Winning the 24/7 Digital Customer: Three Steps to Success
Customer expectations, shaped by the Internet and refined through constant social interaction, are continually shifting, and so are their shopping habits. They browse online, and often buy with their smartphones, yet they also like stores—as long as their in-store interactions are curated, not complicated. Always on the go, they demand engaging content, tailored to their needs, as well as easy access and fast fulfillment—a seamless experience, however they choose to shop.

Tomorrow, thanks to the unprecedented pace of technology change, they will still be more formidable digital powerhouses, meeting needs with the help of an astonishing diversity of devices, across multiple channels—24/7.

Most retailers are struggling just to keep up. They know that technology is key to creating the seamless, integrated, tailored experience that customers want. But they’re easily distracted by the sheer speed of digital developments. When Accenture asked participants at this year’s RILA conference to name the single biggest obstacle to meeting customer needs, a majority cited prioritizing IT investment. Which new digital technology do I invest in? And how do I know I’ve made the right choice?

No one, of course, can predict the digital future. But we can prepare for it. And we believe that by deconstructing the “24/7” paradigm, retailers could develop a much deeper understanding of the evolving digital customer—and make the right choices about how best to serve them.

Let’s start with the “2” goals of any investment designed to meet non-stop needs. Firstly, it should increase the desire for a product or service; and secondly, it should lessen the pain involved in getting it to the customer. Ideally, the investment should satisfy both aims at once.

Your goals should also align with the “4” pillars of the seamless customer experience that Accenture research has identified from their November 2013 survey, that evaluated 15,000 customers across 20 countries:

Know Me
Create the ability to really know your customers, and communicate with them in a hyper-relevant manner across all touch points.

Inform Me
Truly understand and provide the kind of information your customers are seeking at every step of their journey. Communicate with them about merchandise, and where each and every unit is or will be, with total transparency.

Make It Easy & Engaging For Me
Reduce transactional friction and create engaging experiences that will drive loyalty.

Get It To Me
Fulfill each customer’s demands, whenever and however they want, with an economic model that supports your profitability targets.

Today's retail customers are a formidable force. Digital natives in an always-on world, they not only own the shopping experience—they can also reconfigure it, at will.
Then, with goals and pillars aligned, you can start to leverage the “7” building blocks that we believe would be fundamental to success.

1. Unlock Big Data

To really know your customer, you need a complete view of that customer—across all dimensions. A 360-degree view will only tell you about such variables as shopping and browsing habits, social conversations and warranty history. To make that knowledge actionable—to drive more purchases and strengthen the loyalty of each customer—you need a 720-degree view, where the “second lap” around the customer experience is all about what you do on a daily basis with the insights generated. Too often, retailers devote most of their energy to gathering customer data, but spend too little time actually applying what they learn to the day-to-day processes that drive incrementally better decision making. Only with that 720-degree view can you make more effective decisions around how products, prices and promotions influence an individual’s buying behavior.

2. Double-down on Analytics

The non-stop customer is always evaluating—before, during and after purchase—and sharing those evaluations with others. That means you need to be truly relevant to each customer, incrementally and constantly. Only by continually re-evaluating (and re-prioritizing) where and how to invest, per customer, per day, can you discover what resonates best with each one of them.
3. Offer 100% Inventory Visibility

Customers expect to be fully informed about what's available. They will decide if the trip to a nearby store is worthwhile by checking if what they want is available first. Without adequate inventory data, they will choose to go elsewhere. And incorrect inventory data will mean a wasted trip—and a frustrated, unhappy customer. This means you need to give your customers access to truly reliable inventory, right across the enterprise, and in real time. Consider, for example, how customers of Ducati motorcycles can access complete inventory information by smart phone or tablet and determine how long they need to wait for the parts they require to configure the bike of their dreams.

4. Provide Engaging Content

In a search-driven world, high-quality content, extendable to encompass enriched and creative contexts, is critical. For example, when Sephora discovered that women of color spend 80% more annually on make-up because they find it so hard to get an exact skin tone match, the cosmetics retailer teamed up with Pantone, the color specialists, to create a foundation-matching tool. Each of Sephora's customers can now use the tool to identify the foundation that's exactly right for her.

5. Thoughtfully Designed Experience

With elegantly designed, easy to use products, Apple set the benchmark in this space, and others have had to follow Steve Jobs' example. Case in point: Nest. Founded by former Apple engineers, the home automation company has reinvented two essential household devices—the thermostat and the smoke alarm—by changing the way your home thinks. Google recently purchased Nest for $3.28 billion, its second largest purchase ever, after Motorola, and twice the amount invested in YouTube. By establishing a dedicated design platform for new seamless services, retailers too can rapidly imagine, pilot and scale thoughtfully designed customer experiences.
6. Re-imagine Your Supply Chain
Retailers are locked in a fulfillment arms race. Customers expect to get their product their way. Sometimes they want it shipped to their home. Sometimes they will pick it up in store. They are willing to wait for free delivery, but the expectation of how long it should take for a package to arrive is shrinking every year. Most retailers are failing to meet these shifting needs effectively and efficiently. And almost all need to revamp their supply chains, end to end. Once again, they have much to learn from other players—in this case, Amazon. The online behemoth is moving rapidly toward predictive shipping, putting employees in manufacturers’ warehouses to anticipate demand and considering patent applications for anticipatory shipping. The success of which depends, of course, on the astute use of Big Data and analytics—the key, not only to knowing your customers, but also to fulfilling their needs.

7. Rethink Your P&L
The price transparency enabled by the digital revolution is changing every aspect of the retail value proposition. The entire organization is now inter-connected and inter-dependent, and retailers urgently need to redefine their cost structures. The movie industry has set a compelling precedent here, with companies reinventing their P&L to reflect the advent, first, of VHS, then DVDs, and now digital downloads. Remember that *Despicable Me Too* became the most downloaded movie ever—and awarded its makers a 99% margin because they were smart enough to delay its release on DVD, thus inducing customers to download it digitally.
A snapshot summary to achieving 24/7 success.

Goals

Let's start with the “2” goals of any investment designed to meet non-stop needs. If the investment doesn't enhance the allure of a particular product or service, or make that product or service easier to get hold of, it's probably best abandoned.

At the Epicenter: The Customer

Always on the go, customers demand engaging content, tailored to their needs, as well as easy access and fast fulfillment—a seamless experience, however they choose to shop.

Goal 1
Increase the allure of the product.

Goal 2
Decrease how difficult it is to get it.

Customer Experience Areas

There are four primary experiences that 24/7 customers crave, and retailers need to orient all their efforts into meeting these needs.
Retailers no longer define the customer experience - digital customers are doing it for themselves. And their power is set to increase exponentially, thanks to the pace and scale of digitalization. Yet retailers can deliver the seamless experience today's customers expect and tomorrow's customers will insist on. By systematically evaluating their goals and aligning them with core customer needs, they can start to establish the building blocks of 24/7 success—and ensure their readiness to tackle the challenges of the next wave of the digital revolution.
About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with approximately 281,000 people serving clients in more than 120 countries. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world’s most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. The company generated net revenues of US$28.6 billion for the fiscal year ended Aug. 31, 2013. Its home page is www.accenture.com.

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The Research

The Seamless Consumer Retail Survey November 2013, conducted by Accenture Research, encompassed 15,000 respondents and 20 countries: the US, Canada, the UK, France, Germany, Italy, Spain, Sweden, Russia, South Africa, the UAE, Brazil, Mexico, Chile, China, Japan, Indonesia, Thailand, Malaysia and South Korea. It also covered seven industry segments: Apparel & Accessories, Consumer Electronics, Department Stores, Discount/Mass, Grocery, Drug Stores and Home Improvement. We measured Consistent Experience, Connected Shopping, Integrated Merchandizing, Flexible Fulfillment/Returns, Personalized Interaction, and a Better, Faster and Memorable Customer Experience. The results were analyzed by demographic and retail segment, as well as by country. And some comparisons were made with last year’s survey, which covered 6,000 respondents from eight largely developed markets.