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DISCUSSION SUMMARY

HOW CAN RETAIL AND HOSPITALITY IMPROVE THE CUSTOMER EXPERIENCE?

This article was written by Roger Camrass, Director of Research for CIONET, and is based on conversations during a virtual event on 23rd March 2022 on how retail and hospitality can improve the customer experience. The event was sponsored by Hitachi-Vantara.

Many parts of the Retail and Hospitality sectors have been hardest hit by the pandemic, and now that economies are recovering, supply chain disruptions present further challenges. But despite this, leaders in both sectors have been investing heavily to give the consumer and business traveler what they most want – a frictionless experience with rapid availability of goods and services through multi-channels.

According to Mark Williams of Hitachi Vantara, major retail and hospitality companies have been addressing four main issues in their battle to acquire and retail target customers:

- Ensuring that product availability meets consumer expectations despite problems in the global supply chain
- Integrating internal systems with those of the many different partners in the supply chain, for example, delivery companies such as Deliveroo
- Using data capture and data analytics to provide customers with a personalised experience across the entire lifecycle
- Promoting sustainability and waste elimination wherever this might occur

Meeting consumer expectations

Delegates at the meeting described several current challenges. Hotels are keen to ensure that food, beverages and linen are adequately provisioned through a twenty-four-hour cycle. Pubs must deal with food products that have a short shelf life. Stationers and convenience stores must build brand loyalty to ensure that customers return to their outlets. At the same time, retailers and hospitality companies must offer frictionless customer experiences on a par with Amazon Go's autonomous shopping. All agreed the standards are increasing month by month and innovation is a crucial capability in staying ahead of competition.

Its all about the data!

The ability to capture, store and analyse customer data at every point in the product

life cycle holds the secret to building customer loyalty and frictionless experience. Mobile devices, sensors and all-pervasive mobile networks enable massive quantitiesof data to be collected. Public cloud offers near limitless storage capacity for structured and unstructured (visual) data. The problem remains how to assemble, cleanse and effectively interpret such data.

One hotelier mentioned that his group operates over thirty different ERP systems each with its own proprietary database, making it nearly impossible to provide an integrated view of the customer. Most delegates agreed that it is no longer about loyalty. Instead, the challenge today is all about customer recognition. One top level retailer mentioned that his customers showed 98% loyalty to the brand but demanded personal recognition in store.

How data can help across the customer engagement cycle

Discussion revealed some valuable insights about where data might enable businesses to better serve their consumers, from early recognition of need to its ultimate fulfilment. Here are some vital staging posts in any commercial transaction:

- Recognition of need – one high end hotelier mentioned that his reservation and reception staff google each potential guest to match their profiles to specific offers. Others pay attention to online searches to spot buying patterns
- Optimising availability – once need has been identified, retailers and hospitality operators must ensure that availability is achieved. This can often require visibility across the entire supply chain. Screwfix has demonstrated how this can be achieved
- Right place, right time – getting the right goods and services in front of potential customers is a critical success factor today given the wide choice of vendors and channels. One fashion house has diversified into cafes to maximise customer contact
- Provenance of a good – consumers are becoming obsessed by lifestyle trends such as health eating. Suppliers need to provide details of product ingredients and supply chain efficacy, especially for foods and clothing. Blockchain is helping here.
- Loyalty schemes – once regarded as the key to ensuring customer loyalty, these programmes are often eclipsed by intermediaries that offer attractive pricing and subsequently commoditise offers. Booking.com and Opentable.com are examples
- Payments – companies such as Apple, PayPal, VISA and AMEX have gained a unique understanding of individual habits through their purchasing habits. Such data can provide valuable profiles and could encourage data sharing between all

those involved in the supply chain.

As mentioned earlier, many organisations struggle to make full use of the data that is available to them through internal systems and channel partners. Replatforming legacy into cloud native applications is helping to liberate hidden data. Open APIs are also facilitating data exchange.

Personal recognition may hold the key to the future

For much of human history people have lived in villages where they were known to all inhabitants. The butcher, the baker, the vintner were familiar with every household and its personalised needs. The growth of the metropolis and the superstore has anonymised the consumer experience. How could we possibly expect a store assistant in central Manhattan to identify us as an individual?

Advances in facial and speech recognition may hold the answer to this problem. Casinos were early adopters of facial recognition to reduce fraud at the gambling table. Booking and OpenTable encourage consumers to enter their photographs. The next generation of Google glasses may enable sales assistants and receptionists to identify regular shoppers and hotel visitors. Although we cannot expect the familiarity of a village store, augmented reality may take us a step forward in the journey to full personalisation.

Take aways

The discussions illustrate how complex the process of customer engagement has become in an increasingly digital world. However, advances in data analytics, digital supply chains and facial recognition indicate that a revolution is taking place in the high street. Some conclusions include:

- Investment in data integration and data sharing can enhance customer familiarity and engagement. This implies legacy re-platforming
- New technologies such as Blockchain can contribute to increasing customer trust in the efficacy of products and services
- Facial recognition can help to personalise experiences both in shopping and hospitality.

About CIONET

CIONET is the leading community of more than 10,000 digital leaders in 20+ countries across Europe, Asia, and the Americas. Through this global presence CIONET orchestrates peer-to-peer interactions focused on the most important business and technology issues of the day. CIONET members join over a thousand international and regional live and virtual events annually, ranging from roundtables, programs for peer-to-peer exchange of expertise, community networking events, to large international gatherings. Its members testify that CIONET is an impartial and value adding platform that helps them use the wisdom of the (IT) crowd, to acquire expertise, advance their professional development, analyse and solve IT issues, and accelerate beneficial outcomes within their organisation.

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