

Get Personal

Five Digital Ways To Give Customers What They Want





**Digital personalities
are defining the future of retail.**

Introduction

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See why the future of retail is one-to-one.

2. The Personalized Experience

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Why Retail Personalization Matters

Data insights are the difference between knowing a customer has just strolled into your store, and knowing their name, size, color, and style preference, along with the occasion they're shopping for.

More than ever before, retailers are expected to deliver a seamless and differentiated experience for new and loyal customers, alike. This e-book explores how retailers can use digital transformation to personalize the shopping experience for each customer.





1. Data Personalization

With an additional 1.4 billion smartphones entering the market last year, and approximately 2.3 billion people sharing their digital personality each day, the customer expectation for personalization has never been greater. Modern retailers are using digital transformation to separate themselves from the crowd and build one-to-one relationships with their customers.

Digital transformation allows retailers to fully leverage the opportunities of technology in a strategic and prioritized way.

One-third of all data will exist in the cloud by 2020, and each terminal in an expanding Internet of Things (IoT) is built for tracking passive, active, and personal data. The cloud allows us to gather data and empower employees by giving them the technology they need to help customers in a personalized way.

Management consulting firm Kurt Salmon has suggested that as consumer spending continues to shift toward digital channels, retailers will come to depend more on the data gathered at each

visit, purchase, and social engagement. The firm predicated that retailers would need to either transform their existing stores or begin shuttering their increasingly unproductive spaces.

American shoppers currently make more than 50% of their purchases online. Now, more than ever, personalization bonds retailers to their customers, and those brands that pay close attention to the digital personalities of their clientele will naturally gain a competitive edge.



Getting personal is essential for retailers in an increasingly crowded market. Data-enabled stores, supply chains, products, and customer interactions can yield the insights necessary for capturing the customer's imagination and loyalty.

Forbes has estimated that retailers who leverage data in the years to come could increase operating margins by as much as 60%.

Retailers must predictively mold their brand and business processes around a one-to-one relationship with the customer. The convergence of personal data and digital retailing has fundamentally changed the customer's expectation for care, and emphasized the need to be proactive.





Case Study #1:

Learning from Pandora

Problem:

Pandora sells its jewelry in more than 90 countries through approximately 9,500 points of sale that include retailers, franchises, and 1,500 concept stores. The brand strives to keep its customers happy by producing fresh, modern designs. Recently, Pandora set out to overhaul its process for releasing new, limited-edition jewelry.

When Pandora had previously produced such limited releases, the jeweler had to carefully determine how to allocate the available inventory. Yet the processes for gathering this data was extremely time-consuming and labor-intensive. It involved various spreadsheets and cumbersome, manual compilation that had to occur as much as 10 times per year.

“We needed better business intelligence and transparency so we could make data-driven decisions,” Phillip R. Kennedy, Pandora’s Director of Information Technology, said. “We didn’t know, for instance, if ring sales in Australia were outpacing those in the United States and, if so, why.”

Case Study #1:

Learning from Pandora

Solution:

Pandora moved all its productivity software to Office 365, and redeployed its global intranet using a Microsoft solution. By using Office 365, Pandora developed a process for field teams that eliminated 5-10 weeks of tedious labor per year, and gave the brand timely information to support crucial, real-time decision making.

“From a security standpoint, we can better safeguard the documents that employees upload and download when they use OneDrive for Business instead of the other options on the market,” Kennedy said. “Now we use our ERP and CRM systems to see how different markets are doing, how the franchise business is growing, whether some stores have stronger visual merchandising or different promotional marketing programs, and other valuable input.”

Result:

“We view Microsoft as a key partner in helping us support rapid growth worldwide,” Kennedy said. “We’ve replaced static data with interactive information, modernized the way we work together, and made it easier for our wholesalers, retailers, and franchisees to provide customers with unrivaled experiences.”

For more details on the digital transformation of Pandora, visit the [Microsoft Office Blog](#).



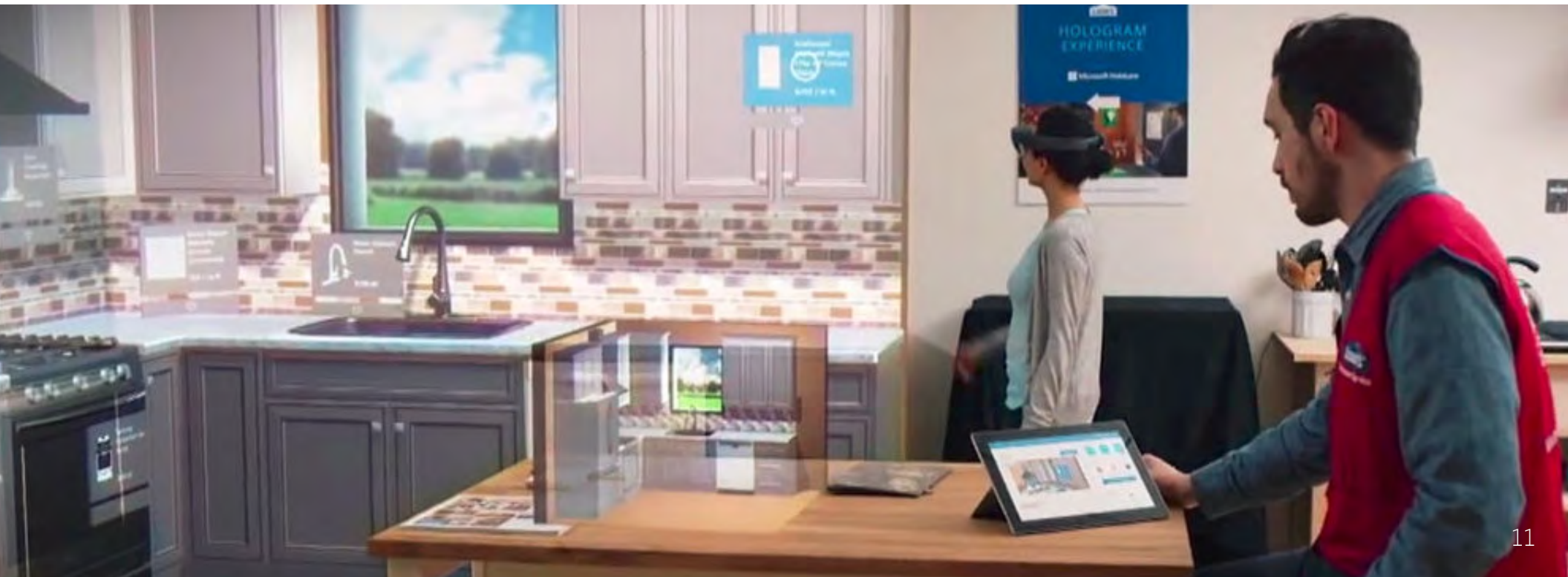
2. The Personalized Experience

Technological developments (i.e. cloud hosting, IoT, advance analytics, etc.) are increasing the actionable potential of personal data. With improved software, retailers can generate better insights earlier and can deliver a more personalized experience to customers.

Lowe's partnered with Microsoft HoloLens to personalize the way customers remodel or renovate homes. HoloLens uses augmented reality (AR) to respond to the environment around the user, offering real-time visualizations of kitchen cabinetry, appliances, and the design motifs that fit the customer's taste.

HoloLens incorporates customer social feeds like Pinterest to find Lowe's items that most closely resemble the products on their wish lists.

"Mixed reality takes some getting used to, because we're all used to pinching to zoom to get closer to things instead of just walking forward," Kyle Nel, executive director of Lowe's Innovation Lab, told [USA TODAY](#). "The idea of using small samples and swatches to try and imagine what a room looks like seems very antiquated now."



By 2020, AR is projected to account for 75% of a \$120 billion market, and retailers are beginning to jump on board. HoloLens offers a window into the demands and idiosyncrasies of remodelers, and Lowe's is using the data associated with these exciting, new experiences to proactively determine what customers want when building and shopping for their dream home.

Retailing is too competitive to leave faceless shoppers standing in the aisle while you "check the back" for a product that should be on the shelf. Lowe's is anticipating the growing technological expectations of customers, including greater demand for the delivery of—and proactive response to—personal preferences for paint colors, materials, and brands.

Lowe's is using the Microsoft HoloLens experience to take advantage of personalization as a way to proactively understand and exceed future customer needs.





3. Empower Employees with Data Insights

Every stakeholder within the retail life cycle must recognize the value of automation in collecting accurate, real-time customer data (i.e. location, past purchases, product wish lists, etc.)—whenever and wherever customers decide to spend their time and money.

Advanced analytics are at the core of the semi-autonomous, systematic approach to the examination of data, relying on prediction and recommendation tools far beyond the sophistication of traditional business intelligence.

A focus on customer analytics is an important part of a brand's digital transformation. Data helps craft an organizational culture that is in-tune with the personality, decision-making values, and future expectations of clientele. Yet [McKinsey](#) found that just having skilled analytics professionals isn't enough.

Senior management must prioritize and empower teams with the foresight of a data-driven approach to retailing.



Real-time integration of customer data into multichannel marketing and selling strategies is dramatically more cost-effective than manually generating and maintaining new sources of data. With a cloud analytics system in place (one accessible across all teams, devices, and locations), retailers can track and analyze for each of the following work-streams*, and much more:

Marketing

- Customer wish lists
- Trending products
- Customer feedback
- Weather/events

Logistics

- Inventory depletion
- Customer purchasing
- Sale value
- Sales associate

Sales Associates

- Store traffic patterns
- Stock depletion
- Display product information
- Customer browsing

CEO

- Stock on hand
- Previous customer purchases
- Cumulative sales data
- Store and associate information

*via [Retail Insights - Harnessing the Power of Data](#)



Customer loyalty, traffic, conversion rate, and basket size are inseparable from a brand's ability to accurately gather, interpret, and act on customer expectations. And across an ever-expanding network of terminals—an Internet of Things—individuals are telling brands what they want.

Case Study #2:

Learning from The Hershey Company

Problem:

After 123 years of marketplace learning, The Hershey Company's work environment had become defined by office silos and the brand's sprawling geography. Intellectual capital often remained within individual teams as the modern, connected workplace that Hershey needed in order to compete remained underdeveloped.

"[Our] industry is changing rapidly, so we have to stay on top of market demands," says Mike Wetzel, Manager of Business Transformation and Corporate Systems at The Hershey Company. "We need new technologies to collaborate on how we can better satisfy the consumer as their tastes evolve."

Case Study #2:

Learning from The Hershey Company

Solution:

The Hershey Company offered employees a more spontaneous, connected, and collaborative work environment in order to improve the quality and speed of decision making within the company.

“We use Microsoft Office 365 to free people from their devices so that they can be productive when and where and how they want, easily accessing colleagues and data to get their work done,” Wetzels says.



Result:

According to the company, the introduction of Office 365 “was like a breath of fresh air” for its marketing managers. When someone has an electrifying insight that feeds a creative brief, they use Office 365 to streamline the process of getting the right product to the right market at the right time.

“Today, everyone benefits from using a searchable, multilingual, and user-friendly intranet that’s available on any device,” Wetzels says. “Plus, we are streamlining operations because Office 365 affords us the ability to move fully into the cloud, reducing maintenance and infrastructure costs.”

For more details on exactly how The Hershey Company was able to digitally transform its operations, visit the [Microsoft Enterprise Blog](#).



4. The Omnichannel Advantage

In order to streamline for growth and digital transformation, retailers must develop a singular, inclusive view of customer demand.

Omnichannel is a retailing paradigm built upon the measurability, convenience, and continuity of customer experience. It's a single platform for referencing business growth, challenges, and feedback at a glance.

It uses data and technology to accelerate and safeguard the accuracy of product delivery, while fortifying the brand of distributors, manufacturers, and retailers who invest in it. And virtually every team in the supply chain can benefit from the implementation of this user-friendly approach.

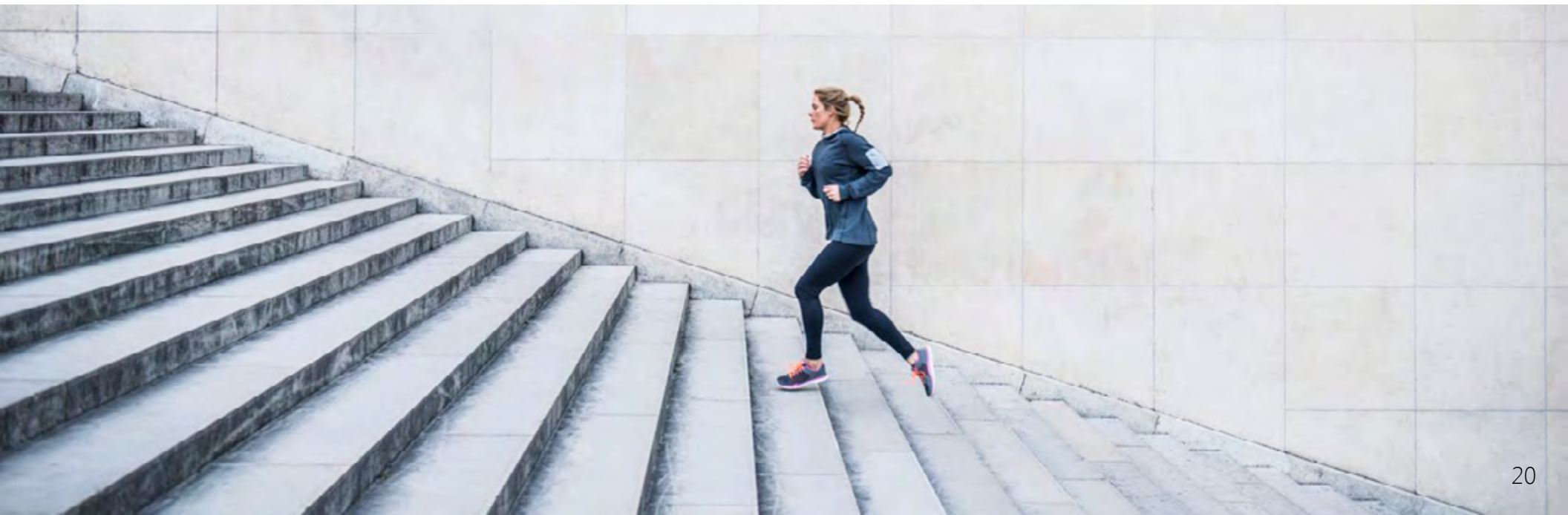
For retailers, data is an ally for accommodating the customer, and for ensuring that the brand moves in lockstep across each of its complex offerings. Customers are searching for high-quality, personalized retail experiences and are specifically attracted to consistent, responsive environments for learning about (and reviewing) their product choices.

Omnichannel is essential to the agile, digital support necessary for teams to accommodate the connected customer.

. It's important for retailers to regularly review their customer's journey as they research, purchase, and connect with the brand online and in-person. By placing orders, interacting via all available social and web channels, and submitting support tickets, retailers are able to gauge where inconsistencies arise.

"We have enough data at the customer level to see how she interacts both online and in the store, so we can tailor messaging and offers to her appropriately by channel. We strive to balance the use of customer data to inform content relevancy with the use of consumer insights to ensure that the relevancy is coupled with a sense of discovery and inspiration." - Julie Bernard, former SVP Customer Strategy, Loyalty, Credit Marketing at Macy's. ([Source](#))

This is a crucial step for unlocking the personal data that retailers need to customize and compete. Omnichannel serves local, national, and global markets—from manufacturing to delivery—and is founded upon real-time data of financial, logistical, and inventory-related significance.





5. Digital Transformation

Digital transformation creates value for customers and employees alike and supports more competitive retailing in a loud, crowded marketplace. It is not a point of arrival, but rather a granular way with which to measure continual improvement.

The Hershey Company and Pandora are retailers that have used personalized data and digital technologies to reduce friction points in their customer experiences, and to provide intelligent support for leadership on the floor, on the line, and in the boardroom.

Both companies recognized that collecting and analyzing data was a necessary investment for staying relevant in their markets, and the Microsoft Cloud helped them improve customer satisfaction, employee engagement, and global operations.

Digital transformation originates from a company's decision to prioritize data into every part of their business plan, and to remain loyal to the numbers when generating new insights, products, and revenue streams.

The retailers that separate themselves from the crowd—in terms of in-store and digital experiences—will be the ones that focus on empowering employees with the data to predict and proactively support customer demand. This depends on an organizational pursuit of technology and the commitment of leadership to get personal with customer data.



6. Resources

[1:1 Retailing - The Future of In-Store Retailing](#)

[Brewing Company Uses Office 365 for Global Collaboration and Business Efficiency](#)

[Five Attributes That Set Modern Retail Execution Teams Apart](#)

[How to Turn the Crazy Path to Purchase Into One Seamless Customer Experience](#)

[Retailers' Search for New Growth Opportunities Requires a Streamlined Operations Model](#)

[Retail Insights: Harnessing the Power of Data](#)

[What Does IoT Mean for Retail Execution? More Time Back, Fewer Surprises, and Less Trips](#)

[When Stopping for Gas Becomes a Connected, Customized Experience](#)



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