

REIMAGINING THE *RETAILER* *PARTNERSHIP* IN THE EXPERIENCE ECONOMY

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While the first article about the “Experience Economy” was written over 20 years ago, many executives today find themselves chasing the newest definition of experience. And it’s not just the kind of experiences, per se, that Millennials and teens are clamoring to have. It’s creating meaningful and relevant customer experiences—the discipline that is due to overtake price and product as the key brand differentiator, according to Walker.

Identifying and curating the ideal experience is central to the future of retail—and, industry leaders don’t disagree. In fact, when it comes to understanding shopper needs in the retail space, technologies abound. Beacons pinpoint how shoppers move through a store down to their single steps. Passive metering tracks shoppers from their digital journeys to their purchases. Coupon apps join forces with consumer surveys to provide incentives for in-the-moment feedback. However, despite all of this, retailers still struggle to enhance and customize experiences for shoppers at brick and mortar—failing to satisfy the universal need for “what I want, when I want it, and how I want it.”

It is imperative to get this right, given the growing number of choices available to consumers with respect to when, where, and how they shop. According to a study from Washington University in St. Louis, 83% of Americans regularly visited between four and nine chain stores for their grocery purchases alone. To garner the loyalty necessary to keep shoppers coming back to a store time and again, retailers must deliver shopping experiences that are differentiated and authentic.

To do so, retailers can turn to their customers as a guiding light. Success can be found by placing the shopper at the center of long-held, two-way business relationships between retailers and manufacturers, transforming these into more sophisticated, customer-centered partnerships. Although legacy structures can make this difficult, when this triad between retailers, manufacturers, and consumers is established, we will be able to develop winning experience strategies that deliver on in-store consumer needs and expectations.

With shoppers at the center of strategy, retailers can take cues from best-in-class, cross-industry customer experience practices to reinvigorate tactics to attract and delight shoppers in-store:



BEGIN WITH AN ALIGNED AND RECIPROCAL CUSTOMER UNDERSTANDING

Customer-centered organizations bring together siloed teams by rallying around an aligned narrative of the customer. In doing so, a holistic understanding informed by all streams of customer data inside their organizations becomes foundational to decision making across insights, R&D, marketing, and innovation. Although relationships between retailers and manufacturers are intra-organizational rather than interorganizational, these legacy relationships are critical to customer success. Greater transparency between the two enables the co-creation of a unified perspective of who the shopper is, what they are seeking in-store, and the personal relationships shoppers have with brands. With this consolidated customer narrative grounding all discussions, strategies, and decisions, retailers are able to partner with manufacturers to create experiences oriented around shoppers and their lifestyles.

LEVERAGE TECHNOLOGIES AS THE MEANS, BUT NOT THE END

The field of customer experience is at a critical mass with respect to technology. Data collection platforms, insights dashboards, text analytics, social listening channels—the tools available to measure customer experiences are limitless. The customer experience professionals who have found their way have done so by zeroing in on the specific experiences they are seeking to create, with specific customer segments in mind—and then have applied technologies only when they support this vision. Retailers must follow a similar tactic. With an established, unified customer understanding, retailers can then define the critical elements of their intended in-store experience. Using this as a guidepost, they then can bring in

technologies in service of this vision—cutting through the noise, iterating along the way, prioritizing execution, and ensuring all in-store investments create the most impactful experiences.

EMPOWER THE FRONTLINE TO ENHANCE THE EXPERIENCE

In the current experience narrative, when we talk about personalization, it's often about the digital experience rather than one-on-one human interactions. We acknowledge that this makes sense as technology makes this far more scalable. However, to truly deliver a consistent omnichannel experience, we must also strive to create in-store experiences that can't easily be replicated in the marketplace. Stores must authentically insert the human touch when it's needed—at the right point and in service of the corporate vision. To do so, it's essential to tap into store and third-party representatives of partners such as Shipt and Instacart and empower them to deliver on the intended brand experience at critical moments. Ensuring all parties provide a consistent experience requires broad-base communication of what retailers are seeking to create, while celebrating when they get it right along the way.

While the modern retail environment presents many obstacles for creating ideal and indelible connections with shoppers, the opportunity is great for those who can do it right.

Today's shoppers want convenient and personalized experiences and are willing to pay for it. Successful retailers that use partnerships wisely, keep up on trends, and listen to consumers will not only create differentiated experiences, but revitalize an industry founded on personal and enduring relationships. #