



Who Owns The CUSTOMER EXPERIENCE?

Retail Execs Share Perspectives
During Roundtable Event

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Whether it is a Chief Customer Officer, Chief Omnichannel Officer or another C-level executive, retailers are debating the advantages and disadvantages of assigning an owner of the customer experience.

A group of high-level retail executives from a variety of industry segments discussed this and other omnichannel and marketing issues during the Retail TouchPoints Roundtable event in New York City on September 10, 2013.

A Director of Marketing for a women's specialty apparel company questioned the benefit of having a C-level customer experience executive. "That person could be rendered ineffective because they don't really have financial accountability. They have a position in name but they are not held accountable for profitability. It should be part of everyone's job description."

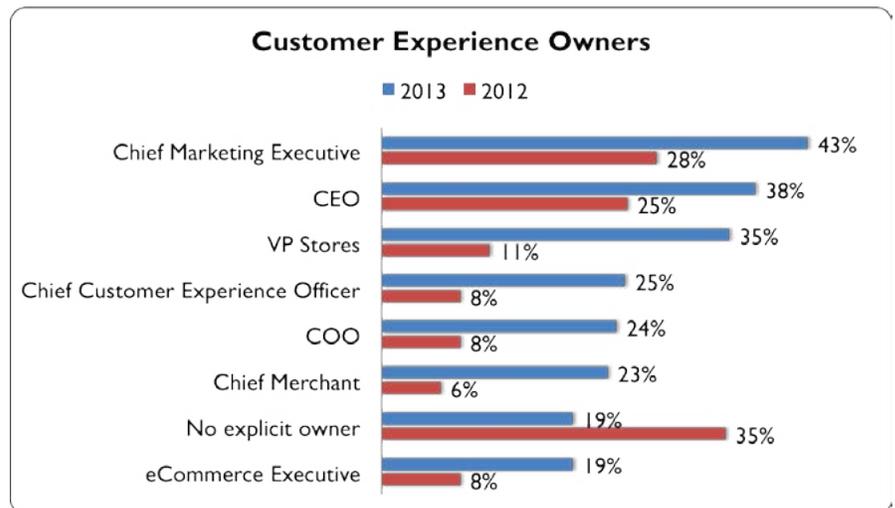
To further dissect this issue, Steve Rowen from Retail Systems Research (RSR) presented results from the firm's recent Marketing Study. RSR found that retailers are all over the map when it comes to the owner, or owners, of the customer experience.

Close to half (43%) of retailers give the Chief Marketing Executive responsibility for the customer experience, along with the CEO (38%) and the VP of Stores (35%). As many as 25% of retailers now have a title called Chief Customer Experience Officer, up from 8% in 2012; and 35% said they have no explicit owner.

In his assessment of the topic, Rowen asserted: "What you end up with is this sort-of mishmash of people who kind-of have a toe in the water...but the left hand doesn't always know what the right hand is doing. If you don't have someone who has this catch-all title, that is familiar with what it's like to shop you as a customer, then that's when you have problematic inter-channel issues."

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-Steve Rowen
Retail Systems Research



Source: Retail Systems Research

Releasing The Silos; Fulfilling The New Role Of IT

The bottom line is that retailers must be able to understand and respond to today's demanding connected consumers. In order to accomplish that, all team members must be looking at the same data points.

"If you want to reorganize around the customer, you have to get out of your silos," noted a retail CIO.

But to release dependence on data silos, Rowen noted, "you're talking about a foundational and fundamental shift in not only how the IT organization is set up, but how the entire organization is set up." As many as 55% of retailers cite "Difficulty getting IT resources for marketing projects" as the No. 1 organizational inhibitor, up from 38% in 2012.

In an energetic exchange, roundtable participants confirmed that fulfilling the goal of incorporating IT into business processes is a struggle for many retail organizations. "IT now needs to be a strategic partner integrated with the business, fully functioning alongside the business owner," noted a retail CIO. "That's what's hard to find. You can find programmers. I can go outsource programming — that's not an issue. But it's that level of engagement you

need from IT now to help bring in the innovative conversation to fully anticipate and understand the needs of the business."

Another retailer asserted: "We have stretched our IT department to understand that it's not just about the customer and how they are leveraging smartphones and technology in different ways; it's also about the fact that our workforce is going to be expecting to check their schedule on their mobile device, as well as clock-in and communicate with their managers and their co-workers."

"IT is not a cost center; it's now a business enabler," a third retailer confirmed. "In this shift, we need to find people that understand business, not how to plug in a router." This specific retailer has found success, he noted, because all business partners, including IT, now "understand what's going on in the business. They see how they are able to impact the business and make changes in real time to help direct the business. We have completely transformed our company."

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- Retail Executive



Integrating Social Channels Into The Experience Mix

A key element of today's channel challenge is finding the right ways to incorporate social media into marketing and customer experience strategies.

Retail "winners," as defined by RSR, have been using have been using Twitter (56%), as well as Facebook and other social networks (69%), as communication channels for more than one year. Some retailers are successfully using social channels as marketing tools, such as Abercrombie & Fitch, Rowen explained. "Abercrombie & Fitch is running a contest around user-generated content, featuring photos of shoppers wearing A&F jeans."

Many other retailers are kicking off social media efforts by collecting, analyzing and responding to customer feedback. One roundtable attendee noted: "It's a way we interact with customers in order to find out if they like a product or not, then we use that information to help decide what to offer in upcoming seasons."

The important aspect of listening to customer feedback, the retailer asserted, is to react and respond to both positive and negative comments. "It's a way for us to listen to the customers and understand exactly how they feel about us; if it's negative, we use that to improve."

But some retailers are stuck on the notion that social media activities must deliver an ROI. Overall, roundtable executives differ.

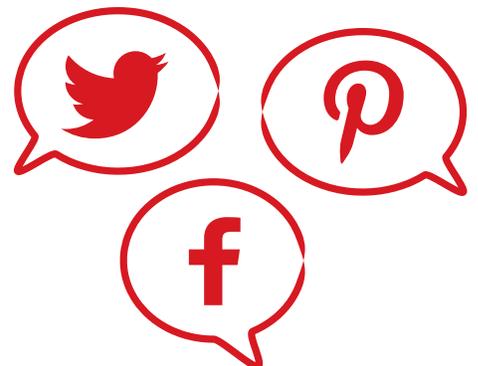
One retailer noted that social media is "more of a relationship driver than something that leads to a hard number."

Another retailer added: "It is difficult to really attribute metrics to it (social media) and define success, but we do know it's important and we do know it's sort of a leap of faith. It is a branding vehicle and how we engage. It is how we get customer service feedback and are a part of the conversation. So we don't necessarily try to attribute an ROI to it."

But, "when customers get treated poorly, where's the first place they're going to go?," questioned one retailer. "They're going to go on Facebook and tell their friends that they had a terrible experience."

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Yelp Enters The Retail Realm

In addition to Facebook and Twitter, some retailers are accessing customer feedback from Yelp. One retail executive uses digital directory to assess store success. “Yelp has been a huge thing for us,” she noted. “We have seen a handful of Yelp reviews on each of our locations, and they are usually bad.”

She continued: “So we address it immediately. We can look to see who that customer worked with in the store.

Then, using social media, we can respond nationally — take a customer service issue and turn it into a positive.”

Additionally, store associates frequently encourage shoppers to share their thoughts and opinions on Yelp: “We encourage people on the sales teams to say ‘Oh, you had a great experience. Don’t forget to review us. And by the way, are you on Yelp?’”

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Roundtable Retailers Also Discuss Personalization, Privacy

A number of topics were discussed during the roundtable event, including customer segmentation, retargeting, loss prevention and privacy. Attendees were open to sharing their insights and asking their peers for advice.

One retailer ended his comments by sharing his perspective on technology: “One thing I’ve always tried to take with me is not to implement technology for the sake of technology. It’s about asking:

How can we utilize the technology to improve our lives and the lives of our customers?”

Another retailer concluded: “I am going to carry the message back to my team that we need to be more customer-focused; we need to be more streamlined in how to deliver the best experience to our customers in every way. So, thank you for having me.”

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About The Roundtable Series

Continuing to expand our community, Retail TouchPoints is hosting a Roundtable Series that provides an intimate setting designed to bring together retail executives to discuss the top trends in omnichannel retailing.

The *Retail TouchPoints* Roundtable Series provides a forum for retail executives to connect with peers, access new research and case studies, and hear from top analysts in the industry.

The Roundtables are held in major markets throughout the country and address a variety of topics including: *Omnichannel Innovations, Advances In Mobile Technology, Bridging The Social Media Gap and Store Operations Imperatives.*

About Junction Solutions

With offices throughout the U.S. and Canada, **Junction Solutions** provides vertical-specific on-premise and on-demand software applications and services that help organizations enhance operational performance, reduce costs, expand delivery channels and strengthen relationships. Built on **Microsoft Dynamics® AX** and designed specifically for Multichannel Retail, Food & Beverage and Distribution companies, Junction Solutions' innovative offerings focus on enterprise resource planning (ERP); supply chain management (SCM), including demand, order, warehouse, yard and distribution management; human capital management; merchandising; order entry management, call-center management, eCommerce engagement and fulfillment. The company was named 2010 Microsoft Dynamics® Retail Partner of the Year, and has won numerous other industry awards. For more information, please visit www.junctionsolutions.com.

About Retail TouchPoints

Retail TouchPoints is an online publishing network for retail executives, with content focused on optimizing the customer experience across all channels. The Retail TouchPoints network is comprised of a weekly newsletter, special reports, web seminars, exclusive benchmark research, an insightful editorial blog, and a content-rich web site featuring daily news updates and multi-media interviews at www.retailtouchpoints.com. The Retail TouchPoints team also interacts with social media communities via Facebook, Twitter and LinkedIn.



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