



RETAIL UNDERSTANDING YOUR CUSTOMER PERFORMANCE FASTER

TCS Industry Insights

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1. How has the retail industry's idea of superior customer service changed recently?

The retail industry is in the midst of a tectonic change, and the lines between the digital, and physical shopper experience are blurring. Possessing powerful technologies at their fingertips, customers expect retailers to meet their needs, and wants at will, leading to 'anytime, anywhere' commerce. Additionally, customers want a frictionless shopping experience.

This is forcing retailers to make major changes in the customer experience. The story of Katie, a busy mom, illustrates this well.

Meet Katie: A 35-year-old mom who drives to work at 8AM every day after dropping her kids off at school. She frequently goes to a store on her way back home to pick some dine-in menu options from the food section for dinner.

10:00 AM
It's a Wednesday morning, her son Tim has just won the football tournament at school and they want to party at home. She has to plan the party, send invites out, get food, everything done & ready by 6PM. But of course, she has a lot of work in office to finish.

12:00 PM
She makes her list—groceries, balloons, streamers. Everything is available on the website. With a click of a button she buys them online to pick up in store later in the evening.

1:00 PM
Now for the cake, she browses Pinterest and loves the football themed cake. She taps to order it with a personalized message.

4:00 PM
She gets a notification that her order is ready to pick up.

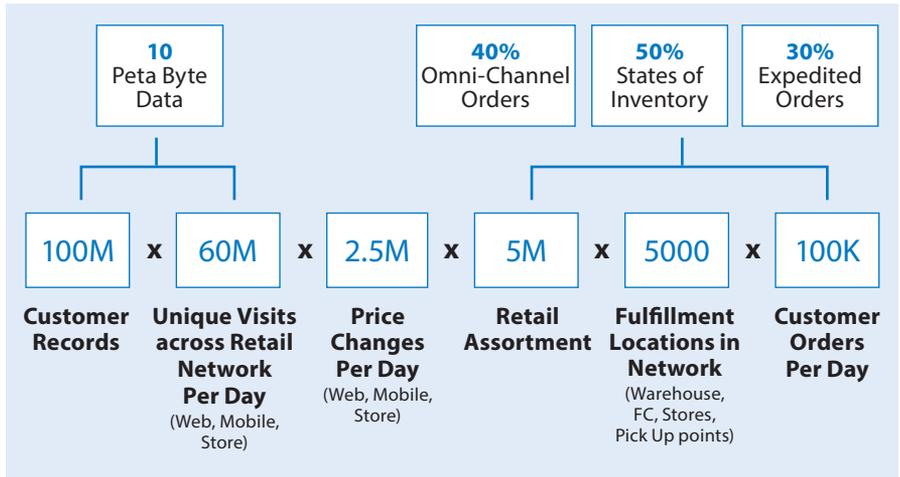
5:00 PM
As she starts driving closer to the store, the store associate gets notified automatically that Katie is nearby.

5:05 PM
She enters the store, and gets a notification about where to collect the order.

5:15 PM
She always hand picks apples for Tim. The store associate adds them to the cart and helps her checkout.

TIM & HIS FRIENDS LOVE THE PARTY... IT'S A HIT...!

While Katie's shopping journey is ideal and simple, the grocery store's responsibility to deliver such frictionless and superior customer service is not at all easy.



In this example, customer service is about delivering a seamless experience—the right items present at the right store, and the right recommendations being made, and offered at the right price. Additionally, parts of the retail supply chain—the inventory availability, time of pickup and the last mile fulfillment—are now **more visible** to the consumer and not hidden behind the scenes. What is more, store personnel play a more important role to ensure the last mile of the consumer's process is hassle free.

All in all, the customer experience is becoming personalized, transparent, seamless, and real time.

2. What emerging technologies are most important to giving retailers a fuller, faster picture of customer likes and dislikes?

We first need to explain what fuller and faster means for consumers. Fuller means a seamless shopping experience irrespective of what channels customers use. But it also means knowing customers' likes and dislikes throughout their shopping journey. Faster means instant gratification. That could mean filling an online order the same day, or even within a couple of hours.

With technologies, such as Internet of Things sensors and mobile devices, shopping becomes simpler for consumers, but more complicated for retailers. More consumers are using smartphones or IoT connected devices to place orders from their homes, and have merchants later deliver them. To achieve this, retailers face huge complexities. Their supply chain network has to choose the closest source for each item, while keeping customer preferences in mind. Retailers must also make sure they deliver according to customer expectations and replenish inventory for the next customer.

With the advent of smart robotics, retailers can now program human-like intelligence and learning capabilities into mobile robots, delivery drones, and other machines. That can free up store associates to spend more time on the floor—serving customers—and less time in the back room. Big data, cloud, AI, and social media tools also help retailers deliver truly exceptional customer experiences.

Looking ahead, Internet of Things, smart machines, intelligent automation and real-time data technologies will be crucial for retailers trying to transform this fuller and faster vision into a reality.

3. What is the next frontier for retailers in delighting customers?

It boils down to this—*extreme personalization at every interaction point*. Having a 360 degree view of the customer and using it across the retail value chain will be a key differentiator for retailers. Personalization could mean getting the assortments, pricing decisions, product recommendations, and customized loyalty programs right for every single customer. It could even include designing the customer experience and offering appropriate solutions based on the customer's current context. Delivering extreme one-on-one personalization will be the next frontier in delighting and delivering truly exceptional customer experience and service. Retailers that can deliver extreme personalization at every point of the customer journey will be the true winners in this digital age.

Doing so will also require retailers to involve customers in the design of products and the in-store experience. Design thinking will play a key role here.

4. How important will personalization be to retailers?

Personalization will be crucial. A century ago, when mom-and-pop stores dominated, the store owner knew your name and preferences. He often knew even your anniversary or birthdays. It was an extremely personal relationship. With the rise of mass merchants, warehouse clubs and huge supermarket chains in the last 30 years, personalization moved to the store level but not the individual consumer level. Somewhere in the shift to large-format retailing, we lost the personal touch of the old mom-and-pop store.

Now, we are getting it back. With Big data and advanced analytics technologies, it is possible to establish the same kind of one-to-one personalization. A leading U.S. retailer developed what it believes is one of the world's largest customer intelligence systems. The platform gives it a 360-degree view of customers. This retailer is beginning to use the insights from that system to personalize every point of interaction with their customers.