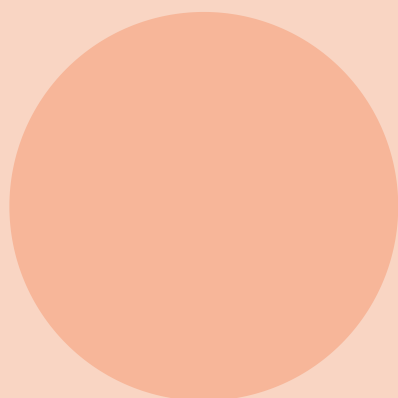


Possibility



Taking Care of Retail





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Promise, Potential, Positivity

In this edition of 'Taking Care of Retail', we explore recent changes in the retail industry, success stories of the winners and difficulties facing the losers. The report is laced with promise, potential and positivity as we reveal the possibility for brands and retailers to emerge from the COVID-19 pandemic better situated to meet a new generation of customer expectations.

While the pandemic has presented considerable challenges, there have also been some positive consequences. In particular, a surge in omnichannel demand has been met with much needed technological innovation.

The retail landscape, and the high street in particular, is being redefined as stagnant brands fail to survive. Keeping a positive outlook goes a long way, after-all the future rewards those who press-on. Embracing the crisis as an opportunity to change out-of-date ways unlocks huge potential to radically improve customer experience.

The development and global rollout of several COVID-19 vaccines brings a welcome sense that some semblance of normalcy will eventually return. Stores will reopen and customers will come back.

Possibility





INTRODUCTION

HAS COVID-19 CHANGED THE RETAIL INDUSTRY?

If we were in the business of stating the obvious, we might say the times were 'historic', 'unprecedented', 'uncertain', 'challenging' and 'have completely changed the course of the world forever'. The outbreak of the Covid-19 pandemic impacted all aspects of life worldwide and dramatic events have continued to unfold to date. The second half of last year saw the infection curve flatten, then spike, the first vaccine announcement, the second vaccine announcement, stores open, stores close, and a shopping season more extensively online than ever before. The 'roadmap' may be laid out but it is clear that restrictions will still be in place for some time.

The effect on the physical shopping experience has been considerable. With lower footfall the role of the store sales associate and other customer facing team members has to change. Brands need to make sure that they can provide their teams with tools that allow them to connect, engage and sell to customers beyond the four walls of a store.

While most non-essential retailers spent 2020 pivoting, experimenting, collaborating and leveraging new technology in order to serve their customers and support their employees - all while clinging on by the skin of their teeth - the transition into 2021 remained turbulent. At the start of this year faster spreading variants of COVID-19, rising case numbers and harsher lockdowns quashed vaccine induced 'cautious optimism' as it became clear it was "out of the fire and into the frying pan" for non-essential retailers.





In much of the world (with notable exceptions such as Australia,) Q1 of this year mimicked the behaviour of its predecessor:

- working/studying from home
- increased adoption of e-commerce and buy online pickup in store (BOPIS)
- higher spending on groceries, furniture, home-wear, DIY sportswear, health
- reduced spending on menswear, womenswear, kidswear, accessories, beauty and anything associated with travel or office work (from business apparel and footwear to phone chargers and coffees)

However, it's not all doom and gloom. Vaccine rollouts in the UK and the US are surpassing public expectation, economic predictions are reporting significant global growth for the next two years and 'cautious optimism' is creeping in once again (true of March 2021). Store reopenings are thinkable, and in the mean time the range of advancements in virtual selling have reinvigorated the digital shopping experience.





Proximity Insight Team Drinks Melbourne, March 2021

Left to right: JULIA BARNSTABLE, CUSTOMER SUCCESS MANAGER, MATT LACEY, CO-FOUNDER, MITCH HUNT, DEVELOPER, KRIS MOYSE, CO-FOUNDER, SARAH PATANE, DAVID JONES.





GLOBAL PERFORMANCE



A TRIP AROUND THE WORLD'S MAJOR MARKET ECONOMIES

'Global pandemic' means 'global impact'.

Economies and consumer spending habits have been altered in all major markets. Everywhere non-essential retail purchases have plummeted. At the end of last year in a worldwide study, McKinsey reported that the fashion sector had its worst year on record 'with almost three quarters of listed companies losing money'.

Not just Retailers and Brands...

The individuals that work in the fashion and retail sector around the world have lost out too. The number of international working hours lost equates to nearly 400 million job losses throughout the supply chain (CNBC 12/20).

How have major retail markets been effected differently?

Combined these changes have had varying impacts on global market trends. For example, the US economy and its rates of retail consumption were more negatively impacted than China's were at the close of 2020. While the US made \$4.894 trillion in retail sales, China's relative figure is \$5.072 trillion. On paper, not too dissimilar? This difference is roughly the GDP of New Zealand!

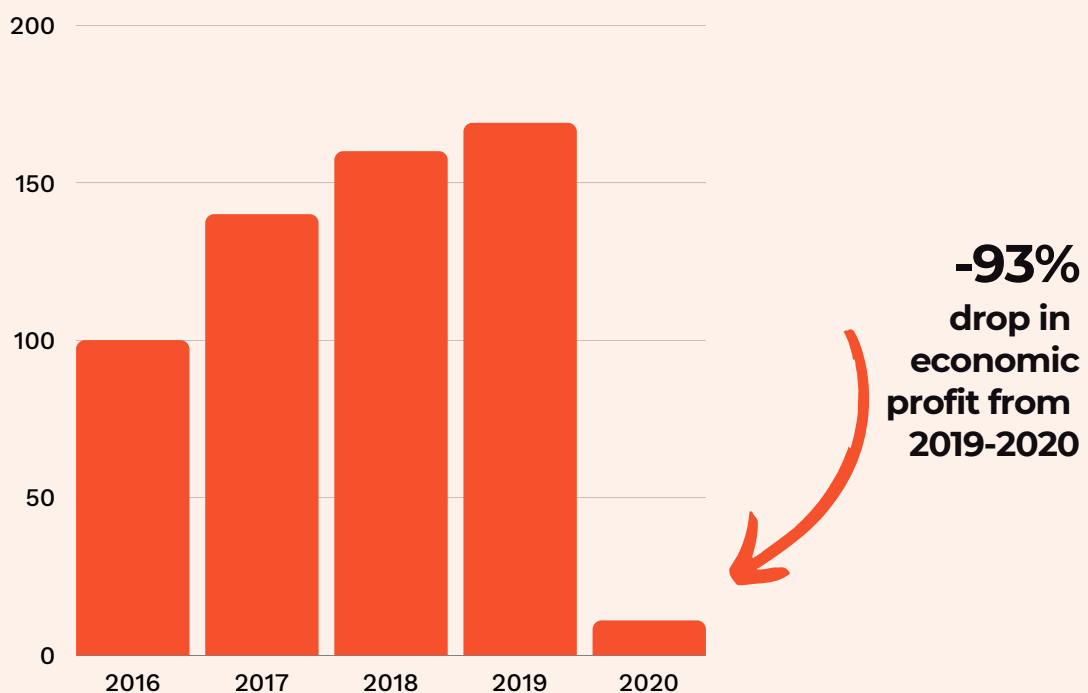


"The US is projected to make \$4.894 trillion in retail sales, China is projected to produce \$5.072 trillion. On paper these figures may appear not too dissimilar but this difference is roughly the GDP of New Zealand"

The global fashion industry's profit fell by roughly 93% in 2020.

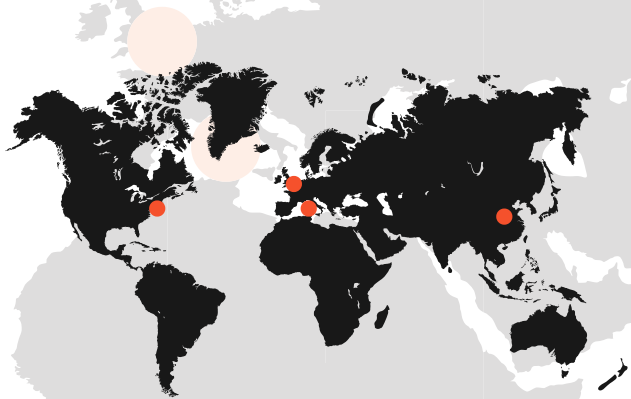
Total economic profit, index (100=2016)

Source: McKinsey Global Fashion Index



MARKET OVERVIEW

ANALYSING THE EFFECT OF COVID ON MAJOR RETAIL MARKETS



THE US

America is traditionally the most dominant consumer power but, as highlighted on the previous page, the pandemic has seen the pendulum shift to China for the very first time. Being the most heavily impacted nation, with over 250,000 deaths and 2.3m retail job losses, 2020 was a turbulent year for America to say the least. However, Trading Economics found that when the barriers to shopping were removed, pent-up demand is released. When the first lockdown was lifted in June 2020, retail sales in the US jumped by 17.7% from the previous month, the biggest monthly rise on record. This surge demonstrates the purchasing 'appetite' of the American consumer.

The Democrats win in the last quarter of 2020 is considered by economists to be stabilising for the country. This and the announcement of a COVID vaccine saw 63% of previously lost retail jobs restored. President Joe Biden has coined this year's 4th of July as 'Independence Day' from the virus, an independence that will release powerful pent-up spend potential for retailers who get it right in 2021.



CHINA

Since March 2020, daily new cases in China have not surpassed 130 thanks to the superpower taking one of the most draconian approaches in preventing the spread of the virus. Economically, this paid off: between the months of July and September the Chinese economy surged 4.9% and was the first major economy to recover from the pandemic.

Overall retail sales returned to growth in August 2020, but sales of luxury goods and big-ticket items resumed growth more quickly. Jewellery sales began to grow in July and these products soon rebounded to high single-digit or double-digit growth rates. This success positioned China as the beacon of hope for other world economies that there could be 'light at the end of the tunnel'.



COVID-19 vaccines and China's example point to a recovery in the global retail sphere predicted to occur by the end of 2021. However, there will likely remain a marked shift in customer shopping habits. Consumers worldwide have been forced to shop online across a range of sectors, and a lot of this spend will now have a permanent home there. Retailers and brands are now facing an increasingly 'phygital' (we're not sure about this one either) landscape where the lines between the digital and the physical customer experience are blurred. Consumer interest in non-essential items is due to return. To capitalise on this, retailers in all markets must act to create seamless and memorable customer experiences.

EUROPE

Europe weathered the second major spread of the virus triggered by Italy's outbreak of February 2020, followed closely by Spain, France and Germany. Euro-zone GDP dropped by a post-war record of 12.1% in Q2, regressing the economy back to its 2005 size. After some of the most affected regions overcame the peak of COVID-19 in the first half of the year, there have been steady increases in retail spending. EU retail sales increased by 6% in June which left them just above pre-crisis levels and the total sales volume is now equal to 102.7% of the volume reached in February before the COVID-19 crisis hit the continent.



THE UK

The UK experienced one of the highest COVID death tolls, suffered the greatest fall in output in 2020 of any developed economy, and spent a significant portion of the last 12 months in lockdown. The UK non-essential retail sector as a whole has reported close to 180,000 job losses (Centre for Retail Research/CRR, January 2021) and the Great British High Street has been a major contributor to that statistic. The high cost of rent in city centres and towns, poor digital infrastructure and lack of creative customer experience has been responsible for several major British retail institutions falling into administration: Debenhams, The Arcadia Group, Bon Marche, Peacocks, Jaeger, and TM Lewin to name a few.

British tabloid headlines have been quick to report 'The death of the highstreet', however while concern for the future of the sector is justifiable, surviving establishments are presented with an opportunity to revitalise their offering and target previously uninspired consumers. 2021 will be a year of painful evolution for UK non-essential retail.



SECTOR PERFORMANCE

HAS THERE BEEN A DIFFERENCE IN SECTOR PERFORMANCE WITHIN NON ESSENTIAL RETAIL? **YES.**

Non-essential retail cannot just be looked at in its entirety. Sector performance has been varied. Overall sales of Clothing, Accessories, Footwear and Beauty have dropped dramatically, while smaller drops were noted in Jewellery, Sports, Electronics, or even gains in DIY, Furniture, Health and Homeware, as people had the opportunity to spend more time on hobbies and home improvements during the lockdown.

It will be interesting to track consumers' purchase behaviour as restrictions start to lift to determine which trends will remain once we all get back to some kind of normal. It is

certain that most commodity items will be purchased digitally and some consumers will continue to research and purchase online particularly as brands have now invested in ensuring that their digital checkout provides both convenience and speed. Advances in AR and VR will also help homeware and lifestyle brands to be able to sell more online and the role of the store will to evolve in order to narrow the gap between physical and digital experiences.



HAS THERE BEEN A DIFFERENCE IN SECTOR PERFORMANCE WITHIN NON ESSENTIAL RETAIL? YES.

Consumers had more time to spend on hobbies and home improvements during lockdown, resulting in the following performance order for non-essential retail sectors:



HOMEWARE



FURNITURE



DIY



HEALTH



SPORTS APPAREL



ELECTRONICS



JEWELLERY



BEAUTY



MENSWEAR



WOMENSWEAR



KIDSWEAR



FOOTWEAR

HANDBAGS &
LUGGAGE

INDUSTRY INSIDER

SEPTEMBER 2020 PROXIMITY INSIGHT HOSTED A CUSTOMER USER GROUP THEMED 'THE CHANGING ROLE OF CUSTOMER FACING TEAMS'

In today's retail ecosystem a customer facing team combines store associates, dark store employees, beauty associates, stylists, personal shoppers, customer care and everyone in between that deals with a retail customer on a regular basis.

Our customers, who joined us digitally from around the globe - North America, Australia, Europe and the UK - represented a broad spectrum of retailers: fashion, department stores, boutiques, beauty, jewellery, high street and luxury. For each of them, the threat of a second or third wave of the pandemic resulting in further store closures was top of mind ... they were looking for ways to mitigate the impact should this be the case.



Q.

Most brands had already gone some way towards preparing for peak in 2020 and when asked "How has the role of your customer facing team changed since Covid-19?" the top three responses were:

1.

Social distancing and PPE in store

2.

Accelerated adoption of technology to serve customers remotely, such as virtual consulting and live chat

3.

Managing store capacity with technologies such as queuing and appointment booking

Q.

When polled, our customers said that these three capabilities are the most important to their customer facing teams:

1.

Virtual Appointments / Consultations

2.

Video Chat

Personalised Outreach

3.

All three of these capabilities depend on 'the power of personal' and amplify the need for a human touch. Equipping customer facing team members with the right tools to understand their customer, helping them to make informed choices, following up with them post purchase, sending them a personal happy birthday message, inviting them to a VIP event or simply checking in with them if there has been a change in their contact pattern are all levers which help to build that trust and loyalty.



HOLIDAY

A HOLIDAY SEASON LIKE NO OTHER.

No matter where you are in the world or what holiday you celebrated, the festive season of 2020 looked very different than the one you are used to.

Widespread social distancing combined with store closures and other measures impacted brands and retailers in two main ways: a seismic shift to online shopping and differing consumer purchasing habits.



The Covid-19 pandemic skyrocketed a shift in consumer holiday shopping habits from physical to digital channels. This increase in online revenue was predicted across the board averaging around 20-25%. While the reality landed on the more conservative side of predictions, the overall results were extremely positive. Post holiday season findings tell an even more encouraging story. In a January 2021 report published by Salesforce, it was cited that holiday season digital spend increased by a staggering 50% vs 2019 shopping season to reach a whopping \$1.1 "making it one of the biggest digital holiday shopping seasons to date".

For this year's peak trading periods ensuring strong digital accessibility and coupling that with a reinvention of the store and store teams will be critical. Priority needs to focus on the need to ensure that new innovative services and touchpoints are providing a seamless, frictionless experience rather than a disjointed experience. Master this, and your brand will strengthen customer loyalty.

“CUSTOMERS WILL
BE GRAVITATING
TOWARDS BRANDS
THAT ALLOW THEM
TO SHOP SAFELY”

CATHY MCCABE, CEO PROXIMITY INSIGHT
PREPARING FOR PEAK, 2020

There were brands that rose to the challenge, and unfortunately there were brands that could not pull back enough holiday sales to make it to the new year. While 2021 will not be 'business as usual' it feels that the overall economic impact will not be as extreme as 2020.



2020 HOLIDAY TAKEAWAYS

A HOLIDAY SEASON LIKE NO OTHER.



\$188 billion
spent
on online
shopping

The retail
industry saw a
collective 8.3%
YOY increase in
holiday sales

There was a
52% drop in
Black Friday
foot traffic

By early
December 85% of
customers had
already started
shopping for the
holidays and 49% of
all holiday shopping
had been done

According to
Salesforce
\$1.1 trillion was
spent online
worldwide

Many retailers
encouraged people
to begin their
holiday shopping
earlier. In many
cases, as early as
October

BOPIS
accounted for
approximately 1
in 4 customer
orders

Retailers
who offered
curbside options
were generally able
to grow 1.5x faster
YOY than those
who didn't

Health
concerns as well
as increased
convenience
drove the upturn
in online
shopping

Black
Friday-esque sales
were stretched
throughout October
and November and
Cyber Monday bled
into December





2020 HOLIDAY SUCCESS STORIES

PANDORA

Pandora is an example of a brand that clearly executed a strategic approach to peak in 2020. They were conscious of the need to serve their customers both digitally and physically and aware that the golden quarter would be met with regional lockdowns. Pandora traditionally has queues outside their physical stores during peak periods so it was important for their teams to be able to serve the customer as efficiently and effectively as possible despite COVID restrictions. Pandora experimented with virtual try-on, video chat, appointments, queue management and curbside pick-up. It is refreshing to see the ability for a brand to adapt quickly and innovatively, to test and learn and to demonstrate digital capability and investment in technology to enhance the customer experience.

NORDSTROM

Retailer Nordstrom found a way to deliver the holiday experience their customers look forward to every year in a way that feels safe to them. Consumers in the U.S. and Canada could schedule a 15-minute video call with Father Christmas for \$20, with the proceeds benefiting 'Operation Warm' and 'Big Brothers Big Sisters of America and Canada'. Shoppers could also email letters to Father Christmas or write letters to be delivered in-store or via curbside pickup at Nordstrom stores, with replies promised. Creative initiatives like these will stick with customers. Next time they are choosing where to shop, they will be more likely to pick a retailer who offered them superior shopping experiences in the face of new challenges.



RETAIL TRENDS

DIGITAL DOMINANCE

WHAT THEMES EMERGED IN THE
RETAIL LANDSCAPE LAST YEAR?



The way we shop has radically changed.

There has been an exponential increase in both ecommerce and social commerce.

What is clear is that there is no “back to normal”. Whilst most people do miss the experience of shopping in-store and are looking forward to a much welcome return to bricks and mortar shopping, others will continue to purchase online partly due to convenience and partly because of positive purchase experiences during the pandemic.

Data done well.

It is critical for brands to ensure that they do not miss out on the opportunity to connect with these new digitally savvy customers. Fundamental to this? Data done well. Use it to personalise messaging and to build trust.

The ongoing adoption of “digital initiatives” is extremely important.

Many brands were forced to accelerate their digital offering in the space of a few months rather than a few years. As we evolve into a ‘new normal’, it is essential to undertake a comprehensive review of what worked, what didn’t and adjust and adapt accordingly to improve the customer experience.

Digital transformation is an overused term for what we believe is creating the ability to simply ensure that your customers can engage with you and shop how they want, when they want. It is about having a laser like focus on enabling connected retail.



It is not about omni-channel or multi-channel or adding in multiple point solutions.

Adding endless channels and point solutions and hoping that the customer experience is improved is an unlucrative trap. Customers do not shop in a linear fashion and therefore you must make sure you can identify the customer at every point of the customer journey from live chat to virtual consultation to checkout and payment. Providing your customers with seamless services and seamless ways to shop is the way to add value to their experience.

Don't fall behind.

Most importantly it is essential to embed new technology and ways of working with your customer facing teams. It is your teams and successful adoption of new ways of working that will differentiate your customer experience.



DATA DONE WELL

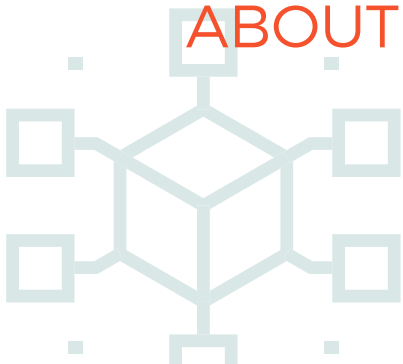
21ST CENTURY GOLD RUSH FOR BUSINESSES, WHAT SHOULD YOU KNOW AND HOW SHOULD YOU USE IT?

Virtually everything consumers enjoy about shopping online today starts with the collection of data. While some people may think we're losing the 'personal touch' of talking to a salesperson at a store, data and the ability to serve the customer remotely and digitally has the potential to make shopping online much more personal - and personalised.

This 21st century gold - aka shopping data - is so valued by retailers because it helps them to treat customers like the unique individual they are. There is a commonly overlooked touchpoint when data gathering: the store.

Data about in-store shopping is every bit as valuable to retailers as data about online activities. Just like with an online purchase, when, how, and where customers buy in store helps retailers actively shape their experience the next time they visit, however it can be harder to collect in store data without the right approach and mindset.

"DATA ABOUT IN-STORE SHOPPING IS EVERY BIT AS VALUABLE TO RETAILERS AS DATA ABOUT ONLINE ACTIVITIES. "



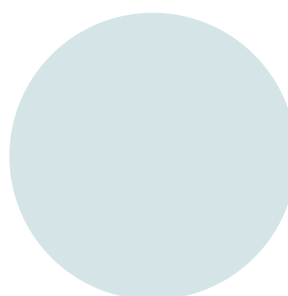
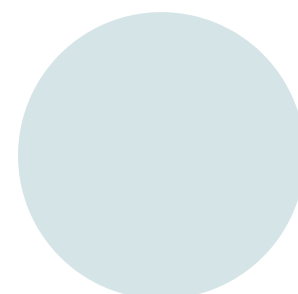
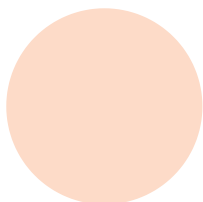
Richard Hurren, VP of Northern Europe at Levi Strauss, credits the company's rebound through COVID-19 to data and analytics. These helped the brand in a marketplace that has changed profoundly. Drawing trends from all points of reference enabled them to navigate consumer demand and sensitivity to social distancing measures. They also fed their analysis into labour modelling and promotional strategies to identify and deliver the best customer experience possible.

Business of Fashion recently published an article titled "How to Survive the Future of Retail", in which it outlines 10 retail archetypes, all with different points of differentiation, for retailers who intend to survive in a post-pandemic world. "The Clairvoyant" and "The Concierge" stand out from the pack. The Clairvoyant (retailers such as StitchFix and PopSugar) differentiate themselves by their unique ability to leverage deep data insights to customise product recommendations. The Concierge, retailers such as Selfridges, Harrods, and Nordstrom, are differentiated by their benchmark levels of service, intimacy and guest experience.

The Concierge position is one that can be greatly bolstered by harnessing the power of consumer data. Concierge retailers deliver highly personalised and engaging experiences to their shoppers. These retailers thrive by taking service to the level of an art form, both online and off. They place emphasis on customer delight and afford employees significant autonomy in proactively satisfying customers, resolving issues and exceeding expectations. Concierge brands win by maintaining a painstakingly complete understanding of unique customer needs and preferences. The ability to collect data from all customer touch points, physical

and digital, will allow Concierge brands to gain a deeper understanding of their customer, how they shop, for what, where, and when. This information is used by retailers to go the extra mile in terms of personalisation and customisation of experiences. Dominance may be found by focusing on engaging the shopper both physically and emotionally across the shopping journey. Retailers who fully embrace this approach will reap the rewards of greater customer satisfaction and loyalty.

Brands use their customer data to understand what, where, and how their customers are shopping with them in order to remain competitive in an increasingly un-loyal market.



ACCELERATION OF DIGITAL

THE MOST TALKED ABOUT TREND OF 2020

The pandemic has accelerated consumer adoption of e-commerce and forced retailers to respond, so how 'rapid' did it happen and what did it really change?

By some estimates, the US vaulted ten years ahead in e-commerce penetration in 3 months, from 16% to 33% in April 2020 (McKinsey, 2020). Now, as we embark on a new year, some of the purchasing behaviour that shifted online will surely stay there, even in categories like fashion which, in the past, have primarily been sold in physical stores. According to market insights site Bernstein, e-commerce accounts for 23% of total fashion sales in Europe this year, in the UK the figure the ONS have reported is 27.9% and in the US online apparel sales accounted for a staggering 38.6%.



"THE US VAULTED
TEN YEARS AHEAD IN
E-COMMERCE
PENETRATION IN
3 MONTHS"



With stores closing their doors across the world, focus turned to the online shopping and pick-up-in-store experience. There has been an acceleration in digitisation as retailers scrambled to create an environment to provide an OK or, in some cases, a great shopping experience (McKinsey, 2020). Strategic plans to intertwine technology with infrastructure were fast-tracked quicker than you can say omnichannel, John Lewis Partnership chairman Sharon White had this to say: “The pandemic has brought forward changes in consumer shopping habits - what might have taken five years has happened in five months.”

This crisis has forced some retailers that traditionally operated in one way for a very long period of time to become much more agile. Continued physical distancing—mandatory or voluntary—will require that retailers develop or purchase reliable e-commerce or digital capabilities to serve consumers who remain concerned about health and safety in the wake of the pandemic, and who have picked up new shopping habits. In the apparel, fashion, and luxury sector there is a marked shift toward online and omnichannel sales, with a projected post-pandemic increase in e-commerce penetration of 10 to 15 percent (McKinsey, 2020). A tipping point in online versus offline sales will arrive by 2022 in China, according to E-marketer, as by then, more consumers will make their purchases online as opposed to in stores.

If there was ever any doubt that e-commerce was here to stay, Covid-19 has squashed it. Simply having a shoppable website, mobile app, fast and

reliable logistics, and targeted marketing just scratches the surface of what is needed to gain, and most importantly, keep customers in today's retail landscape. Looking forward, brands and retailers will need to use their customer data to understand what, where, and how their customers are shopping with them in order to remain competitive in an increasingly un-loyal market.

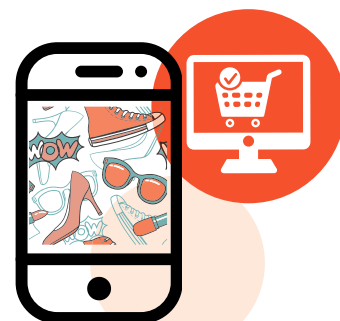
What is important is to get up and running, have a decisive strategy, and trust that improved digital capabilities will be required and are a sound investment in the future. Embrace technology, while remembering the human and personal touches are what make the experience memorable.

Strategies such as queue management and slot booking helps to reassure customers that they can safely start to visit stores again without having to wait in line. It also allows sales associates to know exactly when clients are coming in to store and tailor their experiences. Slot booking is also a great way to encourage customers to engage with click and collect, bringing them into the store and maximising selling opportunities.



VIRTUAL SELLING

EXPANDING THE CAPABILITIES OF STORE TEAMS AND CREATING NEW CHANNELS



Time and time again during the pandemic virtual selling became the only way for brands to serve their customers. While some retailers had existing capability, many had to mobilise quickly to provide it. Customers are being assisted in ways they had not previously imagined, associates are upskilling, and brands are reporting astonishing results.

Live-streaming commerce will continue to increase and has been a phenomenal success for a number of years in China, enabling individuals to open their own channels to showcase products and sell socially to mass audiences

Douyin, the Chinese version of Tik Tok, is proving popular. As is Bilibili, one of China's most popular video sharing platforms which

targets younger audiences through animation and game content. With three clicks on Douyin, you can buy a product featured in a video and some influencers can make thousands of dollars on a shopping holiday such as Singles' Day. Live-streaming and video are proving a particularly strong channel for cosmetics, fashion and food. However, the jury is out as to whether this trend will accelerate in other regions once social distancing measures come to an end.

The rise of video engagement as part of the purchase journey is definitely being influenced greatly by social platforms such as Tik Tok and Instagram. This may ensure that live-streaming and video will become a permanent and valuable real time engagement tool for brands.



The physical store and store associates have a place to play in direct selling but brands are often nervous about empowering their teams to sell via video or remotely without brand control. The main concern is whether the brand will be represented correctly which brings staff training around product knowledge, brand messaging and content into the limelight.

There are many brands – such as Burberry, Ralph Lauren, Kohls and Apple - that use live-streaming effectively. Video is also becoming a particularly strong sales mechanism in the DTC market where brands are able to partner with influencers, vloggers and freelance personal shoppers. This highlights the growing importance of the 'gig economy' as an alternative sales channel. Definitely one trend to watch closely.

"IT IS AN
EXCITING TIME
TO RE-SHAPE
THE CUSTOMER
JOURNEY"

Now that both customers and retailers are increasingly comfortable with the blurred line between digital and physical shopping experiences, it is an exciting time to re-shape the customer journey and harness the best of both worlds. It's time to get your customer into store during their pre-booked slot, have the latest items from their wishlist on your website or that they saw on your livestream waiting for them, explore additional products that may not be in-store on your connected mirror, pay for it all on a MPOS, and ship the items you didn't have directly to their home.



THE HIGH STREET

THE ROLE OF THE HIGH STREET WILL CONTINUE TO EVOLVE AND THIS WAS ALREADY HAPPENING PRE PANDEMIC.

A number of brands that we know and love - and some that were already in a prolonged decline - have disappeared during the pandemic, bringing on-going hardship to high street retail. Some of these brands have resurfaced as “online only” brands e.g. Cath Kidston, Oasis, Debenhams and Topshop. Only time will tell whether this will be enough to resuscitate them or whether they will ever move back to a physical retail world.

The fundamental change in the future of the workplace and the increase in flexible working is having an enormous impact on the evolution of the high street. How consumers purchase and whether they shop locally or in large cities and shopping centres will have a profound impact on the difference between cities, market towns and the role of local communities.

What the pandemic definitely exacerbated is a global trend for buying local, emphasising the need for the high street as a thriving hub, underpinning the importance of community and independent brands.

It is also important to reflect on the fact that services such as clienteling, endless aisle and virtual selling are no longer the remit of luxury brands. It is vitally important that high street retailers are able to find ways to personally connect and engage with their customers and offer concierge-like services at scale without it being an expensive overhead or operationally constrained. To be successful, retailers must find ways to differentiate the customer experience from the rest of the high street and provide a compelling reason to visit the high street instead of shopping online.





Cath Kidston®

oasis

DEBENHAMS

PEACOCKS

TOPSHOP



$$(E=mc^2)$$

FORMULA FOR SUCCESS

THERE IS NO SET FORMULA FOR SUCCESS AND EVERY BRAND NEEDS TO ADAPT AND DECIDE ON AN APPROACH THAT REFLECTS AND HARNESSES BRAND PURPOSE AND VALUES.

THERE ARE THREE KEY AREAS THAT WE FEEL ARE VITAL TO SUPERCHARGE YOUR ABILITY TO BE **PERSONAL**, **DRIVE LOYALTY** AND **ULTIMATELY SELL MORE**.



NO. 1

IT IS CLEAR THAT THERE IS A NEED TO ADOPT A DIGITAL FIRST APPROACH

This should take into account the importance of the interconnected way in which shoppers purchase and the need for investment in the digitisation of the store.

Your ecommerce site should be the window to your brand - it should be your biggest store and your digital flagship. To ensure you bring the site to life, it must have ample opportunities for human interaction and connection. The physical store is where consumers are able to touch and feel products: “try before buy”. The store is also where associates can build a connection with loyal customers.

In the store, technology should be seamless and invisible and not gimmicky or clunky. It is there to provide the conduit between the digital and physical spaces; simplify processes, automate tasks and ensure associate teams are able to serve customers as efficiently and effectively as possible. However, technology does not create relationships, people do.

Set up all your brand's channels with connected technology able to both connect and transact and you'll be off to a great start. One without the other is like having bread without butter, tea without milk ... it may work but your customers won't like it.



NO. 2

GO FAST, TEST AND LEARN: HAVE A SENSE OF URGENCY & ACT QUICKLY

As a technology company focused on the retail sector, it has been really insightful to see how some brands have demonstrated the capability to act quickly and flexibly whilst others have been held back by internal bureaucracy or lack of leadership to change ways of working.

Reflecting on the past year, or even number of years, the brands that stand out are the ones that were not afraid to strategise against the grain: Selfridges, Nike, Amazon, David Jones, LuluLemon, Burberry, Farfetch, Matchesfashion.

Drastic change isn't a prerequisite for innovation. Introducing clienteling in many cases is merely organising predetermined processes in a way that returns extraordinary value back to the brand through increase in sales and up-tick in customer satisfaction.

Investing in the correct technologies on a broader scale can be a more daunting commitment. The variety, combined with the pace of change makes for a melting pot of tough decisions. A decision should be made as swiftly as thorough research will allow. In an age where technological innovations wait for no retailer, being left behind could be as - if not more - detrimental than a poor choice.



NO. 3

PERSONAL IS MOST POWERFUL WHEN POWERED BY DATA

Data and the ability to capture customer data across all of your services and touchpoints is critical. Disjointed experiences definitely lead to an increase in customer dissatisfaction and frustration. If you do not capture customer data then you will lose out on the opportunity to connect personally to build and maintain a deep connection with customers. Many brands have acquired thousands of new digital customers during the pandemic which presents an enormous opportunity to engage and thank them for their purchases and to retain them once life returns to some kind of normality.

Clienteling is not new. Clienteling as a channel is relatively new. The ability to connect and engage with customers wherever they are is fundamental. This is no longer a “nice to have” or the remit for luxury brands only. All brands can now take advantage of capability to scale 1:2:1 engagement.

Now both customers and retailers are increasingly comfortable with the blurred lines between digital and physical shopping experiences. It is an exciting time to re-shape the customer journey and harness the best of both worlds. It's time to get your customer into store during their pre-booked slot, have the latest items from their online wishlist or that they saw on your livestream waiting for them, explore additional products that may not be in-store on your connected mirror, seamlessly pay, and ship items you didn't have directly to their home, then follow up with a personalised thank you.

Connecting the data from all of these touch points helps brands learn from their customer's behaviour and allows them to enhance their experience over time and build genuine relationships.



Taking Care of Retail

proximityinsight



One year ago we released our first Taking Care of Retail report in response to the global pandemic. We wanted to address the upcoming challenge and share our insight on how retailers could potentially mitigate looming store closures, reduced footfall, barriers to customer contact.

“Practical advice and insight to inspire you to adopt new ways of working, centred around more personalised services that leverage your customer facing teams both in and out of the store. Virtual commerce is the new storefront and will become the foundation for success in the new era of retail.”

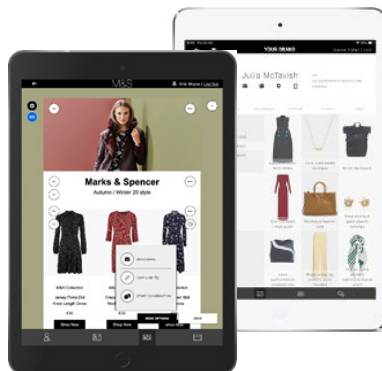
CATHY MCCABE, CEO

Our first instinct was to fast track several features from our product roadmap that would benefit our existing clients and other retailers by keeping them as connected to their customers as possible:

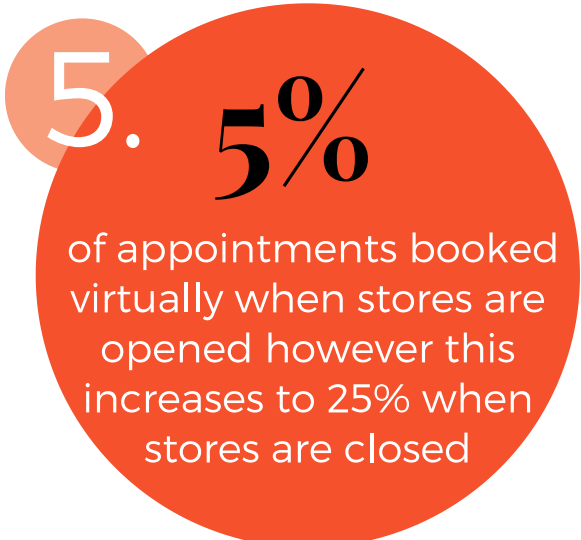
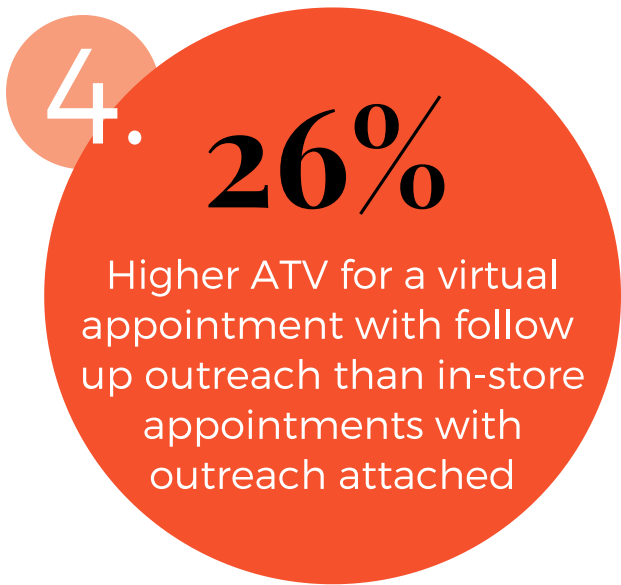
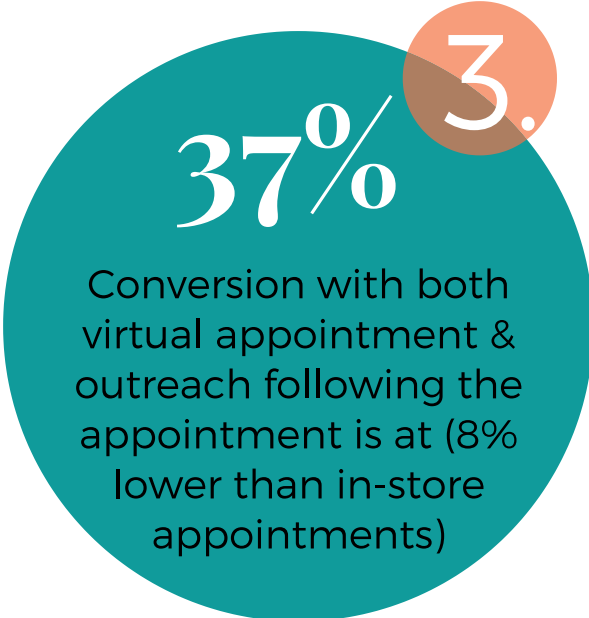
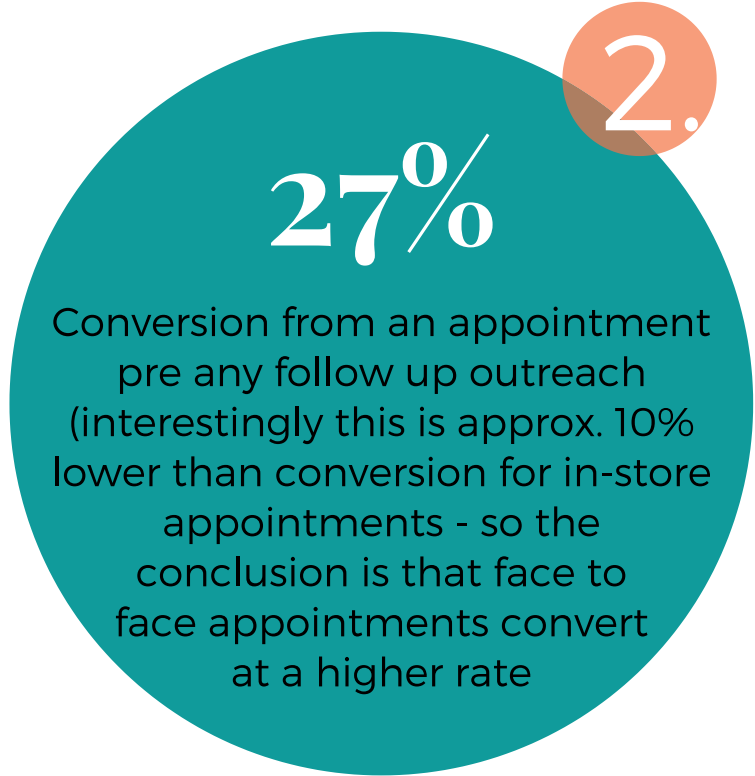
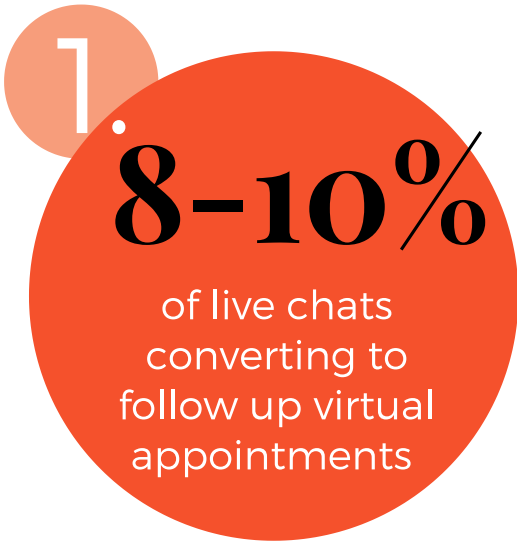
Appointment Booker, Live Chat, Video Chat, Collection Builder, Virtual Payments, Queue Management, and MPOS. While these features are not unique to Proximity Insight, what is unique is that they are all built on our clienteling platform. Every touch point, physical or virtual, builds a data compliant 360 degree profile of the customer; a digital little black book owned by the brand and used by associates to build relationships with their customers and provide a luxurious 1:2:1 service with scalability like never before.

We’re proud of the journey we have gone on this past year, we’re proud of the technological innovations we have made and we’re proud of the help we’ve been able to offer retailers. Here are some of the virtual clienteling insights we’ve gathered from our customers over the past year.

<p>30% ATV INCREASE</p> <p>Increase in average transaction value</p>	<p>15% CONVERSION RATE</p> <p>15% of 1:1 outreach from a store associate to a client results in a sale</p>
<p>50-70% EMAIL OPEN RATES</p> <p>Customers are engaged and respond to personalised communications</p>	<p>x3-x4 CUSTOMER LTV</p> <p>Omnichannel customers spend around 3-4 times the amount of single-channel customers</p>



VIRTUAL CLIENTELING INSIGHTS

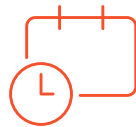


CONNECTED RETAIL SOLUTIONS

BLURRING THE LINES BETWEEN PHYSICAL AND VIRTUAL RETAIL



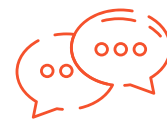
Clienteling



Appointments



Queue Management



Live Chat



Video Chat



Assisted Selling



Personalised Microsites



MPOS



Payments



Tasks



Performance



Recycle & Repair

EMPOWER YOUR CUSTOMER FACING TEAMS AND BOOST THEIR DIGITAL CAPABILITY ENABLING THEM TO GET CLOSER TO YOUR CUSTOMERS WHEREVER THEY ARE.



LET'S HAVE A CONVERSATION

Powerful, simple and affordable - want to find out more? In less than 30 minutes we can help you to understand how powerful our platform is, how simple it is to deploy and how you can achieve ROI within 3-6 months.

**TOGETHER
WE MAKE EVERY
CUSTOMER COUNT**

Schedule a demo

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Visit our Website

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TAKING CARE OF RETAIL

