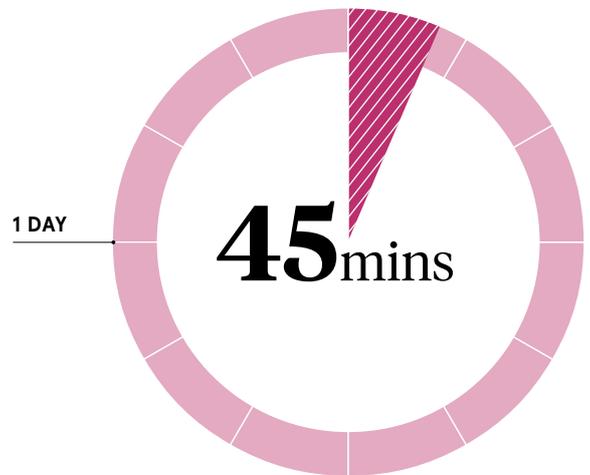
companies and brands, including travel companies, retailers charities and financial services, to understand and strengthen their customer relationship. As Benjamin Byrd, Business Director at Agillic UK, says: "We provide the tools to see what's important for the customer at each stage in purchase lifecycle, so brands can figure out how to keep each conversation relevant and progressive."

As a platform created for marketers by marketers, it's this first-hand experience that gives Agillic an intimate knowledge of the fast-moving industry, including understanding the importance of contextual customer experience. "Consumers don't necessarily think about which channel they are using, but expect a consistent experience regardless and assume the organisation they are dealing with knows who they are," says Byrd. "It is important to maintain human conversations that are contextual and relevant to the customer you are speaking with, adopting the appropriate language, messages and tone of voice in each of those settings."

According to Agillic, omnichannel takes this to the next level. "The omnichannel perspective needs to account for all the platforms and customer devices a company and its target audience use, ensuring the company's goals, messages and brand move smoothly across channels and devices, with an integrated customer experience personalised to the individual customer," says Byrd. "It's an approach that is defined by focusing on the human conversation first, then worrying about the details of the channel last. This leads you into much more of an omnichannel world. When conversing in a more orchestrated, holistic and data-driven way, that's when a true value exchange between a customer and brand takes place for you both."

REDUCTION IN TIME TO SET UP AN EMAIL

- Time taken before Agillic implemented
- Time taken after Agillic implemented



VALUE OF ACHIEVED CONVERSIONS

60%



uplift for text message

120%



uplift for email

Danish Red Cross

A major organisation that has successfully benefited from Agillic's omnichannel solution is the Danish Red Cross. The leading humanitarian charity has a significant presence in Denmark with 500,000 donors. Working with Agillic's Customer Marketing Platform, the Danish Red Cross wanted to optimise their fundraising strategy for members and donors to drive loyalty and grow repeat donations.

Charlotte Albrechtsen Christensen, head of individual giving, fundraising and marketing at the charity, says: "Fundraising via text messaging has very high efficiency and when we started doing this out of the Agillic platform, the average turnover per text message increased significantly. If we look at the value of the achieved conversions in text messages, Agillic has contributed to an uplift of 60 per cent. For email, the uplift constitutes around 120 per cent. Setting up an email has become much easier, efficient and has reduced from one day to 45 minutes. This is most valuable to us as we will be exchanging parts of our printed communication with personalised email flows."

Another organisation that has successfully benefited from utilising Agillic's omnichannel capabilities is leading Danish sporting goods retailer Sportmaster, which has a strong position in the sports retail market. Fierce competition and low customer loyalty meant they needed to increase sales to maintain position. Sportmaster are using Agillic to increase the value of their customer base, by linking effective personalisation and omnichannel execution.

“

As consumers are becoming more and more demanding and channel agnostic, it is essential that brands learn and adapt to enable a deeper and more engaging relationship with their customers

With a sizeable ecommerce operation and more than 100 stores, Sportmaster has one of the largest customer clubs with over a million members. By combining content and data with the efficient execution of the Agillic platform, Sportmaster continuously runs campaigns and communication flows focused on customised offerings and services.

Jesper Holm Pedersen, Sportmaster's loyalty manager, says: "By segmenting and personalising an increasing share of their emails, the retailer has been able to increase email opening rates by up to 200 per cent and a staggering 500 per cent increase in click rates, and triple the conversion rates. This has driven substantial revenue and increased the number of members in our loyalty programme by 20 per cent."

Having consolidated its brand in Scandinavia and listed on Nasdaq First North in Copenhagen last year, Agillic is keen to expand its portfolio in the UK. Byrd says the company is more than prepared to bring its knowledge of customer engagement and proven omnichannel solution to a new market.

“

We provide the tools to see what's important for the customer and at their stage in purchase cycle, so you can figure out how to keep that conversation relevant and progressive

He concludes: "As consumers are becoming more and more demanding and channel agnostic, it is essential that brands learn and adapt to enable a deeper and more engaging relationship with their customers. The ability to humanise the experience contextually, and with relevance, is paramount to maintaining brand loyalty. Get it right and you're building trust with customers, not just selling to them. That's what Agillic can help marketers achieve." ●





TECHNOLOGY

Remaining real in an age of automation

Being authentic is paramount for brands battling for genuine engagement with customers online and on the high street

Belinda Booker

As consumers, we want to feel brands care about our business. Part of this is being able to have genuine interactions and speak to real people, not robots. The problem for brands, however, is customers want to engage with them on so many different channels that it can put a huge strain on resources.

Marketing automation has become a necessity, but while the technology offers efficiency, this type of communication risks alienating consumers by being too impersonal. Or too

personal, as the case might be; remember when Target accidentally revealed a schoolgirl's pregnancy to her father by sending out discount coupons for baby products?

"Contrary to popular belief, consumer acceptance of artificial intelligence (AI) is limited and progressing slowly," says Helen Murray, chief customer solutions officer at Webhelp. "There are substantial risks in choosing an overly aggressive approach to automated customer experience."

Even one bad experience can be highly damaging, says Liliana Caimacan, head of global

HUMAN VERSUS AUTOMATED INTERACTION

75%

of consumers say they'll want more human interaction as technology improves

PwC Future of Customer Experience Survey 2017-18

TOP ISSUES CONSUMERS IDENTIFY WITH WHILE MAKING DECISIONS ABOUT BRANDS

Percentage of respondents

28%

How the company treats its own people/employees

20%

How the company treats the environment

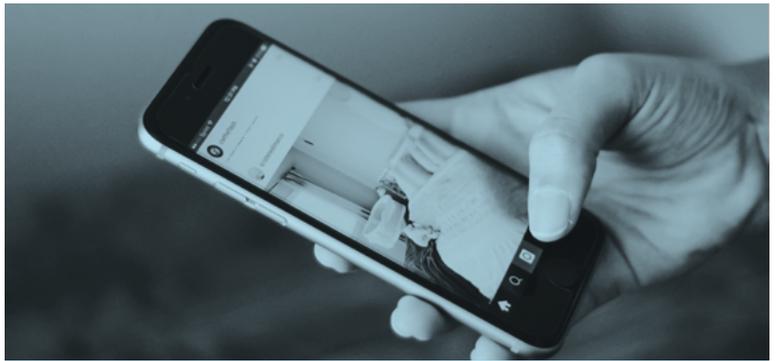
19%

How the company supports the communities in which it operates

Deloitte 2019

innovation at Tata Global Beverages. "Any good experience a consumer has will increase six times the possibility to recommend the brand, while a negative experience will need another twelve positive experiences to be overcome. We know this is not possible, so it's fundamental to ensure positive and authentic experiences for consumers anytime," she says.

The importance of "real" interactions with brands can't be underestimated. A survey of 1,000 UK consumers by Attest found 65 per cent would rather go to a physical shop than deal with companies online and 24 per cent of those would go out of their way to do so. But as the world becomes increasingly digital, how



Return on engagement

To deliver an excellent customer experience across multiple channels requires significant investment, but is it worth it?

According to studies, the answer is "yes". The *2019 Edelman Trust Barometer* shows consumers rank brand trust as one of the top factors they consider when making a purchase and authentic interactions are an integral part of building brand trust.

For Pact Coffee subscription service this has meant aligning its customer service team with its social feeds, so someone is always on hand to interact with followers.

"From answering questions, to generally engaging with their comments, it can be a time-intensive activity," says managing director Paul Turton. "But for us, it's important to make our customers feel like part of a community, so we believe it's definitely worth the investment.

"We now have more than 40,000 subscribers and we can tell the majority of them are truly engaged with Pact as a company from their eagerness to attend customer events, as well as their frequent positive reviews and comments."

Meanwhile, clothes recommendation service

Thread says it has achieved an above-industry-average Trustpilot score thanks to its combination of artificial intelligence and human customer service. "Thread gives you your own stylist to message and genuinely learns based on your interactions; we wouldn't have a business without this," says chief executive Kieran O'Neill. "It's why over 25 per cent of Thread customers now do all their clothes shopping exclusively through us."

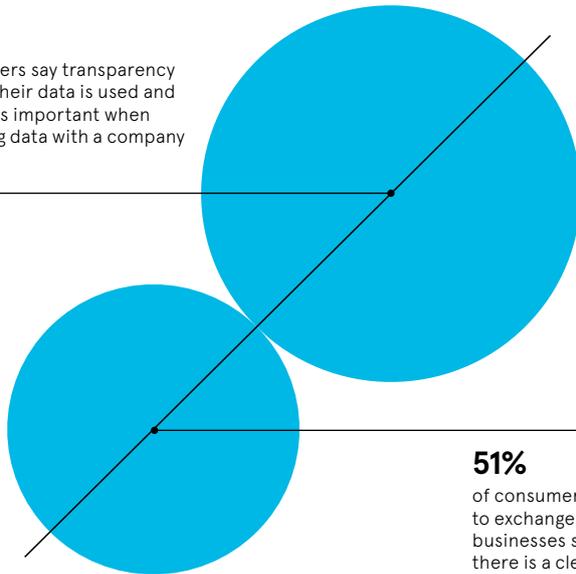
Peter Markey, marketing boss at TSB Bank, agrees authentic engagement is great for customer retention. "The benefits should ultimately be increased customer loyalty and willingness to recommend your products and services to others. We've certainly seen key positive shifts in our net promoter score at TSB by ensuring our customer experience is really delivering," he says.

And when the customer experience is delivering, this can also be seen in the bottom line. The Boston Consulting Group found that brands which create personalised experiences by integrating digital technologies and proprietary data are seeing revenues increase two to three times faster than those that do not.

MAJORITY OF GLOBAL CONSUMERS ARE DATA PRAGMATISTS

86%

of consumers say transparency over how their data is used and collected is important when exchanging data with a company



51%

of consumers are happy to exchange data with businesses so long as there is a clear benefit for doing so

GDMA 2018

can brands ensure they continue to provide the human touch?

Sylvia Brune, co-founder of business travel concierge app AHOY, says it's about working out where marketing automation adds value and where it doesn't. "Too many businesses are keen to use technology without thinking what is the best way to solve a customer problem. If a customer is distressed, then human interaction is usually required and should be available to quickly solve the issue."

Personalisation

On the other hand, says James Calvert, chief data officer at LIDA, personalisation can dramatically enhance the customer experience. "When brands can recognise the individual



When brands can recognise the individual needs of consumers and provide solutions to those unique problems, it all adds up to a positive experience

James Calvert
Chief data officer, LIDA

needs of consumers and provide solutions to those unique problems, it all adds up to a positive experience. For example, the new ride-hailing app Kapten has a really clever mechanic that recognises when riders and drivers have ridden together before, and rewards both with a free ride and double payment respectively."

The big challenge is ensuring the experience a customer receives from a brand is consistent, wherever they choose to interact with it. "This is particularly evident in looking at the interaction, or lack of, between physical and digital elements of the customer experience," notes Peter Markey, chief marketing officer at TSB Bank. "Most organisations tend to still work in channel silos, so it's increasingly important to break down walls in an organisation and look at the end-to-end connected customer experience."

It's not just channel silos that must be broken down; equally, data sources must be better connected. "There's the stereotype of being followed around the web by the ad for the item you just bought. But personalisation should be the opposite of that; you'd never see the ad again, as the system knows you have bought it," explains Ned Hodge, senior strategist at Strat House.

As well as being able to provide better transactional content, well-implemented AI can mean more engaging content marketing. "Using real-time data can be especially powerful," says Kat Willox, director of paid media at VaynerMedia. "For example, one client was able to use information about articles read on-site to devise a 'top ten' list, personalised on users' viewing habits, which increased viewership."

But ultimately, for a brand to communicate authentically across channels, responsibility can't be given over solely to marketing automation. It must remain a mix of human and AI, with a willingness to sometimes veto the data.

"Tonally, a brand must remain itself, even if machine-learning tech means the right combination of words could now elicit higher response rates; people see brands as having a personality," Christophe Castagnéra, head of connected experiences at Imagination, points out.

Brands may also need to make bold decisions not to be present on channels where they're unable to provide a good experience. "Real authenticity requires bravery and commitment," says Adam Powers, chief experience officer at Tribal Worldwide London. "Be authentic about where you choose to speak to your customers and how you choose to do it." ●



Agillic is a Nordic software company enabling marketers to maximise the use of data and translate it into relevant and personalised communication, establishing strong relations between people and brands. Our customer marketing platform uses artificial intelligence to enhance the business value of customer communication. By combining data-driven customer insights with the ability to execute personalised omnichannel communication, we provide our clients with a head start in the battle of winning markets and customers.

RACONTEUR

Publication sponsored by



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