

# THE RETAILER

Issue 67 - November 2019

## *Paving bricks-and-mortar with online*

MOBILE PAYMENTS

—

DIGITISATION

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THE RETAIL STATUS QUO



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### ARA PRODUCTION TEAM

- Editor-in-chief**  
Zoe Thompson, [zoe.thompson@retail.org.au](mailto:zoe.thompson@retail.org.au)

**Assistant Editor**  
Tim Janczuk, [tim.janczuk@retail.org.au](mailto:tim.janczuk@retail.org.au)

**Marketing Specialist**  
Trina D'souza, [trina.dsouza@retail.org.au](mailto:trina.dsouza@retail.org.au)

**Design Coordinator**  
Beth Hirsch, [beth.hirsch@retail.org.au](mailto:beth.hirsch@retail.org.au)
- Events and Sponsorship Account Manager**  
Chris Sav, [chris.sav@retail.org.au](mailto:chris.sav@retail.org.au)

**Retail Institute**  
[training@retail.org.au](mailto:training@retail.org.au) or call 1300 368 041

**Graphic Design**  
Bandit Design Group,  
[hello@banditdesigngroup.com.au](mailto:hello@banditdesigngroup.com.au)

### External Contributors

- Alcami Interactive, APRA AMCOS, Ardrossan, Adyen, BluJay, Boomi, CouriersPlease, Daylight Agency, Digital Reality, Doodle, eftpos, Emarsys, GoDaddy, Humanforce, InMoment, Flexigroup, Freshworks, Frontline, GS1, JDA Software, Paessler, PageUp, Pronto, Retail Directions, Rimini Street, Software AG, Sonder,SOTI, Square, StaffConnect,Twilio, Vend,WorkJam, Xero, Zendesk
- Australian Retailers Association**  
Phone (toll free): 1300 368 041  
Fax: (03) 8660 3399

**Melbourne Office**  
Level 1, 112 Wellington Parade  
East Melbourne VIC 3002
- Follow the ARA**  
 @retailaustralia  
 @austretailers  
 [australianretailersassociation](https://www.facebook.com/australianretailersassociation)  
 [australianretailersassociation](https://www.linkedin.com/company/australianretailersassociation)



FROM THE

# Executive Director

It's that time of the year again the busiest trading period is well and truly upon us, and the ARA knows retailers will be working hard over the coming weeks to deliver an exceptional experience this season for all.

The ARA urges retailers to start preparing ahead of the busy festive season if they haven't already begun. In recent years we have noticed more Australians doing their Christmas shopping sooner rather than later. They aren't waiting until Boxing Day for a bargain, as Black Friday and Cyber Monday become more and more popular. Retailers need to be ready early – especially for those selling beauty and cosmetics products.

As online shopping grows, so do customers' expectations on delivery options for their purchases. Shoppers dealing with the Christmas rush need flexible options to take the stress out from a busy time and have their presents bought, wrapped, and under the tree before Christmas Day arrives.

Retailers need to be equipped for increasingly popular 'frictionless' payment methods such as buy-now-pay-later or E-wallets. The same goes for fast deliveries – don't be caught out without an express option, especially in the week before Christmas.

This edition of The Retailer brings to light the Retail landscape: Paving bricks-and-mortar with online platforms.

As the digital era has taken over the retail industry, there is now an opportunity for retailers to incorporate the best elements of online and offline channels to create thriving omnichannel business models. This issue encompasses all aspects of retail and ways to strengthen the industry.

As we head into the end of a decade, the ARA anticipates that 2020 will bring some relief to retailers and expects the 2019 Christmas trading period to deliver strong results for retailers.

Merry Christmas, and I wish you all a happy and healthy holiday trade.



**Russell Zimmerman**  
Executive Director  
Australian Retailers Association



Members of the ARA Council from left to right: President: Rowan Hodge, Stephen Younane, Toby Darvall, Anthony Wilson, Treasurer: Graham Dear, Beth Knight, Secretary: Steve Plarre and Greg Leslie. Absent: Mark Daynes, Advisory Councillor: Andrew Ng, Ralph Edwards, Charlie Davey, Jack Gance, and Drew Meads.





Are you  
*Christmas  
Ready?*

**2019**  
A mixed year as shoppers remain cautious preferring to save rather than spend.

**MID-2018**  
Strong retail performance offered promise, but as the year wore on consumer sentiment was dampened by **slowing house prices, stagnant wages and low interest rates.**

Look out for Pebble's 2019 key Christmas insights!

**READ MORE**





WOOLWORTHS PARTNERS WITH LEADING AUSTRALIAN CHARITIES TO DEVELOP A DROUGHT ACTION APPEAL

To help support communities that are continuing to experience some of the worst and prolonged drought conditions on record, Woolworths partnered with leading Australian charities to launch the S.T.A.N.D (Support Through Australian Natural Disasters) Drought Action Appeal.

The Salvation Army, Rural Aid, Foodbank, and Lifeline are set to benefit from the Appeal, ensuring they can continue their vital work in supporting drought-impacted rural and regional communities.

- The Appeal will help fund a variety of programs undertaken by the organisations including:
- Financial support for household and living expenses
  - On-farm support such as stock feed for farmers in drought-declared areas
  - Additional counsellors in regional areas in recognition of the significant mental health toll the drought is having
  - Helping address food insecurity in drought-impacted areas

The fundraising started in September across Woolworths supermarkets nationwide, with customers invited to buy a limited-edition sunflower seed kit as part of the Woolworths Discovery Garden community program. The Woolworths Discovery Garden sunflower seed is sourced from several local Australian farmers across New South Wales. All funds raised will go directly to supporting the S.T.A.N.D Drought Action Appeal, with Woolworths matching every dollar raised from the sale of the kits.

Woolworths Supermarkets Managing Director, Claire Peters said: “Woolworths is in the heart of every community, including drought-impacted regions. Every day we hear about the worsening situation in these regions from our local team members, and we want to do more to support those impacted by drought.

“Last year during the drought action appeal, our financial commitment, along with the millions of dollars raised by customers and team, helped our partner Rural Aid supply stock feed, counsellors and financial assistance to farmers in drought-impacted regions.

“This year, our Appeal will provide support to our partners The Salvation Army, Rural Aid, Foodbank, and Lifeline. They all play a vital role in helping alleviate the pressure of the drought, not only at the farm gate but across the wider communities in which those farms operate.”

The Salvation Army Chief Secretary Colonel Mark Campbell said: “It’s no secret that families in rural and remote areas across Australia are doing it incredibly tough and that drought is a multifaceted issue.

“We appreciate that communities don’t necessarily want a hand-out, but they want a hand-up to be able to support them to ensure their communities remain as vibrant as they should be.

“We stand in support, together with other charities in supporting drought-impacted communities, with money raised helping us provide emotional support and financial relief to those affected who are struggling to pay everyday bills, including basics such as food, petrol, and utilities.”

Rural Aid CEO, Charles Adler said: “We were overwhelmed with the support and generosity shown by Woolworths customers and team in raising funds via our Buy a Bale program in 2018. The millions of dollars raised has helped us provide much-needed relief to farmers in drought-impacted communities.

“The dire projection of drought is not letting up, and we are yet to see the worst of its impact. We are very conscious that it will be a prolonged state of crisis in rural and regional areas across Australia, and as such, raising funds to be able to continue to deliver our support to those in need is essential.

“Further to providing on-farm support to farmers, Rural Aid offers financial assistance and mental health counselling to help keep the community spirit alive and support a positive mindset through these tough times.”

Foodbank CEO, Briana Casey said: “Food insecurity in Australia is already at an all-time high, and unfortunately it is only further exacerbated by the drought.

“We’re determined to do all we can to end hunger, ensuring no Aussie child, family, or individual is left with the uncertainty and stress of sourcing their next meal. Money raised as part of this Appeal will help us continue this work in regional areas.”

Lifeline CEO, Colin Seery said: “While people in rural and regional Australia are known for being down-to-earth, practical and resilient, it’s important for them to know that help is available and for them to access that help.

“Funds raised by this Appeal will enable more Lifeline, skilled trainers, to support drought-impacted communities to better recognise and respond to signs of mental health concerns and provide conversations that could offer hope.”



SEPHORA ARRIVES IN SOUTH AUSTRALIA

Colliers International has brought global beauty giant, Sephora, to Adelaide. The beauty and makeup multi-national chain has leased a flagship tenancy over two levels totalling 625sqm at 90 Rundle Mall in Adelaide’s CBD, their first store in South Australia.

“As a global beauty brand, it is only fitting that Sephora would take one of the best locations in Rundle Mall; the location and size of the premises means it is perfectly equipped to introduce an international retailer to the SA market,” said Ben Laycock, Director, Retail Leasing at Colliers International.

“The process for securing the right operator for the site took more than two years; this tenancy provides a stand-out opportunity for a flagship store which will benefit from the 22 million shoppers that Rundle Mall boasts annually.”

Adelaide’s premier retail strip is seeing some significant changes, with new brands entering the market while some old favourites are disappearing.

“The retail in Rundle Mall is changing; we have seen recent closures of mid-tier fashion retailers with a shift towards health and beauty stores like Jurlique and MECCA and now Sephora,” said Lauren Smith, Manager Retail Leasing, at Colliers International.

“The Adelaide CBD is yet to see the other international brands in both the fashion and cosmetics arena, but we anticipate that their arrival is imminent.”

PERSONAL SHOPPING TRIAL REVEALS RICH LESSONS FOR RETAIL

The retail industry globally is undergoing major disruption, and to get ahead of the curve, Lendlease recently partnered with tech startup company, Shop You to trial an innovative personal shopping service. The service could be the solution to some of the major pain points for the industry and consumers. Recently, Lendlease released promising results for the trial.

The service combines a shopping personalisation app, with a personal human stylist, and convenient CBD location for customers to collect, try on, and return clothes.

Over 40 professional women aged between 25 to 40 years participated in the which ran over the course five weeks from May to June 2019 at a Lendlease precinct. The trial focused on women’s apparel, which represents a significant share of national retail spend.

- The trial sought to address three key pain points:
1. Helping customers find the perfect outfit, in the right size and style – via the Shop You app
  2. Quickly getting the outfit to the customer – via the collection point
  3. Easily returning the outfit – via the collection point in the Lendlease precinct

- Major results:
- The personal shopper service achieved a low return rate on items
  - The average basket size was approximately three times the industry average of \$95
  - The customer conversion rate was nine times higher than the industry average of 2.8%
  - Based on in-depth interviews with trial participants, there is substantial demand for the service, with most participants saying they would be disappointed if the service was discontinued
  - Feedback from participants highlighted three critical drivers for the service’s success: personalisation through the app and personal stylist, the ability to shop multiple brands via one platform, and the central location to try-on, collect and return products
  - Customers said they valued being able to purchase items from multiple brands, using one payment and collection process.
  - Experience with a personal human stylist was important for building an emotional connection to the service, an element that challenges pure online retail businesses.

The trial was supported by Stanford University’s d.school Launchpad Accelerator Program, which focuses on validating and testing new ideas using the design thinking methodology.



E&S FLAGSHIP STORE SHOWCASES ITS INNOVATION THROUGH STORE LAYOUT AND DESIGN

Adding to its existing eight showrooms across Victoria, leading kitchen, bathroom, and laundry retailer e&s has launched a state-of-the-art designer showroom in Preston, at the heart of Melbourne’s growth corridor.

The new store is unlike any other appliance retail offering in Victoria, delivering a unique interactive experience to explore, test and try a wide range of quality products from world-renowned brands in a space designed to inspire

Each appliance has been categorised into key zones throughout the showroom, dotted around a racetrack-like layout that provides a major aisle to facilitate customer traffic and flow. Featuring an array of products from more than 50 mid-range to luxury brands, these include Sub Zero and Wolf, Neff, Bosch, Miele, Fisher & Paykel, Asko, and SMEG.

e&s second-generation owners Rob and Mike Sinclair wanted to give Preston locals and beyond access to a broad spectrum of products from affordable to luxury, without needing to travel to the other side of the city.

Opened in December 2018, the 3039 sqm retail space has employed a team of 20 and realises the vision of the Sinclair brothers, who engaged award-winning interior and architecture firm Mim Design.

“We felt that in the northern parts of Melbourne premium appliance retail offerings were limited. Launching an e&s in one of Melbourne’s fastest-growing suburbs just made sense,” Rob says.

“e&s Preston doesn’t just meet the demands of consumers; it exceeds them. The innovative layout and design takes people on a journey, and encourages considered buying decisions that stem from an ability to interact with each product.”

“When people enter the space, they can immediately visualise and understand where and how their potential purchases can seamlessly work within their own homes,” adds Rob.

Fit with an expansive demonstrative kitchen catering for workshops and events, a cafe for pondering purchasers, along with a lounge and large active wine cellar, e&s Preston provides an immersive product experience like no other.





# RETHINKING THE RELATIONSHIP BETWEEN THE **ONLINE AND OFFLINE** RETAIL EXPERIENCE

While online and in-store retail might seem worlds apart, the customer experience should be seamless, consistent, and deliver on your promise to customers.

BY **MALCOLM KOH** [ZENDESK]

**C**omparisons between online and offline retail have been rampant over recent years, and it is not slowing down. While e-commerce offers unparalleled speed and convenience, physical retail gives consumers the opportunity to touch and try things before they buy. This either-or conundrum is leaving many retailers scratching their heads about where to invest in leveling up their customer experience. But in reality, today's consumer expects to be able to shop both online and in-store and have the same - or at least a similar - experience.

So now, the question becomes: how do brands provide seamless, engaging, and authentic experiences, wherever their customer chooses to shop?

We know that expectations are changing, and retailers are under more pressure than ever to keep up with the rapid evolution brought about by the 'Experience Economy,' with brands like Airbnb, Afterpay, and Airtasker. Brands like these have created a new paradigm in that consumers are no longer comparing your business against your competitors but to the best experience they have ever had.

In fact, our research shows that more than half of Australian consumers have higher expectations than they did a year ago. While consumers' expectations are rising, companies are not acting at the same rapid pace to meet those expectations and being able to provide a great experience when, where, and how consumers want it, across all channels, is critical.

What this means for retailers is that every interaction with your brand - be it online or offline - has to feel like a connected, seamless experience. This is a universal challenge, and it is not easy to know where to start, so I recommend retailers first focus on three key things.

## **ONE: CONVENIENCE IS PARAMOUNT**

Retailers in Australia have an opportunity to streamline how shoppers buy their products. According to Adyen's 2019 Australia Retail Report, positive shopping experiences amount to a \$71 billion lift in sales annually, while negative experiences amount to \$21 billion in abandoned sales. In today's competitive retail landscape, integrating the offline and online experience is the best way to get a slice of the \$92 billion in sales that are there for the taking.

Brands need to make the end-to-end experience as seamless as possible by ensuring all communication channels are easy to use for both the customer and your sales and support agents.

You should strive to leave customers with the same satisfaction they get from being in your store as they do from visiting your website.

## **TWO: MEET YOUR CUSTOMERS WHERE THEY ARE**

Consumers use multiple channels to communicate with their colleagues, friends, and family every day. They now expect to be able to speak to brands in the same way.

The key to making this feel seamless is to ensure it feels like a conversation. Just like consumers keep the same conversation threads going with their friends across multiple channels at once, like Facebook, WhatsApp, SMS, and Twitter, they expect that brands can do the same. We call this an omnichannel experience.

To do this, you need to connect each channel through a platform that brings your customer information into a single view. Combining data from all parts of the business, including shopping



You should strive to leave customers with the **same satisfaction they get from being in your store as they do from visiting your website.**

history, preferences, customer service history, billing, and inventory, is crucial to enabling a consistent, conversational experience. This information also needs to be accessible for different teams, such as sales, marketing, support, billing, as customers now see you as one entire organisation and not individual departments.

## **THREE: KNOW THE SOLUTIONS THAT YOUR CUSTOMERS NEED**

The biggest gap between customer expectations and reality happens when a brand promises one thing yet delivers something else. The quickest way to build brand loyalty is to be consistent. Today, we see companies going out of their way to surprise and delight their customers. But this approach can be a challenge in itself - it means your staff is always working faster and harder to deliver things they might not be able to promise the next time around.

Rather than over-promising, and at times, under-delivering, the focus should be on understanding each and every customer. If you know what your customers want without them having to tell you, you can optimise the efficiency of your customer service without consuming your employee's time and resources.

For some customers, being able to answer their own questions quickly is the way to go. When customers can self-serve, we see exponential boosts to customer satisfaction scores. For others, speed is the key. Using technologies like automation and AI means customer service is fast and accurate. By knowing your customers' needs, you can identify the technologies that will help you have the largest impact on their experience.

While they might seem worlds apart, the experience retailers provide in-store and online has to be seamless - both as individual channels and as a collective experience. Think about how you can create a consistent experience, wherever and whenever your customers choose to shop - these brands will be well-positioned to win the next evolution of the race for retail dominance. 🛒



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# Big banks must stop squeezing retailers

Default routing to higher cost transaction options is an impost on retail businesses that is ultimately borne by the consumer and which must come to an end.

BY **RUSSELL ZIMMERMAN** [ARA]



**It's time the banks put their business customers' interests first and offered least-cost routing.**

**T**he banking royal commission uncovered practices that many Australians regard as questionable. It has now been eight months since the final report was published, yet many banks haven't got the message and continue to profit from a lack of transparency. Australian retailers are still suffering as the banks drag their heels on least-cost routing.

Banks, which jump out of the gates when there's a quick dollar to be made, sit idly by when they can help their customers make a big saving. By staying silent on least-cost routing, banks cash in while retailers' bottom lines take a big hit.

It's time the banks put their business customers' interests first and offered least-cost routing. They need to make it simple for retailers to access. They need to make fee structures transparent.

Australian consumers have taken to tap-and-go card payments in droves, while mobile and eCommerce payments are increasingly popular for retail purchases. Banks route these payments through channels that yield the highest merchant fees at expense of retail businesses, which lose thousands of dollars every year to the consequent exorbitant fees.

A key consideration is the viability of eftpos as a provider of routing services: a market with three providers is more competitive than a duopoly. Maintaining competition and choice will obviously keep costs down for Australian retailers.

In the long run, retailers may be worse off should eftpos, for any reason, exit the merchant market; transactions would be automatically routed via Visa and Mastercard, creating a duopoly. If not for eftpos, which maintains competitive options between payment providers, retailers would be forced to accept higher costs.

Least-cost routing is a straightforward solution: channel payments through the cheapest path possible.

Many of Australia's leading industry associations, led by the Australian Retailers Association, have called for the banks to be more proactive in telling business customers about least-cost routing, yet most remain silent. The ARA has been doing everything possible to educate its members, but the banks must also step up.

ARA Executive Director Russell Zimmerman has clearly outlined the issue. "Part of the problem is that banks don't offer the lowest cost solution as a default position. If they did, they would look at every retailer individually and inform them that they would be better off using least-cost routing. However, they have a vested interest in not doing that," he said.

Small and medium sized retailers are particularly impacted by the banks' inaction. Retailers who don't know their options lose money when processing transactions, and don't have time to research alternatives.

The banks need to get moving. Retailers need to know their options. It's time the banks became proactive and offered least-cost routing. 



Russell Zimmerman is the Executive Director of the Australian Retailers Association (ARA) with almost 10 years' experience in the position. Russell has propelled the ARA forward and has overseen the growth in membership led by his personal approach in liaising with members and understanding of retail issues. Small, medium and large retail members have seen Russell's strategic approach to advocacy deliver savings across the industry. A natural extension of his thirty years of retailing, Russell fosters and engages those around him to raise their potential to achieve and nurture future leaders. With Russell's stewardship, the ARA has continued to build a reputation for credibility, integrity, and action upon its credibility in the business world.





Reducing IT spending on high-cost enterprise software maintenance and support can be a strategy for retailers to **take charge of their technology roadmap, rather than letting it be dictated to them.**

# WHEN IT COMES TO IT SPEND, RETAILERS SHOULD SHOP LIKE THEIR CUSTOMERS

Retailers need to stop and look at all options when upgrading their software platforms and systems.

BY **SEBASTIAN GRADY** [RIMINI STREET]

**R**etailers are ready to spend on their customers, and in the crosshairs of the bean counters and IT leaders are digital transformation initiatives.

According to a study by Gartner, Australian retailers are predicted to spend \$4.9 billion on technology products and services in 2019 to improve the retailer's business systems, expand into new markets and enhance the customer experience.

It could be argued this level of spending is long overdue.

Australian spending trends over the Christmas period, long the saviour of Australian retail, show how necessary a transformation of the status quo has become, particularly with the

growth of online retail. While brick-and-mortar stores experienced less impressive sales in the lead up to Christmas, according to the Australian Bureau of Statistics, online retail contributed 6.6% to total retail turnover in November 2018, the highest level recorded.

Further, the introduction of Black Friday and Cyber Monday sales has led to many Australians bringing forward their Christmas shopping to November and doing so online. One economist stated that "Australian retailers need to stand out with an offering that meets needs or provides a better experience than other goods and services – domestic or foreign."

The Gartner figures mentioned earlier show that retailers do not have their heads in the sand on

the issue and are willing to spend to fight back. But are they set to spend it in the right areas? And when it comes to business systems such as enterprise software platforms and Enterprise Resource Planning (ERP) systems (such as SAP or Oracle), are they being pushed into costly and unnecessary upgrades?

The discussion and preparation of digital transformation in the retail sector can be essential to support business success in Australian and international markets. Because many retailers operate on paper-thin margins, digital business investments may seem impossible to fund, which can prevent real innovation from taking place. When the spend does take place, it is likely to be more useful to

spend in an environment where the margins are small.

Reducing IT spending on high-cost enterprise software maintenance and support can be a strategy for retailers to take charge of their technology roadmap, rather than letting it be dictated to them.

Lowering unnecessary costs wherever possible through such options as third-party support may serve to increase margins for retailers while enabling valuable budget to be spent on innovative solutions to drive the business forward.

Those retailers considering a spending spree on innovation may have an opportunity to increase their budgets by lowering support and maintenance fees. If you're in doubt about this, it's worth considering a few questions about how you use your enterprise software system.

- When was the last time an enterprise software update made a real, practical difference for your business?
- Has it ever boosted sales or streamlined logistics? And has it ever allowed you to move into new markets or attract new customers?
- How often do you put off implementing the updates you have been provided? And is it because of the need to test and validate them, or is it an absence of useful new features?
- When you needed help with a high priority support issue, how quick has the vendor been to address it?

Enterprise software and ERP vendors may market the latest release as an indispensable upgrade and possibly a panacea to digital transformation. However, many retailers would say the benefits to these are marginal at best, and just not relevant to their top priorities. An unnecessary ERP or enterprise software upgrade is unlikely to stem the tide against online retail and won't stop shoppers moving their Christmas purchases to whichever month is cheapest.

Vendors may try to tell retailers that support will be cut off if they don't upgrade, but third-party support and maintenance can counteract that claim. Further, tier one support and maintenance should allow the ongoing management of existing systems regardless of vendor input.

Retailers can define their business-driven IT roadmap, rather than accepting a vendor-dictated roadmap as the starting point. They should stop and look at all options for their business and not adopt an upgrade that may ultimately not add anything more to the company than an unnecessary expense.

If retailers are willing to spend, they could do well to follow the lead of their customers and research all their options before purchase, because they could find significant savings. 🛒



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# HOW THE DIGITISATION OF PAYROLL IS TRANSFORMING THE RETAIL LANDSCAPE

The future of payroll is here, and it's digital. Learn what Single Touch Payroll legislation means for your business and how you can take advantage of the latest advancements.

BY **ANGUS CAPEL** [XERO]

**M**any of us have memories of taking our hard-earned pay home in a safely guarded envelope. Needless to say, times have changed. With the recent introduction of Single Touch Payroll (STP) now requiring digital payroll reporting to the ATO, countless small businesses will begin using accounting software technology, some for the first time. And those that have already made the transition say it has revolutionised the way they operate.

But first, let's take a moment to break down what STP is all about.

## **SINGLE TOUCH PAYROLL MADE SIMPLE**

STP is a new reporting system requiring all businesses to report salaries, wages, PAYG withholding, and superannuation to the ATO via up-to-date, enabled software every time they pay their staff. In short, all employers (regardless of size) have been expected to report payroll via STP as of September 30 this year.

Naturally, this may seem like a big change, especially if you'll be using software for the first time. But rest assured, once you've got your head around this new way of doing things, it will make the entire payroll process much faster and more intuitive (not to mention error and hassle-free).

When it comes to the potential of technology, there's a lot to get excited about. Most retailers already have online banking capabilities, and now it's time to bring payroll up to speed. Ultimately, saying goodbye to spreadsheets and clumsy desktop systems will mean less time spent on data entry, paperwork, red tape and compliance, and more time to devote to the running of your business.

## **PAYROLL DONE SMARTER, FASTER AND FAIRER**

As any business owner will tell you, payroll is far more than just a financial task. While the relationship between employer and employee might start with a paycheque, it goes much deeper. Making a move to digital payroll removes

+

While the relationship between employer and employee might start with a paycheque, **it goes much deeper.**

the chance for human error, ensuring staff always get paid correctly and on time. By streamlining your operations, STP will be a catalyst for greater accuracy, security, and efficiency – so you can always do right by your people.

But payroll isn't the only digital advancement small businesses should be embracing. For the retail community, the latest online systems are transformative– from the ability to simplify rostering, to making on-the-spot payments, invoicing directly from mobile devices, and seamlessly plugging into clever platforms that enhance overall productivity.

## **BOOSTING YOUR BUSINESS POTENTIAL**

It was the need for streamlined systems that saw Gelato Messina co-owner Declan Lee make the switch to cloud-based technology. As the much-loved gelateria expanded from Sydney to the rest of the country (and beyond), Declan knew they needed accounting software that would grow with them.

He explains, "Life before Xero was pretty clunky. Now, the entire process from payroll to invoicing is simple and convenient. Using a cloud-based system means that our business partners always have access to the numbers – wherever in the world they might be."

Like Declan, countless retailers across Australia are currently transforming the way they do business. For anyone unsure where to start, the answer is simple: reach out to your trusted advisor. Not only will your accountant or bookkeeper be able to guide you on all things STP compliance, but they'll also be ready to walk you through the next best steps to take on your digital journey.

The future of payroll is here, and it's set to make business smoother, simpler, and a whole lot more efficient. 🍦

Born in the cloud, Xero is a beautiful, easy-to-use platform for small businesses and their advisers around the world. Xero provides its 1.8 million subscribers with connections to a thriving ecosystem of 800+ third-party apps and 200+ connections to banks and financial service providers. On the inaugural 2018 Financial Times FT1000 High-Growth Companies Asia Pacific list, Xero was the fastest growing tech company in the \$200 million+ segment. Xero won 'Bookkeeping software of the year' from the Institute of Certified Bookkeepers UK in 2018, and was rated by Canstar Blue as the best accounting software in Australia from 2015-2018 and in New Zealand in 2019. For more information visit, [xero.com](https://xero.com)



# Are you listening where your CUSTOMERS ARE TALKING?

Identifying what customers actually want and delivering it where it matters is the key to creating a thriving omnichannel business.

BY ROBERT GLENNON [INMOMENT]

Whether your business exists online or offline, the impact of customer experience (CX) is universally vital. More often than not, identifying where there is a problem or opportunity is half the battle and it's not one that Aussie brands are winning.

Our 2019 CX Trends Report asked whether brands are getting better at delivering an excellent customer experience - 36% of Australian brands believed they are 'definitely' doing better, but only 13% of consumers said the same. This level of disconnect identifies clear opportunities to deliver what matters to customers through the most appropriate channels.

## UNDERSTAND THE CUSTOMER STORY

Going beyond basic customer experience metrics to discover customer stories uncovers why a customer chooses their purchase or pinpoints exactly where the experience led to less-than-favourable ratings. Understanding these stories allows retailers to create a targeted CX strategy that resonates with customers and ultimately maximises long-term sales.

Advances in monitoring and interpreting customer feedback gives an opportunity for qualitative stories beyond responses on a 1-to-10 scale. With more information, your brand is equipped to make CX strategy adjustments based on in-depth feedback you receive. Predictive intelligence and anomaly detection technologies allow customer behaviour to be profiled, so you can anticipate their needs and actions and communicate with them accordingly.

## ENGAGE DIRECTLY

The importance of customer communication was highlighted in our 2019 CX Trends Report. The report discovered that to capture how consumers feel about them and the experiences they are providing; the most important thing brands could do is to ask them directly. Nearly 78% of customers selected this option, while only 43% of brands reported the same. Consumers still consider better service from staff to be the key driver of CX. This is especially true of Aussie consumers who rated the importance higher (50%) than US (42%) and UK (30%) consumers.

The solution to this disconnect is to open varied

channels for direct feedback with customers. Make it as easy as possible for them to tell you how they feel about your brand. Don't shy away from asking them the important questions, and be sure to balance both asking and listening. Today's technologies enable brands to do this at scale and in a very personalised way. Harnessing customer listening platforms to capture, understand, and socialise the authentic voice of your customer is a powerful way to make the human element of the relationship central for both customers and employees.

## EXPERIENCE AMNESIA

Many CX programs focus too much on singular touchpoints to eliminate CX issues. This is no bad thing, but the reality is that customers experience brands through multiple episodes and across different channels. Instore, online, customer services, sales, and marketing are all channels that need a seamless system of communication. Managing pathways is, therefore, a source of real differentiation.

A big problem comes when customers try to traverse channels and find they have to start

again or repeat themselves. This 'experience amnesia' is a symptom of a brand designing experiences in isolation of other channels or without anticipating the customer's next need.

## UNLOCK YOUR OMNICHANNEL POTENTIAL

Armed with in-depth data and a better understanding of your customers, you can share this knowledge across every aspect of your business to impact and improve customer experience strategies. Brands who deliver seamless omnichannel experiences consistently deliver lower cost to serve, improved upsales, higher advocacy, and lower customer effort.

Digital capabilities for gathering and interpreting data not only pinpoint focus areas but provide the opportunity to turn insights into action. Whether it's small, targeted changes or sweeping strategy improvements, you can implement them knowing they were directly influenced by first-hand customer intelligence. When you go beyond static customer experience metrics to uncover buyer stories, you extract valuable meaning that drives action and fosters long-lasting customer relationships.

Combining CX technology with an enhanced human touch and delivering consistently through omnichannel interactions is crucial. It shows a deep understanding and commitment of care that resonates and drives trust with customers. A consistent and intuitive customer journey that elegantly combines both technology and human interaction - in ways deemed valuable by the customer is the key to keeping the CX bubble intact. Those brands that can deliver on this will hit the elusive sweet-spot of a fully informed, omnichannel offering. 🍷



InMoment™ is the leader in Experience Intelligence (XI), helping organisations deliver more beneficial and memorable experiences in every moment. The company's cloud-native XI Platform is engineered with data science at the core, featuring three clouds that work seamlessly together to give businesses a comprehensive understanding of the most important factors impacting the bottom line: Customer Experience (CX) Cloud, Employee Experience (EX) Cloud, and Market Experience (MX) Cloud. InMoment's technology, coupled with its deep domain knowledge in experience design and delivery, help more than 500 of the world's leading brands in 95 countries attract, excite, and retain their most profitable customers and most valuable employees.

For more information visit, [InMoment.com](https://www.inmoment.com)



Harnessing customer listening platforms to capture, understand, and socialise the authentic voice of your customer is a **powerful way to make the human element of the relationship central for both customers and employees.**



# CYBERCRIMINALS WILL SHOP ANYWHERE

Retailers cannot avoid the use and collection of data as well as a reliance on technology, and therefore the risks of data loss and technology breaches must be managed.

BY **NICK HARVEY** [ARDROSSAN]

Every day retailers in Australia and throughout the world are subjected to cyber-attacks. Whether this is attributable to disgruntled staff or criminals, the reality is a breach of a company's IT systems, and data is a real and considerable risk. Irrespective of whether a retailer is bricks and mortar, online, or a combination of both, they are exposed to cyber breaches and attacks with sensitive data, personal records, financial information, and money being stolen. Although retailers have tried to harden their defences, cybercriminals are almost always one step ahead.

In February 2018 the expectations of retailers with regards data security were increased significantly when the Office of the Australian Information Commissioner (OAIC) introduced Notifiable Data Breaches (NDB) regulations making it mandatory for any organisation covered by the Privacy Act of 1988 to report a data breach that is "likely to result in serious harm to an individual whose personal information is involved".

It is a misconception to consider only larger organisations are at risk of cyberattacks. SME's are considered an "easy" target with less sophisticated cybersecurity measures and protections. It is also a misconception to think these risks are limited to online retailers only. Any retailer that holds data that can be used by criminals to extort or sell and/or is confidential and critical to a retailer's operation is a potential target.

A retailer can suffer POS malware attacks, DOS

(Denial of Service) extortion threats, ransomware, credential stuffing, hacking of CRM's and other platforms that hold customers details, data access via accidental loss of laptops, ipads, and other mobile devices – all of which can have devastating effects. A recent survey in Australia by Chubb Insurance, a leading global cyber insurer, highlights the challenges faced by SME retailers;

- 47% of SME's in Australia are unaware of their cyber reporting obligations under the Notifiable Data Breaches (NDB) scheme
- 49% of SMEs do not have a data breach response plan, while 79% are confident they can overcome a breach by sophisticated hackers within 24 hours
- 49% of Australian SME's were victims of cyber incidents in the past year
- Only 27% of SMEs have cyber risk insurance
- One — the number of staff members that hackers need to dupe to gain access to your business' data

Data security breaches can have severe implications for a retailer's bottom line with companies suffering lost productivity, lost revenue, notification costs to customers, PR costs, significant recovery costs and penalties, irreversible damage to the corporate brand and customer trust, and exposure to third party legal claims.

Retailers cannot avoid the use and collection of data as well as a reliance on technology, and therefore the risks of data loss and technology breaches must be managed. Preventative measures and post-loss actions are necessary tools to prevent and/or minimise loss.

Retailers must consider robust IT security policies and procedures that include encrypting sensitive data, ensuring third-party service providers who have access to sensitive data have policies and procedures in place and enforce them, an effective strategy for IT asset disposition, anti-virus protection and data back-ups, enforce a written password policy, ongoing education of staff of the importance of cybersecurity vigilance.

Irrespective of the resources dedicated to data security by retailers, the risk of hacking remains real, and if this event should occur, retailers need to consider cyber insurance to protect against the resulting financial loss. ARA Insurance Services has many insurance solutions to protect your business from these costs if the criminals do get through.

The policies provide broad protection for cyber hacking, including:

- civil penalties and compensatory awards by regulators
- legal actions by third parties
- loss of revenue while the business is interrupted
- ransom payments
- hacker damage costs to restore data, programs, and networks as a result of a hack
- breach costs, including forensic investigations, notification costs, credit monitoring services, call centre costs, and PR costs.

Importantly these insurance products provide the services of a full incident response team in the event an attack should occur – this is invaluable when pressured decisions need to be made that can potentially save or lose business. ARA Insurance Services can also assist you to review your existing prevention and security measures and refer you to specialised cybersecurity professionals where we identify a need for data protection improvement.

Call us now on 1300 368 041 (dial 3) or email [insurance@retail.org.au](mailto:insurance@retail.org.au) for an obligation free quotation to see how your current insurance premium and cover compares to ARA Insurance. 🇲🇻

Call us now on **1300 368 041** (dial 3) or email [insurance@retail.org.au](mailto:insurance@retail.org.au) for an obligation free quotation or visit [ardrossaninsurance.com.au](http://ardrossaninsurance.com.au) to see how your current insurance premium and cover compares to ARA Insurance.

# A RETAILERS GUIDE TO SHOPPING FOR IT INFRASTRUCTURE

Choosing the right data infrastructure is crucial for retailers to access and action customer data effectively.

BY **JOSEPH BADAoui** [DIGITAL REALTY]

Across every industry, the buyer journey has changed. Not long ago, customers progressed through the buying funnel in a formulaic and predictable manner. Today, however, the customer journey involves a web of touchpoints across online and digital platforms that continuously direct and re-direct the customer to specific brands and products.

To get ahead, retailers have quickly turned to data to enhance customer experience and ultimately drive sales. But expectations are high. Not only must retailers have the ability to collect customer data rapidly and concisely, but they must also be able to garner and act on insights in real-time, pivoting their marketing strategies as necessary. And this is impossible without the right infrastructure in place.

Like many things, there's no one-size-fits-all when it comes to IT infrastructure. This is leading many retailers to look to cloud and data centre partners for the purpose-built infrastructures, rapid, low-cost interconnection, and simple management within these complex data environments. But how do you get started on this journey?

Here are five considerations for retailers:

What are your data needs? Understanding your data needs is critical to a functional and strategic data strategy. Start by assessing how much of your data is highly sensitive. For example, customer payment information needs to be kept in a highly secure environment. From here, you

can determine which data needs to be held in a private cloud, versus which data can be stored elsewhere through a third-party provider.

What kind of flexibility do I want? Working with multiple cloud service providers and a dedicated data centre partner gives you the flexibility to choose the right provider for your data needs. From securing customer data, to increasing bandwidth during peak shopping times, partnership will empower retailers to meet the demands placed on the business at any given time.

How innovative do I want to be? One of the biggest headaches that retailers face is whether their existing infrastructure can support and integrate technological advancements and the subsequent demands they put on data. Artificial Intelligence (AI), for example, requires complex data processing and a high level of computing power and interconnectivity.

Who will manage this? Regardless of what your IT infrastructure looks like, it's important to consider how your IT team will manage it. Multi-cloud environments that involve more than one service provider are naturally more complex. Explore partnerships that best empower your team while simultaneously meeting business demands.

How much can I spend? Outsourced provisions, such as public cloud or colocation, are growing in popularity as they provide an instant update to infrastructure without major output. A cloud-

based system will instantly provide a virtual network and new technologies like standardised application program interfaces (APIs) that bring down the operational costs associated with legacy systems.

As the online retail market continues to grow, it will only get more competitive and data-driven. To seize the opportunities presented by technologies such as AI and connected devices, while managing the burden of data processing and interconnectivity, retailers must put infrastructure investment high on their agendas. As part of this, they must consider their setup carefully to ensure both happy customers and a successful bottom line. 🇲🇻



One of the biggest headaches that retailers face is whether their existing infrastructure can **support and integrate technological advancements and the subsequent demands they put on data.**

Digital Realty supports the data centre, colocation and interconnection strategies of more than 2,000 firms across its secure, network-rich portfolio of data centres located throughout North America, Europe, Latin America, Asia, and Australia. Digital Realty's clients include domestic and international companies of all sizes, ranging from cloud and information technology services, communications, and social networking to financial services, manufacturing, energy, healthcare, and consumer products. For more information visit, [digitalrealty.com](http://digitalrealty.com)





# What retailers should know when offering buy now, pay later

What should a retailer consider if thinking about offering buy now, pay later to its customers?

BY LIBBY MINOGUE [FLEXIGROUP]

**B**uy now pay later might be the latest retail trend, but the flexibility it offers customers means it's undoubtedly here to stay. For retailers, it's a no brainer - BNPL offers an alternative yet responsible way for customers to spend their money.

Most modern BNPL services have designed their systems with customer experience top of mind. Bricks and mortar stores are paved with web-based BNPL offerings, as customers open up their chosen provider's app and scan an automatically

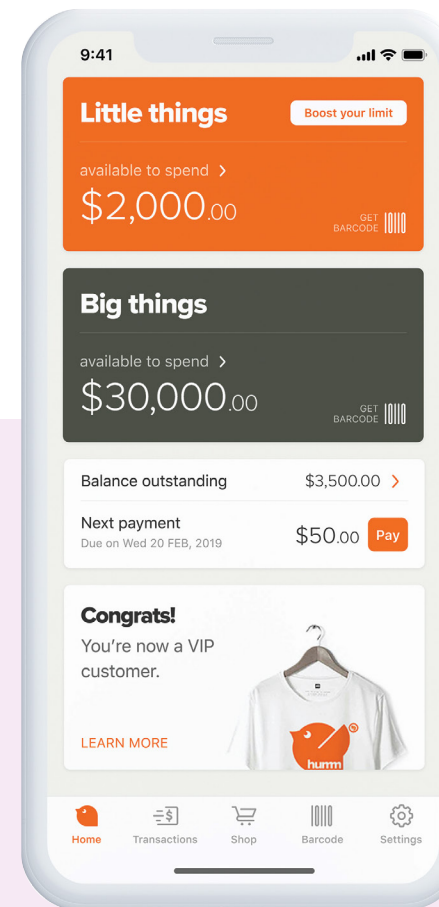
generated barcode. Online, it's even easier: only a few clicks stand between the consumer and their product.

BNPL is no longer a niche industry, as more and more retailers come on board. Humm is one example, with 18,000 partners including Mitre 10, Home Timber & Hardware, Hanes Australasia, Zanui, KOOKAI, SurfStitch, and Smile Solutions.

So what should a retailer consider if thinking about adopting a BNPL offering? First of all, retailers should read up on the checks and balances that various BNPL services require of

their customers. Customer eligibility checks are an essential way to maintain responsibility on both the customer and retailer side. Any well-respected BNPL offering will include age limits, identification, residency checks, and more, so make sure you understand how your chosen service works before signing on the dotted line.

There are different solutions for a wide range of price points, too. For example, humm offers a BNPL option for purchases up to \$2,000 and another BNPL option for purchases greater than \$2,000 - up to \$30,000. In many cases, more



significant BNPL offerings can be tailored to the retailer, depending on exactly how much their products cost. Have a think about your own store, and consider which price point is right for you.

Retailers should also check how long the various BNPL offerings take to pay their retailers. Some, like Humm, pay the very next day. In order to avoid any unexpected surprises, research this thoroughly - most BNPL providers have customer service teams who are happy to walk you through their payment features.

Ultimately, choosing the right provider is about finding one that aligns with your business' own values. Thorough research is key at this stage, so don't automatically select the first one you come across. For example, there are many BNPL products on the market that base a significant amount of their profit on late payment fees. BNPL products should help consumers feel in control, not the other way around, and you don't want to purchase from your store to end up leaving a bad taste in your customers' mouths.

Once you've chosen your BNPL offering, it's important to communicate it to your customers in a safe and responsible manner. Explain BNPL products in a way that anyone can understand, no matter how basic their financial knowledge might be. Stay away from financial jargon, acronyms, or anything else that might build a barrier to comprehension.

Make sure your staff is trained on exactly how the offering works and have a full understanding of the customer journey. Some providers will even provide training and 1:1 support on how to responsibly promote BNPL, how to complete purchases using BNPL at the point of sale, how to track and measure your BNPL purchases, and other back-end admin. At a minimum, ensure your staff understands how payments are made at your point of sale, including how to scan the barcode and to navigate the app.

Keep the offering top of mind through stickers, flyers, lanyards, and pricing listed on your products. Encourage your customers to ask your staff about the offering, so they have a complete understanding of how it all works. Online, you can use pricing widgets that break the price down into slices, use explanatory banners, and integrate the offering and info into the checkout page.

BNPL can provide customers with easy, flexible payment options that work around their pay cycles and ease cash flow concerns. For retailers, the benefit is clear: a responsible way to offer customers another way to pay. 🛒



Choosing the right provider is about finding one that aligns with your business' own values.

Humm offers consumers access to responsible buy-now-pay-later for purchases with partner retailers from \$1-\$30,000. The platform is split into two bands titled 'Little Things' (up to \$2,000) and 'Big Things' (up to \$30,000). Humm is offered in over 15,000 retailers across Australia, including Myer, IKEA, and Just Group. For more information visit, [shopumm.com.au](https://shopumm.com.au)



# IT'S TIME FOR NEW TACTICS IN RETAIL HIRING

Australia's retail sector has significant recruitment challenges, but digital advances have created the opportunity for new tactics that get the right candidates engaging customers in stores.

BY JANE BIANCHINI [ALCAMI INTERACTIVE]

Retail is Australia's second-largest employing industry and, as such, brings significant and unique recruitment challenges. Keeping such a labor-intensive industry staffed is often a time consuming, labor-intensive, and expensive exercise - but one worth the investment.

Having the right customer-facing staff is key to providing an excellent customer experience. Recent research has found that the most important thing brands can do to improve Australian customer experiences is to deliver 'Better Service from Staff' (50%) - something especially important for Australians, ranking higher than US (42%) and UK (30%) consumers.

Thankfully, modern tech solutions are meeting retail recruitment challenges head-on, finding the right candidates digitally, and engaging them with customers in physical stores.

The real challenge for retailers is identifying the issues and knowing the solutions.

## RETAIL CHALLENGES

Alarming turnover rates, intense competition for local talent, and seasonal spikes in staffing demand are just a few of the multitude of recruitment challenges costing retailers millions of dollars annually.

Seasonality is a considerable recruitment challenge for retailers as it requires multiple employees over a short period - referred to in the industry as 'high volume hiring.' During these times, competition intensifies, as does turnover, whereby regular staff quit over the increased workload. Attrition and dropout rates remain high for retail roles, and candidates renege on job offers all too often, meaning recruiting the right people at scale is testing.

The real challenge for retailers is **identifying the issues and knowing the solutions.**

Tackling this quantity challenge is only half the battle; there's still the issue of quality. Unlike most industries, retail doesn't require specific qualifications or experience. While this makes the sector amazingly accessible, it does make identifying the best candidates difficult. Interpersonal skills and customer service become the key differentiators. Some people are naturally born to provide excellent customer experience, and these are the candidates you want on your team. Advanced tools for evaluating your candidate's desired skills, therefore, become essential.

With these pressures to recruit in mass and fast, retailers must be mindful not to neglect their obligation to diversity and inclusion. The ideal retail workforce should reflect the diversity of its customers and optimise the hiring process to attract diverse talent accordingly.

In this environment, innovation and the latest technology are paramount to having success in hiring the right staff, in volume, and faster than your competitors.

## NEW TACTICS

Candidates are used to consumer-grade experiences when engaging a brand from a job seeker perspective; getting the application process right cannot be underestimated. In a recent Alcam Interactive poll, 23% of workers believe candidate experience reveals more about brand culture than customer experience. One in four jobseekers has either entirely stopped purchasing (12%) or purchased less (11%) from a brand because of negative candidate experience. Additionally, 30% of candidates would consider becoming a customer of a brand if they had a good experience.

Modern digitised recruitment resonates with retail applicants, as 32% of Australian retail


trade workers are aged 15 to 24. This is a generation of tech-natives with an expectation for convenience and an attraction to innovation. Digital interviewing hands freedom of time and location back to the candidate, creating a far more convenient experience. For the retailer, the business can maximise the engagement by branding the candidate portal - it's a win-win for improved brand perception.

Digital interviewing provides a management platform for vacancies, questions, responses, candidates, and assessments that are missing from manual CV based recruitment. The process automates the screening phase without dehumanising the candidate experience. Ultimately, the recruiting company increases time savings, decreases turnover, and enhances culture.

The process comes into its own where diversity and inclusion are concerned. Customisable abilities to turn the camera off, digitise voices, provide both written and audible questioning, and level the playing field through question response times; provides the solution to 'blind hiring.'

Digital interviewing automates manual tasks, minimises bias, and delivers more engaging, consistent, and fair experiences. This ultimately raises the bar for in-store customer experience. It's time retailers stopped missing out on hidden talent, omitted by manual CV based processes - it's time for new tactics. 🛒

Alcam Interactive's on-demand interview application is a simple and efficient way for you and your organisation to conduct first-round interviews, replacing the traditional phone screen or first face to face interview. As a cloud-based application, Alcam Interactive enables you to see and listen to numerous candidate's answers to your pre-recorded video questions in a matter of minutes and can be accessed by recruiters and candidates anywhere, anytime. Alcam Interactive allows you to quickly identify the right candidates and progress them to the next stage of the recruitment process. For more information visit, [alcaminteractive.com](https://www.alcaminteractive.com)



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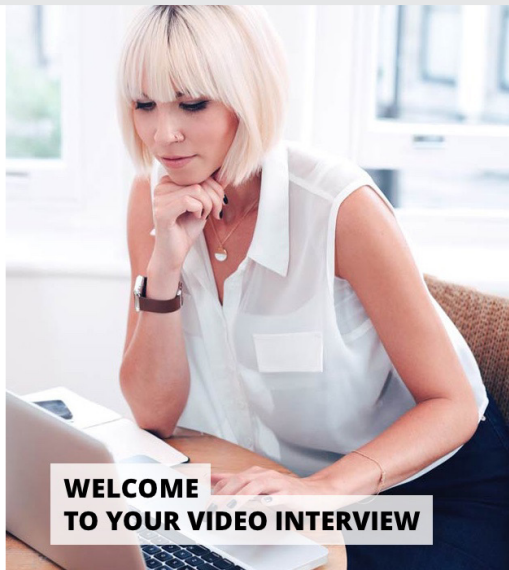
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# DIFFERENTIATION IN RETAIL IS OFF TO A ROARING START

Retailers who are passionate about their customers are the ones that speak the loudest.

BY ZOE THOMPSON [ARA]

**T**he retail marketplace is laden with an abundance of retailers who are trying to stand out amongst the competition. One retailer leading the charge in differentiation is Karina Bruce, Co-Founder, and Director of Hear Us Roar. As a finalist in the 2019 Rest Retail Business Woman of the Year category for the eftpos ARA Australian Retail Awards, Karina is a passionate retailer who is dedicated to finding the right fit for her customers.

## **WHAT WAS THE INSPIRATION BEHIND OPENING HEAR US ROAR?**

After working for many years in the plus-size fashion industry, I became frustrated with the

lack of choice, the poor fits, and the inability to create pieces that respected the curvy figure – let alone flattered it. Out of this sheer frustration, Hear Us Roar was born. My business partner Blaise McCann and I wanted to develop a space where fashion exists first and size second.

Now having operated as an online store, with pop-ups throughout Australia, we have now created a marketplace that helps women who find difficulty shopping in main-stream stores to find clothing for every occasion by designers who understand the curvy figure.

## **WHAT IS THE BEST PART OF YOUR JOB?**

For me, it's all about the customer experience. The look on their faces when they have found an outfit or something they love from one of our excellent designers that fit them is priceless. We've even had some customers drive five hours to come to our pop-up stores and others who have flown from different states, which is always so humbling to see. One of the best parts of my job is being able to curate the designs as new designers come onto the platform and select what we feel are quality, fashion-forward, and practical pieces that our customers will love.

## **WHERE DO YOU SEE YOURSELF IN 5 YEARS?**

We would love to see global expansion for Hear Us Roar; we are excited to be launching into the US in August. We want to have all women embracing across the world sharing and wearing clothes from new and emerging curve designers who are fashion-forward and understand the needs of our customers.

Our business is built on a community of like-minded individuals who support and understand each other, and we hope to see this continue to grow and strengthen over the coming years.

## **WHAT HAVE YOU LEARNED ABOUT YOURSELF?**

To embrace my fears and work hard. One of the sayings I love is, embrace simplicity the other side of complexity. I try to live by this.

## **HOW HAS YOUR VISION CHANGED SINCE YOU FIRST STARTED?**

The validation that there are so many women like me in Australia who want to be stylish and on-trend but don't have an avenue to shop continues to fuel my vision each day. At Hear Us Roar, we have always aimed to push the fashion boundaries into new territories for all ages, empowering women to be stylish and on-trend at any size, a female rite of passage.

Our ethos is offering women a choice that allows them to express themselves through fashion and

finally feel like they can create a style identity. As our brand continues to expand, we aim to maintain this ethos and continue to build a supportive community based on a culture of trust, respect, and experience while delivering exceptional customer service.

## **WHAT DO YOU SEE AS YOUR FUTURE OBSTACLES?**

International expansion - there will be many obstacles we will need to overcome, from distribution to market presence. But I'm excited to embrace the road ahead.

## **WHAT ADVICE WOULD YOU GIVE YOUNG PEOPLE IN THE INDUSTRY WHO ARE PASSIONATE ABOUT MAKING A CAREER IN RETAIL?**

Follow your passion; if it's your passion, then it won't feel like work or a job. That's the best way to embrace your career.

## **HOW CAN THE RETAIL INDUSTRY BETTER SUPPORT YOU AS A LEADER IN YOUR FIELD?**

The best way would be through funding and offering mentoring support from leaders in the retail industry.

## **WHAT IS ONE CHALLENGE/ISSUE AFFECTING RETAILERS TODAY?**

It's a robust industry that has many big players. It's able to compete with them in this fast-moving tech space, keeping up with new technologies and how they can apply successfully to our business is always at the forefront of our mind.

## **HOW DO YOU THINK RETAILERS CAN ENGAGE BETTER WITH CUSTOMERS?**

Understanding their needs better and creating environments that support this. Whether it is style pods, pop up stores, product information evenings - there are lots of opportunities to improve. 🗣️



Our business is built on a community of like-minded individuals who support and understand each other, and we hope to see this continue to grow and strengthen over the coming years.

For more information on Karina or Hear Us Roar, visit [hearusroar.com.au](http://hearusroar.com.au). To read more inspiring stories from exceptional female leaders in retail, visit the Australian Retailers Association's Women in Retail Series at [australian-retailers-association.com/women-in-retail-series](http://australian-retailers-association.com/women-in-retail-series)



# LEVERAGING BRICKS-AND-MORTAR TO COMPETE ONLINE

Strengthen your brick-and-mortar business by being pro-active with the digital tools available to you.

BY ALEX GIRGIS [FRONTLINE STORES]

You may have noticed that these days, you can buy basically anything online, and you're spoiled for choice. Every major retailer is selling online, offering discounts, creative return policies, and excellent user experience – many have teams dedicated to managing the online aspect of their business. How can a small brick-and-mortar store compete?

When the shopping mall was invented by Victor Gruen in 1954, the idea was simple: turn shopping into a social experience, give people somewhere to go between work and home where they can spend time; provide them with a plethora of options so they can spend a whole day browsing and buying. This made sense then, customers had less choice for entertainment and welcomed the opportunity to pass the time by shopping. Today we have Netflix, social media, smartphones, podcasts; everything we need is at our fingertips, so what we seek today is convenience.

The next generation to earn a disposable income is one that is accustomed to using technology and getting results fast – as customers, we can shop endlessly without moving from the couch.

And so, as a generation of technology-addicted convenience-seekers inherits the earth, nearly

every retailer will need to learn how to cater to an online presence.

We need to get online to cater to today's customer, but in doing so, we must compete with every Goliath (and every other David) who is selling online; on the surface, these are two opposing thoughts.

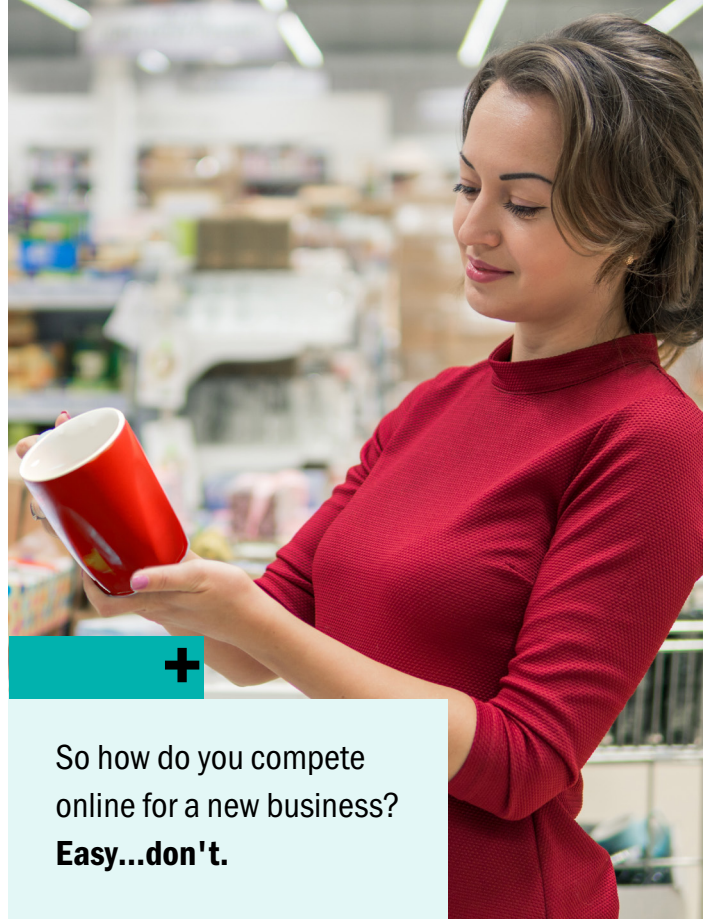
So how do you compete online for a new business? Easy...don't.

As an independent retailer with a physical store, a local presence, great staff, and existing customers walking through your doors every day, you have a significant advantage over purely online retailers. You are building a potential list of online customers every time you make a sale in-store.

It's not just about getting a website to attract more customers; it's about giving your existing customers more options for interacting with and purchasing from your store.

Imagine this: as a customer, I purchase from your store, and I have a great experience. Then I go home, and you never see me again...

But what if: you took my details during checkout, then as I'm sitting on my couch a week later,



So how do you compete online for a new business?  
**Easy...don't.**

I receive an email informing me that you have an online sale. I'm already familiar with your business, and I had a good experience in your store, so I'll gladly welcome the opportunity to shop your online sale, and I may even share my experience with my friends.

This is just one example of how the tools of online trading can support your brick-and-mortar business. A pro-active approach toward omnichannel online retailing can yield tremendous results for those who are willing to put in the time and effort.

It's not about competing; it's about the customers. It's about using technology as a tool, just another medium for providing the same excellent service you already offer in-store, but in the way that people are coming to expect. 📱

FrontLine provides a competitive business advantage for retailers & suppliers by delivering cost savings, retail and administrative support, digital solutions, and member services, including helping stores compete online. This gives retailers the time to focus more on improving their business, delivering significant benefits whilst lowering their operational costs along the way.

For more information visit, [frontlinestores.com.au](http://frontlinestores.com.au)

## 2D 'data embedded' barcodes: A vital asset for retailers and the traceability chain

Data embedded (2D) barcodes offer valuable benefits for retailers delivering savings, increased food safety, traceability and greater customer trust.

BY MARIA PALAZZOLO [GS1 AUSTRALIA]

A supply chain transformation is taking place in Australia, and retail supply chains are being tuned for higher performance levels, value creation, and customer satisfaction.

Whether selling through bricks-and-mortar stores or using an online platform, the latest 2D data carriers from GS1 are helping Australian companies prepare for the hyperconnected, digitally automated future.

Woolworths is the first Australian retailer to take advantage of the newly developed GS1 data carriers, transforming fresh foods at point-of-sale during a recent store pilot.

Richard Plunkett, Woolworths General Manager of Business Enablement, said 2D barcodes have immense potential, and they are excited to see how they will improve food safety, traceability, and stock management.

Traditionally barcodes have been one dimensional, only able to store a product identification number. With increased requirements by the government, trading partners and customers for more visibility and transparency, GS1 developed the 2D data embedded barcodes.

2D barcodes enable multiple data elements to be available in a single symbol. Significantly more substantial amounts of data can be stored

in these modern data carriers such as batch/lot number, serial number, best before date, use-by date, pack date, weight, and price.

Internationally, 2D barcodes are fast becoming a vital element for retailers to increase supply chain effectiveness, delivering higher service levels for the end customer.

2D barcodes can help solve many of today's retail business problems in the areas of meat, seafood, deli, dairy, bakery, and fruit and vegetables because one small barcode can reveal a wealth of information that just can't be squeezed on to a traditional 1D barcode.

The ability to add expiry and best before dates to a product's barcode will help eliminate any risk of retailers selling out of date products. When scanned at the checkout, customers will be alerted that the product is past its expiry date, and the system won't allow the purchase.

More accurate expiration date management can assist in automatic markdowns and date-based discounts. In the future, consumers will access this information on their smartphones.

### Increased customer trust

To keep pace with the growing needs of the consumer, 2D barcodes enable retailers to increase customer trust, better meeting their expectations for food freshness and safety.

Beyond food safety and food waste, 2D barcodes have the potential to improve the traceability of the farm-to-fork journey in the future.

Currently, the product recall process requires all recalled products to be removed from supermarket shelves and disposed of. The information supplied by 2D barcodes will allow retailers to pinpoint the specific batch affected and trace it back through the production line, making it easier to identify the source of contamination and avoid sending unaffected products to landfill.

The fresh food sector relies on accurate and complete data to track a product's journey from the farm to the supermarket shelves. It's great to see Woolworths leading the way in bringing 2D barcodes to shoppers at point-of-sale.

Several other suppliers across health and beauty, freezer, and long-life categories have introduced 2D barcodes in anticipation of future adoption of these.

GS1 Australia is actively working with industry to develop strategies and implement a future roadmap to enable adoption of 2D barcodes so retailers can enjoy the benefits of smarter, fresher, safer data carriers. 📱

GS1 Australia is the leading provider of standards and solutions for 20 industry sectors. For more information visit, [gs1au.org](http://gs1au.org)



# BRINGING THE CONVENIENCE OF THE DIGITAL EXPERIENCE IN-STORE

The importance of retailers adopting technology as part of the customer experience to remain competitive in today's market.

BY MICHAEL DYSON [SOTI]

**T**here's no doubt that the retail industry is facing numerous challenges, with the rise of e-commerce and changing consumer demands, and bricks and mortar retailers need to take action now if they want to remain competitive. A critical factor that retailers need to think about if they're going to encourage shoppers into their stores is the customer experience.

The expectations of the customer are continually rising, as Australian consumers no longer shop the way they used to, and retailers have to work much harder to get customers in the door and to make a sale. Online shopping has provided customers with the convenience they were after, so to ensure that they continue to visit physical stores, retailers need to offer customers something different.

## **OFFERING A NEW SHOPPING EXPERIENCE**

As the convenience of online shopping continues to appeal to many Australian consumers, the demand for more than just a basic sales transaction in-store will force bricks and mortar retailers to change the way they do things.

Luggage and handbag retailer Strandbags recently unveiled a new concept store in Chadstone Shopping Centre that focuses on providing a "world-class shopping experience," with staff armed with handheld payment devices and digital screens within the store showcasing video and digital content.

The new store aims to encourage customers to come in-store by providing them with a unique and engaging experience while allowing customers to shop how they want.

Recent research conducted by SOTI revealed that 57.68% of Australian shoppers would prefer to shop in a retail store that had its staff focused on customer service (providing price checks, product information, etc.) on the shop floor, rather than having them stationed behind a checkout counter.

Strandbags is just one of several retailers who have caught on to the need for providing a better in-store experience if they want to keep their customers coming back into stores.

## **INCORPORATING DIGITISATION IN-STORE**

Digitisation is playing a significant role in the changing expectations of shoppers, with consumers often doing their own research before they walk into a store or even looking up product information while they browse in-store. They expect store associates to be able to provide them with the knowledge that they can't get themselves.

It is more important than ever that retailers make changes to their in-store experience, including incorporating technology, if they want to survive in the challenging retail climate.

Adopting technology in-store will allow retailers to provide a better experience. Store associates with handheld devices will be able to provide customers with immediate information regarding products (pricing, stock availability, store availability, etc.) and process transactions on the spot rather than having to direct customers back to a sales counter where they may have to line-up to be served. Arming store associates with technology will empower them to provide better customer service and engagement.



As the convenience of online shopping continues to appeal to many Australian consumers, **the demand for more than just a basic sales transaction in store will force bricks-and-mortar retailers to change the way they do things.**

Growing digitisation in-store is also increasing the need for IoT solutions that eliminate downtime and secure and manage all endpoints. As the adoption of technology in-store increases and store associates rely more on handheld devices for customer transactions, disruptions or security threats to these devices will be costly for retailers.

Retailers need a solution that provides around the clock support should anything go wrong. Investing in solutions that integrate mobility and IoT will help retailers reduce the cost, complexity, and downtime related to business-critical mobility.

For bricks-and-mortar stores to survive in the evolving retail landscape, retailers need to seriously consider how they can bring the convenient aspects of online shopping into stores through the implementation of in-store technology that helps provide customers with an overall seamless experience. 📱

SOTI is the world's most trusted provider of mobile and IoT device management solutions, with more than 17,000 enterprise customers and millions of devices managed worldwide. SOTI's innovative portfolio of solutions and services provide the tools organisations need to truly mobilise their operations and optimise their mobility investments. SOTI extends secure mobility management to provide a total, flexible solution for comprehensive management and security of all mobile devices and connected peripherals deployed in an organisation. For more information, visit [soti.net](https://soti.net)



# The retail experience is getting a facelift

Success in this era of innovation comes down to integrating people, processes, and data.

BY DAVID IRECKI [BOOMI]

No business has proven to be immune to disruption, but bricks-and-mortar retailers have been something of a canary down the coal mine into how disruptive the move to online and cloud can be.

Recent data from the ABS suggest that online retail continues its march forward, making up 6.1% of total retail spending in July – the same as was recorded in June, and up from 5.5% in May – despite overall retail sales figures inclusive of physical stores falling 0.1% from June to July.

But retailers don't have their heads in the sand on the issue and are trialling new ways to connect with their customers to bring them back to the physical shop floor. Autonomous shopping in physical stores, blending the digital and physical experience within traditional bricks-and-mortar stores, and technologies such as voice commerce are beginning to emerge which will change the way we shop in-store.

The caveat emptor is that these new systems will bring potential concerns around complexity and a possible lack of interoperability. How will these systems communicate and work with existing systems?

But first, let's dive into the benefits, which could be profound and reverse the fall in foot traffic.

## BLENDING TWO WORLDS

If consumers are immersed in the digital world, why not extend that experience in a bricks-and-mortar store?



There are a few ways to blend the two worlds. 'Endless aisle' shopping via in-store kiosks and mobile web access points lets customers browse and buy goods that are not in stock within the store. Equipping sales staff with quick access to individual and inventory data helps personalise the customer experience and 'save the sale' by checking other stores for inventory, competitors for price matching, or assisting online purchases.

Take Sephora, which operates over 2,500 stores worldwide. Sephora offers a digital makeover guide that blends technology and personal time with a beauty advisor to provide tailored makeover options and images displayed on the phone. The retailer's in-store makeovers are then electronically captured into the customer profile to aid product purchases, resulting in personalised relationships.

## AUTONOMOUS OR CASHIERLESS SHOPPING

New to the retail game is autonomous "grab and go" shopping. Take Amazon Go, which is trialling the approach with physical stores: consumers with the mobile app can walk into any Amazon Go store, select products and walk out – the "virtual cart" does the rest.

Startups such as Grabango, Standard Cognition, Trigo Vision, and Zippin have opened stores or are partnering with retail brands to bring autonomous shopping into traditional stores, taking the legwork out of it for retailers.

Customers know what they want; some retailers are happy to go out of their way to provide the seamless experience customers desire, and those retailers stand to differentiate and tailor to a specific market of shoppers.

## VOICE COMMERCE

Voice commerce, which lets shoppers select and buy goods via a digital assistant, adds a new channel to traditional in-person and digital purchasing. Amazon's Alexa devices allow consumers to browse, purchase and reorder products through speech. And AI-driven Alexa will recommend products based on consumer history.

Google is also moving quickly into voice commerce. Officeworks and Woolworths are just two examples of retailers taking the lead on the voice commerce front through integrating offerings with Google Assistant.

## ENSURING INTEROPERABILITY TO LIMIT COMPLEXITY

The accelerating speed of innovation in retail depends in large part on integrating information and applications so that processes run seamlessly and reliably.

How does a blended experience communicate with the point of sale? What about the backend and digital assistants?

These experiences will only deliver benefits if they can provide the right data at the right time to each integrated application and individual involved in a process. This accelerates the speed of retail and equips merchants to delight customers, drive sales, and achieve new cost efficiencies.

If this isn't possible, the customer experience will ultimately be siloed from the rest of the business.

While the customer experience is paramount, unless there is a benefit to the business itself, retailers are digitally transforming for the sake of it, at a high cost, and at a time when retail is facing headwinds, and margins are slimmer than ever. Retailers need to innovate, but in an integrated manner to establish a sustainable system. 📦

Boomi, a Dell Technologies business, quickly and easily unites everything in an organisation's digital ecosystem. Boomi's intelligent, flexible, scalable platform accelerates business results by linking data, systems, applications, processes and people. For more information, visit [boomi.com](https://www.boomi.com)



If consumers are immersed in the digital world, **why not extend that experience in a bricks-and-mortar store?**





# WANT TO IMPROVE CUSTOMER EXPERIENCE?

## GET EMPLOYEE EXPERIENCE RIGHT

The experience your employees have shapes the experience your customers have – here's how to ensure it's a great one.

BY **REBECCA SKILBECK** [PAGEUP]

It's broadly acknowledged that employee engagement is a key lever for improved customer experience, yet customer experience and employee experience initiatives remain siloed. In many cases, far more focus is put on customer experience.

The links between employee engagement and customer experience are well documented. Research has shown that:

- There is a strong correlation between highly engaged staff and high customer satisfaction.
- Engaged employees are more likely to have a good understanding of how to meet customer needs than non-engaged employees.
- Stores in the top quartile of engagement scores are more than twice as likely to achieve the highest service score rating compared to stores in the bottom quartile.
- Organisations with high engagement report lower shrinkage, lower absenteeism, and higher productivity and profitability.

Recognising that employee experience shapes the customer experience is the easy part. Building the framework to improve employee experience, and in turn, customer experience is more challenging.

Taking action in three key areas will have a considerable impact. Let's start with:

- Measurement
- Feedback
- Rewards and recognition

### MEASUREMENT

You may already be measuring customer satisfaction and employee engagement. But are you bringing the data together to understand the patterns in customer satisfaction and employee engagement?

If you're not measuring either, it's a good idea to start so you can establish a baseline. Look for patterns in your data – is there one store that outperforms others? Which engagement measures are clustering with higher customer satisfaction? If you can understand the people's practices at successful stores, you can implement similar practices at other locations. Consider secondments between high and low-performing stores or asking high-performing managers to train or mentor others.

### FEEDBACK

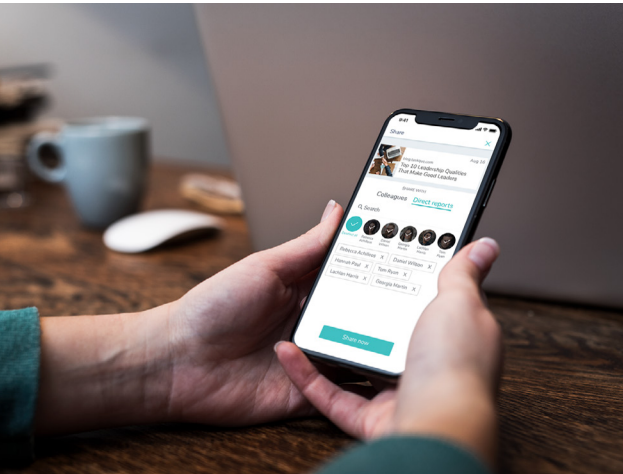
Employees need to clearly understand what's expected of them and how these expectations (objectives, KPIs, KRAs, etc.) are linked to the overarching mission and values of the organisation. If the mission is “to provide exceptional customer service,” what does that look like?

Providing performance-related feedback against clearly defined expectations is vital. Ensuring each employee – from executives, to store managers and frontline team members – receives regular constructive feedback is one of the most effective ways to improve employee engagement. Of course, ensuring everyone across a large workforce receives regular feedback isn't easy – but it is essential. Only sharing feedback annually can do more harm than good.

The right technology can assist managers and individuals to craft meaningful objectives, share two-way feedback, journal achievements, and challenges, and align on developmental goals and career milestones. When selecting performance software, opt for one which has an app that people can use on-the-go.



Recognising that employee experience shapes the customer experience is the easy part. **Building the framework to improve employee experience, and in turn, customer experience is more challenging.**



### REWARDS AND RECOGNITION

People want to be recognised for the work they have done and be rewarded for it.

When you reward and recognise people is just as important as how. Don't wait until annual reviews to show your appreciation – enable leaders to recognise and reward people at a rhythm that makes sense for motivating their team.

Ensure the rewards you offer are of value to the recipients. Consider how you communicate and deliver the rewards for maximum impact. Personalised rewards are more powerful than you might think. People who receive regular small rewards – even verbal acknowledgment or thanks – are eight times more engaged than those who receive annual bonuses.

Rewards needn't be limited to monetary incentives. For permanent employees, offering extra annual leave is a popular non-monetary benefit. Incentives related to your overall ethics and social responsibility initiatives can also be popular and have a tangible impact on employer brand and retention. 62% of Millennials said that they would take a pay cut to work for a company that's socially responsible. Consider a team or individual incentive to donate a set amount to one of three charities you support, or a team away day assisting a local charity.

### START TODAY

Rather than spending months designing an employee experience program and vying for budget, start an initiative today and measure the results. Start with simple initiatives such as asking your managers to take ten minutes out of their day to:

- provide constructive feedback
- thank people for a job well done
- ask customers about the quality of their experience.

You should quickly see a relationship between people who are receiving positive reinforcement and improved customer experience. You can work towards adopting technology that allows for two-way feedback, ongoing performance management, reward and recognition programs, and analytics along your journey. Your employees and customers will benefit.

Benefits programs continue to change and evolve alongside the values and needs of employees. There is no one-size-fits-all approach, and companies are striving to build employee loyalty while managing a robust bottom line. Tailoring personalised benefits and rewards can be a highly effective way to make the world of work a more enjoyable, creative, and productive place for employees – who are, after all, an organisation's greatest asset. Keeping them happy and motivated is a necessity. 🍷

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# Stay cheerful this holiday season with AI

Artificial intelligence can help retailers tackle holiday rush with a smile and keep the register ringing.

BY SREELESH PILLAI [ANZ]

**T**he holiday shopping rush is just around the corner. Celebration mixed with a higher buying tendency among consumers is sure to bring cheer to retailers everywhere. But there will be a lot of anxiety as well, especially because handling a large number of shoppers flooding your stores or calling your support agents in a relatively shorter time can prove to be a nightmare.

Picture this: long checkout queues. Online order mixups. Delayed shipments. Faulty or damaged products. And, worst of all, irate customers.

As any seasoned retailer would tell you, a happy customer may keep quiet, but a dissatisfied one will tell as many people as possible. You would rather have it the other way round, wouldn't you?

Now, customer experience is a complex thing best delivered in the simplest of ways: the complex part should be hidden away from customers, who should see all interactions with your organisation as a simple, smooth process. Given that most retailers have to deal with multiple channels -- physical stores, websites, call centre or support agents and, of course, social media -- achieving this simplicity is not for the faint-of-heart. Thankfully, it is attainable through cutting-edge tools and solutions.

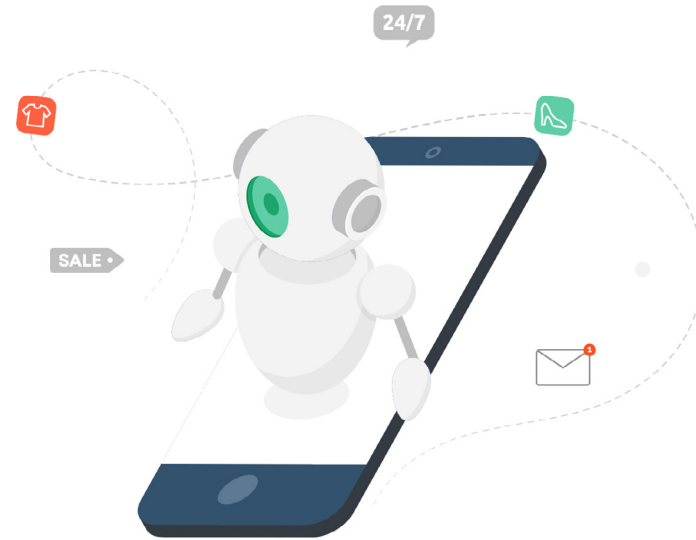
One way retailers are trying to achieve this is by embracing the omnichannel model, which bridges the gaps between their brick-and-mortar stores and online presence. Today, technology is enabling them to provide a seamless shopping experience to customers, taking care of their needs expressed in one format but fulfilled in another. For instance, a shopper can order a shirt online and pick it up at a physical store at a convenient location, possibly wanting to try it out before taking it home in time for Christmas.

All these different channels and business models are creating more opportunities for customers to interact with retailers -- thereby creating more data on those interactions.

In this backdrop, retailers who are able to accurately capture customer data and act swiftly on it are the ones who will optimise sales during the holiday season. The rest, alas, would be left to face the fury of dissatisfied shoppers, besides failing to meet their revenue targets.

New-age technologies such as machine learning and artificial intelligence can not only help retailers handle spurts in sales volumes and customer queries but also save them top dollar.

A recent report by the Capgemini Research Institute, titled 'Building the Retail Superstar:



How unleashing AI across functions offers a multi-billion dollar opportunity' surveyed 400 retailers across the globe that are implementing AI use cases at different stages of maturity. As many as 75% of the use cases, it reveals, are consumer-facing. It further notes that AI can also be applied for quick gains in the supply chain, procurement, and logistics. Overall, by 2022, the study projects that AI can save retailers \$340 billion annually.

Of particular interest to retailers implementing customer-facing AI solutions are chatbots. Truly intelligent chatbots such as Freddy from Freshworks are capable of continually learning from both successful human agent interactions and new guides that retailers publish to make self-service intuitive and easy. Something that is appreciated equally by customers as well as support agents.

The things Freddy can do include reading and routing customer queries, retrieving customer background and interaction information, learning rapidly from all the literature available -- and answering the questions from customers quickly and intelligently.

Holidays bring bells of merriment for shoppers and the chime of cash registers for retailers. Implementing an AI-enabled customer experience solution that is easy to use and scales with your business can indeed help in keeping things that way. 🗨️

Freshworks is an employee and customer engagement platform for businesses of all sizes. The company's suite of products is designed to work together to increase collaboration and help teams better connect and communicate with their customers and co-workers. The company's products include Freshdesk, Freshservice, Freshsales, Freshcaller, Freshteam, Freshchat and Freshmarketer. For more information, visit [freshworks.com](https://www.freshworks.com)

## HOW COTTON ON IS WINNING THE CX GAME

With more than nine million members, Perks goes way beyond a mere loyalty program to help Cotton On understand the products and experiences its customers truly love.

BY JUSTIN COHEN [RETAIL DIRECTIONS]

**F**or more than a decade, Cotton On's relentless global expansion and customer obsession has firmly entrenched the business as one of Australia's leading retailers.

Last year, to take its customer relationships to the next level Cotton On launched 'Perks' -- a global loyalty program encompassing all the Group's brands, in multiple countries, in one state-of-the-art scheme.

For most retailers operating at a scale similar to Cotton On -- the business runs 1,500 stores across twenty countries and seven brands -- bringing a loyalty program like Perks to life would have been a major challenge. But, not for Cotton On.

### SIGNIFICANT COMPETITIVE ADVANTAGE

Cotton On runs a single, dynamic retail management system that handles the bulk of its operations for all its brands worldwide.

Having a single source of real-time information about products, stock on hand, customers and stores was a fundamental reason why getting Perks up and running was fast and easy.

The results speak for themselves: the velocity and volume of membership uptake have set a high bar for the industry.

Cotton On's global retail management IT infrastructure relies on Retail Directions' consumer-centric ERP and POS software platform ([www.retaildirections.com](https://www.retaildirections.com)), which powers its stores, provides a high-throughput transactional system, manages a vast customer database and runs a whole spectrum of functions at Cotton On's head office.

Group Director Ash Hardwick has commented that Retail Directions software provides the business with a "reliable and agile IT base, which has enabled the rapid growth of the business."



**Cotton On runs a single, dynamic retail management system** that handles the bulk of its operations for all its brands worldwide.

The Retail Directions platform was first introduced by Cotton On in 2006 when the business operated just 53 stores.

The system's scalability is an important pillar underpinning Cotton On's global expansion.

### USING DATA TO BUILD A COMMUNITY

Beyond a seamless cross-brand loyalty experience, Perks data also allows Cotton On to better understand its customers at an individual level, helping to enhance customer interactions across all touchpoints and channels.

Cotton On's CEO Peter Johnson said, "The Perks loyalty program provides the data that helps us understand the products and experiences our customers truly love while giving us insight into how and where they like to shop our seven brands."

To date, over nine million customers have signed up for Perks, with around 150,000 being added each week.

A tremendous success story for Australia's largest global retailer. 🇦🇺

Retail Directions' consumer-centric retail technology helps modern retailers such as The Body Shop, Cotton On, The Just Group, Nike, and Bras 'N Things realise their business potential. The system's retail-specific omnichannel architecture allows retailers to deliver a seamless "one brand" customer experience across all channels -- online, at the checkout, and on the store floor with mobile point of sale. The software operates in more than 40 countries, supporting multiple languages, currencies, and tax jurisdictions. For more information, visit [retaildirections.com](https://www.retaildirections.com)



# INVESTMENTS IN ONLINE CHANNELS CAN IMPROVE OFFLINE CUSTOMER ENCOUNTERS

How investing in online communication can actually boost bricks-and-mortar stores and create a personal approach.

BY RICHARD WATSON [TWILIO]

In today's hyperconnected world, it comes as no surprise that e-commerce is on the rise. Statista predicts that in Australia alone, online businesses will see a 15.1% growth in revenue by the end of this year. It also predicts that the number of online shoppers will reach 20.3 million in 2019, and e-commerce will have a market size of A\$35.2 billion (US\$ 25.2 billion) by 2021. But as e-commerce soars, the high street is struggling, with many leading brands, including Laura Ashley and Toys 'R' Us, recently closing their physical stores in Australia.

Despite digitalisation posing as a big threat to bricks-and-mortar stores, it could ironically be the very thing that helps retailers improve offline experiences and make the high street thrive once again.

Invest in technology so staff can focus on what's important

Many retailers have managed to improve physical, in-store experiences by investing in digital approaches. One company that has done this particularly well is UK-based international clothing and food brand, Marks & Spencer (M&S).

M&S invested in streamlining its contact centre. All calls to its 640 stores and contact centres were handled via cloud-powered technology. The intelligent system routed voice calls with more than 90% accuracy to the correct department, store, or contact centre agent.

This new solution gave Marks & Spencer an improved ability to have more direct and meaningful conversations with customers, which helped reallocate valuable staff time. So much so that 110 staff who were working in the back office on the switchboard were moved to deliver e-commerce service to customers, in-turn improving the in-store experience.

## LISTEN TO YOUR CUSTOMERS

As customers become more digitally savvy and their experiences with online shopping strengthen, they have come to expect a more personal approach - where their favourite items aren't forgotten. One retailer who embraced this changing definition of service is Nordstrom, a department store in the United States.

To deliver one to one connection with customers, the store turned to its shoppers to find out what would make their experience better. It discovered that a third of its customers prefer text messages as their main communication platform. As a result, the retailer built a personal shopping app where customers can privately SMS their own personal shopper. The app also allowed them to place orders and reminded them of new arrivals that they were waiting for as well as events they might want to attend.

## INSTIL PEACE OF MIND FOR YOUR CUSTOMERS

Technology can also help instil trust and peace of mind among customers in offline experiences. Take ordering an Uber or booking an Airbnb, for example. The SMS messages and notifications you receive telling you that your driver is en route, or that your accommodation booking has been confirmed assures you that everything is how it should be.

Progress updates, booking alterations, and other notifications all help keep customers in the loop and instill confidence in you as a company and the service you provide.



Despite digitalisation posing as a big threat to bricks-and-mortar stores, **it could ironically be the very thing that helps retailers improve offline experiences and make the high street thrive once again.**

## DIGITISATION HOLDS THE KEY TO THE FUTURE OF PHYSICAL RETAIL

In the hyperconnected world that we live in, the growth of e-commerce and the demise of the high street have created enormous challenges for the retail industry. However, to save the high street and improve offline experiences, businesses need to be open to online innovation and investment in digital approaches.

This approach can help organisations streamline areas of their business and reallocate staff to focus on dealing directly with customers on the shop floor. It can shorten queue times and the overall efficiency of how a store operates, and instill trust and peace of mind among customers.

When it comes to physical retail stores, businesses who are smart in their technological adoption are likely to win against those who aren't; and that should be incentive enough. 🚩



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# How HR can leverage new technologies to help retail staff improve workplace culture and customer service

Mobile employee engagement solutions bridge divide to enhance EX and CX.

BY CIARA O'KEEFFE [STAFFCONNECT]



Look behind the scenes at a book retailer can help shed light on what HR should know about what a difference mobile technology can make when it comes to everything from employee development to improving customer service and workplace culture. World of Books is one of the largest online sellers of used books in the world, selling millions of books worldwide each year, and it has a dispersed workforce—from the warehouse to sales to distribution.

Like many companies, World of Books is also a mission-based organisation focused on making a positive impact on the planet by recycling and the reuse of nearly 80 million books a year—the equivalent of approximately 500,000 trees. It is also committed to exemplary customer service by keeping prices low and providing free delivery.

Because of the size of the enterprise, its mission-focused work, and the fact that three-quarters of its employee base is deskless, the business faced a few common challenges that many retailers may relate to. World of Books needed a way to:

- Stay agile even amidst rapid growth and global expansion

- Achieve strong internal communication across its dispersed workforce
- Give deskless workers a voice to be able to contribute to the views of the overall organization rather than communication only occurring top-down
- Share information about the company's mission and progress toward it with everyone who works for the company, regardless of role or location
- Keep everyone well connected and up-to-speed to achieve the company's vision and ensure high employee engagement

Previously, World of Books had relied on email as its primary communication tool for internal communications. Yet this format had many limitations, one of the biggest of which was the ineffectiveness of gathering feedback from employees who worked remotely—in other words, most of the company's workforce. So, how could the retailer achieve their goals, and keep employees informed and engaged from the front office to the warehouse?

The answer lies in mobile technology.

The book retailer integrated a mobile, two-

way communication platform to boost its communication effectiveness across the board, allowing management to share the company's important "do good" mission and vision, as well as critical business news and best practices. Just as important, the platform also offered the built-in ability to gather employee feedback and opinions, which fueled key analytics to improve customer service, productivity, and engagement levels.

Part of the value that World of Books got from a mobile engagement solution was that it allowed HR to consolidate all internal communication into one digital platform, moving away from using multiple tools such as email and intranet that prevented a seamless and cohesive approach. This was particularly important because many workers out in the field didn't have the same easy access to either a laptop or desktop computer as the desk workers.

Using a mobile engagement platform as their new comprehensive, single-point solution for internal communications, management was now able to easily share key company news and status updates, as well as receive opinions and



The answer lies in **mobile technology**.



feedback from team members throughout the company in all locations, including deskless workers. This critical feedback from the field helped with the implementation of new training and employee development initiatives and gave valuable insights into cultural change.

Another significant benefit of the mobile engagement platform was that it greatly simplified keeping everyone in the loop—at every level and location in the organization. This was a true game-changer for World of Books, as it would be for any retail organisation looking for a communication tool capable of reaching and connecting their entire workforce.

World of Books reports that staff in all roles and locations feel more valued now based on the fact that the platform solicits their feedback, which plays a role in the company's decision-making process. The mobile platform thus succeeds in continuously boosting engagement by enhancing the employee experience. In a virtuous cycle, it also contributes to better customer service, simultaneously elevating the customer experience. 📱

StaffConnect is a provider of mobile employee engagement solutions for the deskless workforce. The StaffConnect platform transforms the employee experience by enabling enterprises to connect, communicate and engage their entire workforce, especially remote, deskless employees. The customer-branded mobile app gives employees 'a voice' - with access to company and user-generated content to increase loyalty and productivity. The cloud-hosted platform empowers employers to target that content, with analytics, to deepen engagement with everyone. For more information, visit [staffconnectapp.com](https://staffconnectapp.com)



# THE ARA RETAIL EVENTS RE-CAP

From forums to conferences, awards, and corporate functions, the ARA hosted a range of events celebrating with retailers from across the nation. Here is a collection of highlights captured this year.

BY ARA

To find out more about our events or for sponsorship enquiries, please contact our Events and Sponsorship Manager, Chris Sav at [chris.sav@retail.org.au](mailto:chris.sav@retail.org.au)



## ARA HR RETAIL FORUM: DIVERSITY

Earlier this year, the ARA partnered with Diversity Council Australia (DCA), a not-for-profit peak body leading diversity and inclusion in the workplace, to deliver an insightful forum that focused on diversity and its impact on recruitment, training and business operations.

The forum featured a stellar line-up of keynote speakers including, Mariam Veiszadeh, an Inclusion and Diversity Practitioner, lawyer, award-winning rights champion, and TEDxSydney speaker, and Kylie Van Luyn, an Employment Services & Social Enterprise Director at Settlement Services International.



## THE 2019 EFTPOS ARA AUSTRALIAN RETAIL AWARDS

The ARA hosted its annual eftpos ARA Australian Retail Awards. This year's Awards were held on August 15th at Myer Mural Hall, with retailers from across the nation coming together to celebrate the achievements of individuals and organisations in the industry.

In the lead up to the Awards, the ARA received an outstanding number of submissions from some of Australia's largest retailers, including PETstock, Bakers Delight, Vodafone, and Coles Group.

The ARA would like to thank its corporate sponsors, esteemed judges and partners for organising this year's Awards, and looks forward to hosting the Awards next year.



## RETAIL CEO C-SUITE FORUM

The ARA invited CEOs from across the world to join the leading voice in the Australian retail sector to this exclusive Retail C-Suite Forum. The forum encouraged CEOs to connect with selected retail executives. Peter Switzer, a business and financial commentator, radio and television presenter, lecturer, and author welcomed guests with an insightful presentation on retail trends and the economy.



## CORPORATE LUNCHES







# Why retailers should befriend a cloud-based POS system

Adopting POS technology is a necessity for retailers to keep up in an ever-changing market.

BY **DAVE SCHEINE** [VEND]

**C**onsumer shopping behaviour has evolved tremendously over the last decade. Shoppers are becoming more sophisticated, and their expectations of a great retail experience appear to be continually changing. At the same time, retail margins continue to be squeezed, and international competitors are more aggressively targeting Australian consumers. In this rapidly-evolving, highly competitive marketplace, retailers must identify ways of staying ahead of the curve, leading many bricks-and-mortar stores to adopt intuitive cloud POS (point of sale) software.

Using a cloud-based POS helps retailers analyse and improve their operations to save time, make money, and develop a more loyal customer base. For example, they can manage promotions and pricing across different channels and even create special offers for their most valuable customers.

Advanced open platforms are built in the cloud, meaning they can seamlessly integrate with retailers' existing accounting, payments, and e-commerce solutions like, for example, Xero, AfterPay, BigCommerce, and more. This means that retailers can build their tech stack according

to their business needs and what their customers want. It also enables them to sell, track, and manage stock, sales, and customers across multiple channels. With this type of technology at their disposal, retailers can analyse stock levels, manage inventory, spot trends, measure customer numbers or understand their behaviour through analytics. Retailers who do not utilise that power and insight, run the risk of falling behind.

As a retailer, do you ever feel concerned about how your business performs while you're not in the store?

You need not worry. Cloud-based POS systems provide access to real-time data anywhere, at any time, all within one platform. This wealth of information includes everything from store inventory and in-demand stock to staff-scheduling and customer profiles.

Performing physical inventory counts were once vital to keeping on top of the stock. However, retail technology now allows businesses to track and move products between stores and warehouses at the touch of a button, giving real-time updates of stock levels from receipts from supplier to displaying in-store or to be sold online.

The adoption of retail technology is paying dividends for Australia's retailers. Indeed, Vend research found that Australian independent retailers using Vend are punching above their weight globally, turning over \$2.44 billion in the past financial year, at an average spend of \$48 per transaction<sup>1</sup>. Using a POS system, retailers can extract this type of data about their own business, alongside a raft of other insights, including customer figures, basket size, and profit margins.

In addition, retail management technology can provide invaluable insights and profiles of customers, including purchase history, when they're likely to make their next purchase, or even what their next purchase may be. Advanced POS systems also allow retailers to create customer groups that can help drive relevant and targeted marketing campaigns.

A loyal customer base is crucial for independent retailers to cultivate, in what is a highly competitive industry. Based on the detailed profiles that can be gleaned from their POS software, retailers can identify loyal customers and reward them accordingly.

While it may be comfortable to keep things as they are, the retail market is constantly changing, and businesses need to keep up if they want to stay relevant to consumers. POS systems can help retailers win by offering both a wealth of information and intuitive software to help their businesses thrive. 🛒

**About the data:** The data and findings in this article are based on actual anonymised information from a sample of over 13,000 retailers using Vend globally, of which 5,000 are in Australia. The vast majority of the retailers in this data set are independent retailers with 1-10 stores. All data is in gross-mean, to find the most accurate average figure for each data-point. The report is based on data taken from July 2018 to July 2019.



As a retailer, **do you ever feel concerned about how your business performs while you're not in the store?**



Vend is a world-class cloud-based POS and retail management software that lets retailers run their business in-store, online, and on-the-go. The first POS built for iOS, Vend is a key retail partner with Apple, CardConnect, Xero, and more. Vend is used in more than 25,000 stores in over 140 countries and has five global offices with over 300 staff. For more information, visit [vendhq.com/au](https://vendhq.com/au)



# WHY RETAILERS WHO PRIORITISE SUPPLY CHAIN EXCELLENCE WILL REIGN SUPREME

New research suggests customer experience will overtake price and product as the number one brand differentiator in the next five years.

BY DAVID LANDAU [BLUJAY SOLUTIONS]

**R**etailers know that supply chains enable customer experiences, but is supply chain excellence as important as price and product? New global BluJay Solutions research suggests customer experience (CX) is likely to become more critical than price and product to supply chain innovation, with two-thirds of respondents believing CX will become the number one brand differentiator within five years.

While the industry will need to continue to manage supply chain costs, retailers must also create supply chain capabilities that support positive customer experiences. This will undoubtedly change the industry's best practices in terms of how and where future investments are made.

## FOCUS ON THE FINAL RESULT FIRST

In the second year of our supply chain innovation research, 'to deliver an enhanced customer experience' rose to the top of the list as the primary driver of supply chain innovation, pulling ahead of 'to reduce costs.'

There was also a notable difference between the importance that large and small companies place on CX. Large companies were more likely

to disagree that CX will overtake price and product as a brand differentiator. The data may indicate that smaller companies view CX as a more effective way to compete against their larger peers, rather than trying to compete on price alone.

This trend is certainly evident in the Australian retail market. We are consistently seeing retailers that place supply chain excellence at the centre of their businesses claw market share from traditional players. For instance, GlamCorner built its business on fashion rentals and has gone from a startup to a multi-million dollar business. Similarly, much of the success of The Iconic, one of the fastest-growing pure online players in Australia, can be attributed to seamless shopping experiences and speedy delivery.

## GROWING DEMAND FOR REAL-TIME VISIBILITY AND ANALYTICS

For retailers that haven't optimised their supply chains, knowing how to start and where to invest can be the biggest hurdle.

According to our research, businesses across all industries are focusing their supply chain investments primarily in business intelligence and analytics, visibility, and transportation.

Every retailer wants the ability to see what's happening across its supply chain, analyse what it sees (which is where business intelligence and analytics come in) and then take informed actions to prevent disruptions and drive continuous improvement.

Several real-time freight visibility solution providers are leveraging technologies like GPS, application programming interfaces (APIs), mobile devices, and cloud computing to provide retailers the ability to track orders, shipments, and couriers in transit. With this real-time data and visibility, companies can quickly and accurately answer the most common questions they receive from customers: Where's my order? Where's my shipment? When will it arrive?

Companies can also use this data, coupled with algorithms and machine learning, to provide customers with more accurate and reliable predicted estimated times of arrival (ETAs) and to proactively notify them of any changes or delays.

Real-time freight visibility is one of the hottest investment areas and rightly so, as it's also the most critical supply chain capability for delivering an enhanced CX, especially in the retail sector.

## ALIGN INNOVATION INVESTMENTS WITH CUSTOMER EXPERIENCE

If the majority of businesses genuinely believe that companies will mostly compete based on CX in the near future, then we need to start aligning supply chain innovation efforts accordingly. This does not mean that cost management is no longer relevant; it means that cost reduction is no longer enough to remain competitive. Retailers must evolve their priorities and investment areas to focus on customer experience. 📦

BluJay's goal is to power the Frictionless Supply Chain. Our purpose-built logistics, commerce, and compliance applications help companies automate processes and optimize the movement and delivery of goods around the world. BluJay's Global Trade Network and network solutions make connecting and collaborating with partners effortless, and the ecosystem data provides unparalleled actionable insight to drive decisions that reduce cost and improve service. Our people are focused on your success, empowering greater adoption to deliver more value. For more information visit, [blujaysolutions.com](http://blujaysolutions.com)

# Women in Retail Series

**10.4%**

The current Gender Pay Gap (GPG) on base salaries.

This is the difference lower than the **average base salary GPG of 19.6%** across all industries.

**39.1%** of managers are women

**43.3%** of all manager-level appointments went to women in 2017-2018

**57.7%** of the retail industry is comprised of women

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e More*

Watch the New Video Series



# Retailers driving efficiencies to free up more time for customers

There is much conjecture about the state of the Australian market; however many retailers and brands are reporting success by optimising their operations to reduce costs and deliver an enhanced consumer experience.

BY **BRUCE MACKENZIE** [HUMANFORCE]

In today's fast-paced and constantly changing retail sector, where consumer activity is always evolving, there is much conjecture about the state of the Australian market.

While there has been talk of a flattening retail market, the most recent Australian Bureau of Statistics (ABS) Retail Trade figures showed that the trend estimate for Australian retail turnover rose by 2.6% in the 12 months to August 2019.

In the current market, many Australian retailers and brands are reporting success in a challenging operating environment. A key focus for these retailers is optimising their operations to reduce costs and deliver an enhanced consumer experience.

## **FREED UP MORE TIME FOR CUSTOMERS**

Behind the scenes, retailers spend a significant amount of time and budget on administration tasks and optimising their staff – hiring and onboarding staff, training staff, rostering, covering shifts due to sickness or holiday leave, diverting staff to tasks such as stocktake, as well as payroll.

Time spent on administration tasks takes away from the time that managers have available

to concentrate on enhancing the customer experience. And in an ever-shifting retail environment, managers need to be investing as much time as possible into understanding and meeting the desires of the consumer if they are to achieve success in the future.

Additionally, as the popularity of online shopping rises, retailers need to focus a lot of time and effort on enhancing the in-store experience of customers to ensure they still get foot traffic through the doors.

To free up more time to prioritise the customer experience, many retailers are moving from manual or outsourced methods of managing their staff, to automating and handling it all in house on one single automated digital platform.

## **OPTIMISING OPERATIONS**

Given the complexity of the modern retail environment, managers need to have full visibility of staff across multiple stores so they can optimise their operations. Solutions such as automated workforce management help reduce costs, cut time spent on admin, and provide a better service to employees, all of which allow retail managers to spend more time and budget on meeting the needs of their end customer.



Using a workforce management solution, one Australian retailer was able to reduce the time spent completing payroll by 90%, freeing up staff to spend much more time on other priorities.

Using a central solution, retailers can also respond quickly and effectively to staffing needs for a few, a few hundred, or thousands of staff, across every store and department, during every retail season. This ensures retailers have the right level of staff rostered so they can have peace of mind that their customers are always being looked after.

Automated rostering allows staff to access their roster anytime online, which reduces errors and confusion that might lead to understaffing. And, with a POS integration, a manager can make staffing changes on the go, such as moving workers from stocktake to the shop floor or increasing worker numbers during a lunch-time rush and then reducing them during quieter periods.

## **AUSTRALIAN RETAILERS FINDING SUCCESS**

Many retailers are working hard to find success in the current Australian market, and a big focus for them is becoming more efficient and cost-effective in many areas of their businesses. Improving how the workforce is managed is one way in which many retailers are reducing costs and finding more time to concentrate on enhancing the retail experience to ensure customers continue visiting their stores. 📦

Humanforce is a global provider of workforce management solutions for companies who need a flexible solution to manage complex workforces. Companies use Humanforce to manage everything from time and attendance, employee rostering, onboarding and availability. Humanforce also has strong partnerships with industry leading payroll providers. Humanforce was founded in Sydney in 2002, and today has offices across Australia, New Zealand, Singapore and the UK. For more information, visit [humanforce.com](https://humanforce.com)

# REVOLUTIONISING RETURNS: HOW AN ONLINE PORTAL SIMPLIFIES THE RETURNS PROCESS

With the retail industry experiencing strong growth in purchases for products and an inevitable increase in returns.

BY **JESSICA IP** [COURIERSPLEASE]

Revenue in Australia's e-commerce market is growing rapidly, with new research showing Australians have spent over \$27.5 billion buying goods online. With the retail industry experiencing continued sales growth, this also comes with the inevitable increase in the number of returns.

Research by leading parcel delivery services CouriersPlease (CP) has revealed that returns need to be easier and more affordable for online shoppers: 53% of Australian online shoppers said returns processes offered by various e-tailers need to be easier, while nearly a third (29%) indicated that having a courier pick up and return their item would most motivate them to return unsuitable products.

Identifying this need in the market, CP launched Boomerang earlier this year – a new self-serve, low-cost returns portal which enables e-tailers of all sizes to focus on selling their products instead of allocating costly resources to the challenge of reverse logistics.

Boomerang works by allowing customers to return their unsuitable online purchases to a conveniently located drop-off point, where a CP driver collects and returns the products either to the retailer's warehouse for processing or at a

consolidated CP facility for a more cost-effective solution. The return booking and lodgement process takes just 5 minutes for shoppers, and the items collected by CP are processed by the retailer as per their returns or refund policy.

CP research reveals that 63% of Aussies shop online because of better prices, and many of them enjoy browsing and shopping online. Considering the number of Aussies that prefer to shop online, finessing your returns policies will further motivate shoppers to buy from you. It can be a point of competition for online retailers and can often be the only differentiator for customers when deciding where to purchase.

Bricks-and-mortar retailers need to understand that reverse logistics isn't simply a reverse gear, which means that staff who are tasked with sorting might require additional training to ensure this process is painless for their customers. When having to deal with returns, this distracts them from sales.

As Aussies increasingly want their online shopping delivered at a faster rate, it is crucial for retailers to accommodate shoppers with quick returns and refunds. Boomerang's end-to-end solution ensures retailers won't need to spend time managing and following up a return.

The speed of the return to the warehouse and faster turnaround time means items will be put back on the shelf or online more quickly.

Ultimately, a streamlined returns portal benefits both consumers and e-tailers. Online shoppers want to be able to purchase with confidence and return an order easily if it isn't suitable – they don't want to deal with barriers to return an item by having to organise all the logistics. For retailers, a seamless returns experience is vital because it influences purchasing decisions, promotes repurchasing, and increases customer loyalty to a brand.

Some retailers are still battling with returns – many of them are not sure about what to do with them, and some resort to penalising customers by charging them for returns as it costs money. Despite this, retailers will need to incorporate returns in their overall strategy, as it is becoming a part of the whole customer experience. Delivery and processing are a big part of the customer experience, and both require retailers to act with more confidence, whether they are partnering up with the right carriers or having excellent customer service for prompt responses for shipping queries. 📦



CouriersPlease (CP) is a leading courier and freight service that delivered nearly 18 million parcels in 2018 alone. CP offers a network of pick up and drop off locations comprising more than 3500 lockers in 45 locations and more than 1000 retail outlets to enable consumers and businesses to pick up or post their parcels more securely and out of hours. Owned by Singapore Post (SingPost), a leader in eCommerce logistics in the Asia Pacific and USA, CP's international and domestic air services connect customers to over 220 countries. For more information, visit [couriersplease.com.au](https://couriersplease.com.au)



# ***This might change how you think about price optimisation***

When it comes to price optimisation, the days of relying solely on seasonality and historical data are precisely that, history.

BY JOANN MARTIN [JDA SOFTWARE]

**M**ore than half of retailers across the world are investing in Artificial Intelligence (AI) this year, and if you're reading this, you're probably working for one of them. The dialogue around AI in retail is endless, and it isn't just talk anymore, AI is here. Its presence, while new, is undeniable and is progressively changing retail forever. According to the National Retail Federation, the number of retailers investing in these technologies is expected to double over the next two or three years.

That means if your competitors aren't using AI already, they will be soon. A profoundly different way of doing business and reaching your customers is coming into focus and moving commerce forward faster than ever before. The days of guesswork and relying solely on seasonality and historical data are precisely that, history.

The new approach is centered around exacting precision and accuracy that only AI and Machine Learning provide. These technologies, along with the Internet of Things (IoT) and compelling shopper data, are fueling a more robust customer experience, raising the bar for retailers, and when it comes to competing in retail, nothing is more significant than pricing.

Pricing is a demand lever that retailers can use to create powerful and profitable demand. Your pricing should align with your approach to assortment optimisation, merchandising, and localisation. Pricing should also support how your business channels your brand and the way it is marketed and positioned. Positioning the right price with perfect timing and the appropriate medium or location is everything right now.

We are now seeing technology move pricing forward in significant ways, but first, let's talk about price optimisation.

## **AI AND MACHINE LEARNING ARE REDEFINING PRICE OPTIMISATION**

Until recently, price optimisation was a traditional mathematical analysis discerning how shoppers are engaging with different prices for products and services across every channel. Price optimisation calculates the rates that align with business goals, including maximising profits.

Now, price optimisation is all about your data and where it's coming from. Robust price optimisation applies forecasting in a variety of machine learning and optimisation sciences.

Machine learning sets processes for logical product groups (assortments and product lines) across times (seasons, weeks, and months) and locations (price zones, online, and in-store touchpoints). And using AI, price optimisation regularly includes one important variable – what will happen next?

## **WHEN IT COMES TO PRICING AND DEMAND, RETAILERS AREN'T LOOKING BACKWARDS ANYMORE**

Retailers who previously relied on historical demand to guide pricing are asking, "what's next?" Now, in addition to how demand looked in the past, they're using technologies that factor in hundreds of other variables. While buyer behaviors are more unpredictable in our on-demand economy than ever before, now retailers have access to vast reams of data. This data includes past sales patterns and customer footfall, along with external information like the weather, current events and public holidays.

AI and machine learning drill down to weather and events, and share patterns across social media and more to calculate the probability of demand levels for the future. With these technologies, retailers can mine actionable take-aways to navigate consumer preferences and create more exceptional shopping experiences.

The most advanced AI solutions not only make predictions and insights; they actively advance your price optimisation with accurate real-time data that drives more revenue and sustainability.

## **BETTER PRICING MEANS LESS WASTE AND HIGHER PROFITS**

By using true AI and Machine Learning solutions, retailers are now adapting to dynamic pricing models that prevent excess stock, resulting in fewer products going unsold – in-store and online. AI retailers can charge full rate for the season and adopt pricing strategies towards the season end, or when any excess stock needs to be sold.

It also reduces waste significantly. AI can predict customer demand and accurate pricing decisions across every product category and store – learning the complicated relationship between price fluctuations and demand. All the

while, these technologies align with the retailer's business strategy. Already, 20 per cent of retailers are using AI to localise and personalise pricing for their customers.

In summation, more intelligent pricing frees your team members' time, which can be allocated towards focusing on something more important, like the customer experience.

AI and Machine Learning can bring your team members back to the human experience. When retailers tap into shopper data and deeper insights from AI and Machine Learning, they can act strategically and put more of a focus on their customer experience – across every channel. With consumer expectations continually evolving, our fast-moving marketplace and new technologies are creating a new kind of customer experience in-store and online.

We still see a lot of fear around AI in the retail industry and what it means for jobs. In reality, technologies like Machine Learning and AI are supporting more businesses in keeping their stores profitable and their employees dedicated to initiatives that drive customer loyalty and more positive shopping experience. A higher level of innovation is necessary to maintain a competitive edge and keep pace with the disruption – are you ready? 🚀

The most advanced AI solutions not only make predictions and insights; **they actively advance your price optimisation with accurate real-time data that drives more revenue and sustainability.**

JDA Software offers the leading supply chain management (SCM) platform powered by artificial intelligence (AI) and machine learning (ML). JDA's leading cloud solutions manage supply chains from end-to-end, spanning supply chain and retail planning, execution, and delivery. JDA's proven solutions power an Autonomous Supply Chain™ for 4,000 of the world's leading companies, including 75 of the top 100 retailers, 77 of the top 100 consumer goods companies, and 8 of the top 10 global 3PLs. For more information, visit [jda.com](https://jda.com)



# HAVING THE AI ADVANTAGE HELPS RETAILERS TO KEEP UP WITH THE PACE OF CHANGE

Artificial intelligence-powered personalisation can help retailers deliver experiences that lead to loyal customers in the hyper-competitive retail landscape.

BY HEATH BARLOW [EMARSYS]

**R**etailers today face a challenging climate. On the one hand, consumers demand a seamless, personalised experience—from how they communicate with brands and the product recommendations they receive, through to time-specific deliveries. On the other, there are more retailers fighting for a share of the pie than ever before—meaning brands must deliver outstanding customer experiences to distinguish themselves from the competition.

It used to be that Australian retailers could react to customer interactions. Now, a much more proactive approach is required to deliver positive experiences that keep customers coming back.

Here's the good news: there is a solution that has the potential to change the way retailers interact with customers—artificial intelligence-powered personalisation.

As companies strive for growth and an increased market share in a world in which consumer demands and expectations continue to evolve, leveraging AI technology must become a strategic focus for brands.

## THE PROMISE OF AI

How much value can AI bring to retailers? Research by Gartner shows AI will have a profound impact on commerce; those using AI for digital commerce can expect to see a 25% increase in customer satisfaction, revenue, or cost reduction by 2023. This is because AI enables to take the mounds of data they collect and turn this into actionable insights that can be used to improve customer experiences.

That said, many brands still invest in outdated tools and strategies that rely on reacting to customer interactions. The problem with a 'best guess' approach is the lack of real-time, data-driven predictions of customers' purchasing decisions. In a retail context, this approach can lead to serving customers irrelevant content and, therefore, missed revenue opportunities.

Retailers need to consider a solution that ensures every customer interaction enriches their digital strategy. Brands need a platform that enables them to 'continue' or 'personalise' communications to increase customer loyalty and stay competitive.

## STRONG BRANDS BEAT THE MARKET

The advantages of leveraging AI are clear from a business perspective. AI helps retailers allocate marketing budgets efficiently and identify the value of marketing activities to the broader business. All businesses, retailers especially, want the ability to predict the value of individual customers and their revenue potential.

As an example, by using behavioural data, brands can predict engagement points that will lead a customer to convert. This allows retailers to create better-personalised experiences, targeting the right audience at the right time. This could be as simple as an abandon cart campaign that leverages AI to identify customers who've exited a purchase before check out and offers tailored incentives to influence conversions, such as a new loyalty program tier or a discount.

Knowing how best to allocate budget and identify tactics like next-best offers or individualised incentives in advance to increase campaign effectiveness is crucial to success. What's more, retailers can leverage data analytics tools to create projections of metrics such as purchase, probability, customer loyalty, affinity, or estimated transaction value.



As companies strive for growth and an increased market share in a world in which consumer demands and expectations continue to evolve, **leveraging AI technology must become a strategic focus for brands.**

## ADOPTION OF AI

According to Emarsys research, only 37% of retail organisations are exploring the potential use cases for AI. Similarly, 52% of retailers are not able to manage real-time customer interactions. These results suggest the retail industry is just beginning to harness AI technologies and their benefits.

One critical factor influencing AI adoption is apprehension. Lack of knowledge, fear of disrupting the status quo, and the unknown, silos, and constant pressure to drive results have seen businesses avoid adopting AI.

Companies that have the foundations in place to create value from AI at scale have a better chance of implementation. Brands can start by identifying where AI opportunities lie and begin building a robust AI strategy across the business rather than operating in silos – as this can hinder its impact.

AI is fundamentally transforming the ways retailers manufacture their products through to how they're marketed. AI can enable retailers to make informed recommendations on the tactics needed to drive business growth. It can also provide the 'wow' experiences that lead to loyal customers in the hyper-competitive retail landscape. 🛒

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# MANAGING RISKS AT WORK

A good risk analysis benefits more than just the bottom line.

BY **ARA RETAIL INSTITUTE** [ARA]

Every business needs to conduct a risk analysis when assigning responsibilities to staff and establishing performance standards. A good risk analysis will help you manage everyday workplace risks, and it will ensure that you don't fall afoul of organisational or legal requirements.

Most work allocation or activity carries an element of risk – it depends on you to decide whether the benefit is worth the risk. Your business needs to know the risks you are exposed to and their likelihood of occurring. And you need to know the consequences of these risks and control them as much as possible.

Here are a few simple steps to help your business conduct a risk analysis that will benefit your business and your staff:

**1. WHAT ARE YOUR RISKS?**

Businesses face many risks related to allocating work – perhaps more than first thought. Allocations must consider the performance of staff, the ability to meet your organisational objectives, and more formal regulations that place boundaries around the way your organisation will operate.

It's common sense to make sure that your staff have a reasonable workload and are equipped to fulfil their responsibilities, but you also need to think about the potential for conflict between team members based on their role allocation. Consider the possibility of anti-discrimination claims that are made due to unfair work allocation.

Regulations and legislation establish clear boundaries and often carry penalties. Keep your workplace healthy and safe, and your staff will be happy and productive, as well as preventing unnecessary disruptions. You'll also need to ensure that your business complies with national employment standards, or a relevant award or agreement.

These are just some examples that carry risks for your staff and business operations, and they might carry a legal penalty too. Don't ignore them, don't be complacent – the first step is to know your risks.

**2. WHAT ARE THE ODDS OF SOMETHING GOING WRONG?**

Once you know your risks, go through each one and assess the likelihood of it occurring. This step is much simpler, as you might already be familiar with a number of these risks and know how often you encounter them.

To assess the likelihood of each of the identified risks, a simple scale might consider whether the risk is:

- Rare – the risk would only occur under exceptional circumstances
- Unlikely – the risk will probably not occur
- Possible – the risk may occur under some circumstances
- Likely – the risk will probably occur
- Certain – the risk is going to occur

**3. WHAT ARE THE CONSEQUENCES?**

The next step is to predict the consequences. Just like in step 2, a scale like the one below will help determine the significance of each risk:

- Insignificant – No great impact
- Minor – Some impact however not of great significance
- Moderate – Impact on organisation, the potential effect on objectives
- Major – Significant impact
- Catastrophic – Irreparable damage caused

A useful tool is to build a matrix to assess each risk. This will help you analyse and organise them into different categories, in this case, from low to extreme:

	Insignificant	Minor	Moderate	Major	Catastrophic
Certain	Moderate	High	High	Extreme	Extreme
Likely	Low	Moderate	High	High	Extreme
Possible	Low	Moderate	Moderate	High	High
Unlikely	Low	Low	Moderate	Moderate	High
Rare	Low	Low	Low	Moderate	Moderate

**4. CONTROL YOUR RISKS**

The final step in the risk management process is to decide how to control the risks. There are a few strategies available to your business:

- Avoidance: Get rid of it completely. Consider eliminating the risk or withdrawing from the activity that carries this risk.
- Reduction: Optimise your activities in a way that you minimise its exposure. You might not be able to eliminate it entirely, but you can mitigate the circumstances that carry the risk.
- Sharing: Transfer or outsource the risk. You certainly can't avoid all your risks, but you can be insured from some of their consequences
- Retention: Accept and budget for these risks occurring. You might determine it is worthwhile to carry a risk – in this case, be prepared for the costs. 🗨️

The Australian Retailers Association's Retail Institute is Australia's leading provider for both accredited and non-accredited learning programs. For more information, visit [retailinstitute.org.au](http://retailinstitute.org.au)



## DIPLOMA OF RETAIL MERCHANDISE MANAGEMENT (SIR50317)



ARA  
Retail Institute

The Diploma of Retail Merchandise Management (SIR50216) is an Australian-first qualification developed for retail buyers and merchandise planners.

This contemporary qualification was developed through a joint effort between the Australian Retailers Association (ARA) and SkillsIQ in 2018 with aims to standardise best practice processes for all retail buyers and merchandise planners in Australia.

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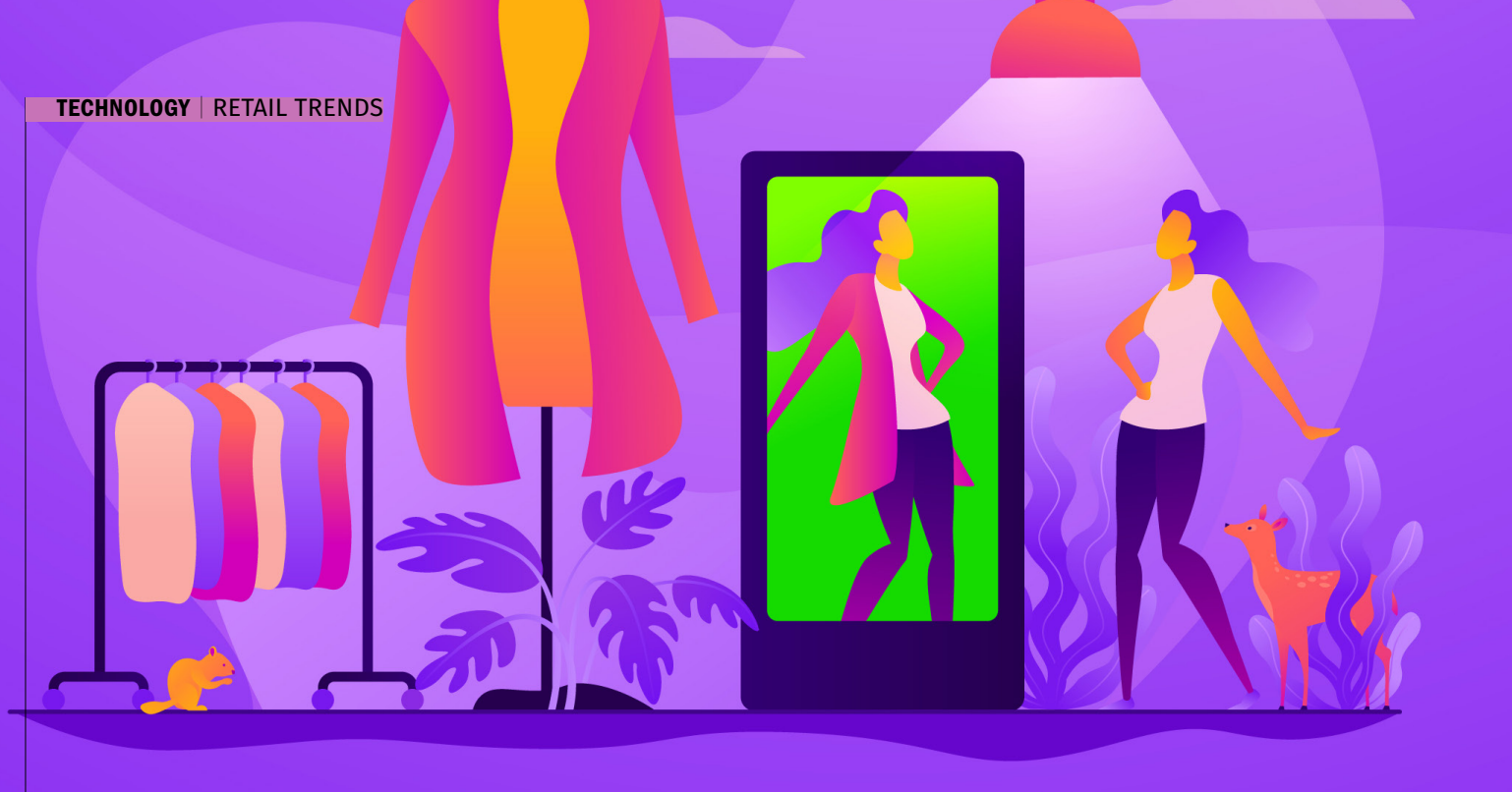


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# RETAIL AND THE RULE OF THREE

Retail is going through tremendous and undeniable change, and there are so many discussions about the cause. But there are three undeniable causes that interact with one another and underpin everything that is going on.

BY OLIVER GUY [SOFTWARE AG]

The Rule of Three is well-known in marketing circles; it comes from a speechwriting technique that drives a point home more effectively and memorably - by using three salient points.

Think “Friends, Romans, Countrymen,” or “location, location, location.”

So, when I was asked by a customer what I saw as the three biggest factors influencing change in the retail industry today, I knew they needed to be good.

Although they might not be as memorable as “location, location, location,” they simplify a complicated journey toward helping retailers stay relevant.

My “three forces of retail” are symbiotic, in that each one gives support and receives support from the others.

## 1. CONSUMER HABITS & EXPECTATIONS

Close your eyes and think about how you shopped ten years ago and compare it to today. The two experiences are hugely different. With every year that goes by, new options appear, and customer expectations rise. For example, next-day delivery used to be a big deal – now we want same day or, in some cases, same hour delivery.

Bob Hetu at Gartner said every retailer needs to carefully examine its customer engagement to discover any weaknesses. “Disruptors seek

the weakest parts of the customer experience, emphasizing the benefits of their solution and converting customers in the process,” he noted.

One such “weak spot” could be the ability to keep GenZ happy. I have talked before about GenZ and how 2019 is the year in which those born between 1995 and 2009 will make up the single largest demographic group in history. They have very specific expectations of how they feel their experience should be. While right now Generation Z may not have the most significant amount of purchasing power, what is fascinating is how behaviours and expectations exhibited by those in Generation Z are already migrating to those in older generations who have a great deal of purchasing power.



**The reality is that application software does not have in-built capability to support the latest innovations – nor will it, while the speed of change continues at the current rate.**

Though the “expectation economy” puts customers’ desires at the centre of retailers’ digital transformation, winning the hearts and minds inside your organisation is also critical to achieving success.

## 2. NEW BUSINESS MODELS

When we hear the term “digital transformation” we often hear talk of “new business models” - but what does this mean? Amazon was a new business model, but many more have appeared since. In short, it is a way for a company to generate revenue in a new way. For a consumer, it offers the ability to buy or access products in new ways. For an existing player it could be a threat to their revenue or equally it could be an opportunity to generate more revenue.

Consider Rent the Runway – who will rent you an outfit for a special occasion (or every day). Or Bombfell & Thread, who does personal shopping for you and sends you clothing on approval. Equally, Dollar Shave Club and others remove the pain of needing to remember to buy razors – offering a subscription-based approach where they are delivered to your door. Ideas around “access-type” models appear in multiple areas - even Lego is now considering renting out their plastic bricks.

These are good examples of the radical new types of business models that solve pain in the customer experience, but in every case, they are enabled through the innovative use of technology.

## 3. TECHNOLOGY

This is huge – we know that. It drives, as well as enables the other two factors. From a consumer perspective it allows the consumers to interact with companies in new ways – using smartphones or IoT devices for example. Smartphones opened new channels for retailers to engage and sell their wares. After one retailer offered this, expectations increased, and others had to offer it.

Technology has been applied by those meeting the demands of consumers. It is the application of technology that has enabled faster delivery – from days to hours as operations have been streamlined.

Omni-channel retail has made retail processes much more complex due to different customer journeys and fulfilment options, but shoe rental or razor subscription make these processes more complex still. Technology requirements become essential and these innovative business models are not supported by standard ‘out of the box’ software solutions – you have to orchestrate processes across multiple systems. The reality is that application software does not have in-built capability to support the latest innovations – nor will it, while the speed of change continues at the current rate.

Continuing with my Rule of Three, I have found there are three things that retailers want from their technology: insight, efficiency, and quick response.

All of these contribute to meeting the ever-demanding expectations of the consumer through the support of new business models. Only by having a flexible technology approach that provides insight, efficiency, and smart response can you hope to be able to address the three forces of change and flourish today and into the future. The Rule of Three. 🍷



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# The halo effect: Double-dipping into the pool of sales revenue

A successful retail operation today is one that anticipates and meets your customers' unique needs, delivering consistency at every touchpoint no matter the channel.

BY LES BRUZZANITI [PRONTO SOFTWARE]



So how do retailers use **one channel to boost the other?**

While most retailers have different strategies for in-store and online – for customers, in-store and online don't compete with each other – they are simply two sides of their spending dollar, with convenience and perceived value determining which way they buy! Interestingly, according to a new study from the International Council of Shopping Centres: "When a shopper spends \$100 online and then goes to that retailer's bricks-and-mortar store, within 15 days of the online purchase, the customer will spend an additional \$131, on average."

So how do retailers use one channel to boost the other?

## USE WHAT YOU KNOW

There is now an expectation from customers that retailers know what they want and have it ready to go. Fail at this, and you may lose the sale and their loyalty.

Data-driven insights allow you to empower your teams with the power to predict customer needs and guide buying decisions with confidence. A powerful Customer Relationship Management (CRM) solution offers a gold mine of intelligence about your prospects and customers – from buying behaviours and communication preferences to engagement patterns.

When a CRM solution is integrated seamlessly with your point of sale (POS), your marketing and buying teams can slice and dice data and become intimately aware of customer demands. For example, you can combine data from online, such as when a consumer has visited the website or interacted with a chatbot, with a phone conversation and in-store observations to build a complete profile of preferences.

With the right data available to your sales assistants, in an easy to digest manner, they can offer personalised service – and build a relationship to drive loyalty.

## MEET THE NEED

We've all experienced the frustration of not finding what you want in-store or finding out after an online purchase that the item is out of stock. Managing inventory is a balancing act. The problem is knowing how much inventory is 'just

right' is typically a moving target. Keeping old stock in a store while still bringing in new stock can throw your visual merchandising into chaos, making it difficult for customers to navigate while clogging up your physical asset. When items are understocked, customers are left disappointed, and sales are lost.

A technology platform with accurate and readable data about stock in the warehouse, as well as real-time trading insights from your point-of-sale (POS), can turn inventory management into a seamless exercise that empowers your buyers and merchandise planners to make the right stock decisions. It can equip your customer-facing staff with an immediate understanding of an item's stock levels and whereabouts while also inform your online shoppers upfront if a particular item is low in stock, sometimes even showing the remaining number of items available – in fact, such transparency is now demanded by shoppers.

One of the most critical assets that affect a customer's experience, your sales margins, and cash flow, is inventory – get this right, and you close the sale.

## DELIVER THE GOODS

Whether purchasing goods online, paying for groceries in-store, or embracing buy-now and pay-later options, shoppers today show a clear preference for easy, flexible, and quick transactions.

As part of this, fast deliveries are demanded – in fact, next-day deliveries grew by almost a third in the past year, and we're seeing retailers differentiate by offering three to five-hour fulfilment guarantees.

These retailers need a highly integrated, automated system in place to consistently meet such a promise – one that pulls multiple levers at the time of a delivery transaction. Inventory levels immediately adjust, an alert reaches the warehouse triggering stock picking, and a driver is allocated.

The driver is equipped with the best delivery route based on real-time traffic conditions plus any special instructions, and the customer is alerted on the status of their order every step of the way. The driver captures the customer's

acknowledgement of the delivery, triggering a digital invoice to be sent and likely an SMS request for their feedback on the pace of delivery and state of their item.

Should they wish to return the product, this process should also be simple and streamlined for all. These little (yet critical) elements add up to ensuring the customer comes back, time and time again.

In a time-poor world, something customers arguably value more than product and price is a frictionless transaction and delivery experience – surpassing expectations in this regard can build loyalty.

## WOW WITH CONSISTENT PIZZAZZ

Retailers can no longer focus on just one: in-store or online. The most profitable retailers are leveraging their data and insights from one channel to improve the other – and automating important processes to streamline customer experiences.

The decision on where to shop is the customers. It is critical to ensure all your touchpoints are working in perfect harmony, supporting each other to help you build and keep more loyal customers. 📦



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# EMBRACING THE AGE OF E-COMMERCE: THE SIMPLE DIGITAL STRATEGIES TO HELP DRIVE ONLINE SALES

Adopting digital strategies can help retailers differentiate themselves in a competitive industry.

BY JILL SCHOOLENBERG [GODADDY]

**I**n what is a highly-competitive industry, retailers are continually adapting to keep up with evolving consumer demands, and as a result, they need to stand out from the crowd to help them succeed. To do so, many are prioritising a memorable, personalised, and user-friendly experience for customers offline and online.

With customers increasingly using digital channels to interact with their favourite brands, retailers are focusing on technology and their online presence and offerings.

Here are three digital strategies your retail business - whether a small pop-up or an established chain - can put in place to help provide an improved online experience for your customer.

## INTEGRATING THE USE OF CHATBOTS

In a traditional brick-and-mortar store, customers will often seek out staff to ask questions. But with more than 73% of Australian households shopping on digital channels - spending a total of \$27.5 billion - in the last year, you should look to provide a similar level of instant service through your online presence. Introducing chatbots; an instant chat function for your website, which allows customers to ask questions and interact with your business in real-time.

With competition high, many customers will likely search for another brand if they can't easily find the answer to their question. Chatbots can provide them with a direct, quick, and convenient line of contact with your business in case they want to quickly find out, for example, when a discount will expire or when the size seven of their favourite shoes will be back in stock. If utilised effectively, chatbots can provide a consistent level of service that customers have come to expect from a physical store. Convenience, after all, is one of the key attractions drawing people to shopping online.

## MAKE YOUR WEBSITE MOBILE-FRIENDLY

Over a quarter (26%) of consumers are making purchases via mobile, so consider optimising your website, including your e-commerce pages, for mobile. This means that your entire website works as effectively, and looks as good, on a mobile as it does on a computer. To test whether it's optimised for mobile, navigate to your website on your smartphone and ask yourself how it looks and whether it's compatible. Many of the most effective mobile websites are successful because they don't overwhelm customers; they're simple, sleek, and user-friendly.

If your desktop website is complex, make the important information easier to find on mobile.

If your images are high resolution, consider compressing them, so pages load faster. If you have to zoom in to read the text, try using a bigger font, or be more concise with your words. After all, the easier it is to access and take action on your website on their preferred platforms, the more incentive there is to engage with your business.

## IMPLEMENT EMAIL PROMOTIONS

Many Australians are becoming more particular about what they buy and where they shop. So with competition high, it is important to find ways to offer them value to help you stand out.

Discounts and promotions, for example, can be an excellent way for your customers to decide on their business of choice, and email marketing can be an effective method of communicating with them. Receiving email promotions can be a convenient way for customers to be notified of discounts and deals of interest to them. For example, you could offer a discount when you have a new range out or offer a limited-time exclusive deal to your most loyal customers. By sending them directly to their email, you can grab their attention and demonstrate you're going out of your way to offer them value. Try not to bombard them, though - be selective with the emails you send, and offer them the option to opt-out.

For many retailers, understanding and implementing technology might sound a little daunting. But, no matter the size of your business, simple online tools can make it easier for you to build a platform to deliver memorable services to your customers. After all, making your customers feel valued, where-ever they engage with your business, could be what you need to stand out from the crowd; and sometimes that's what it takes to grow. 📈

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Many Australians are becoming more particular about what they buy and where they shop. **So with competition high, it is important to find ways to offer them value to help you stand out.**



# DIGITAL MOBILE- FIRST MICRO TRAINING IS THE FUTURE OF EMPLOYEE ENGAGEMENT AND CUSTOMER SERVICE

Employee training has never been more crucial, but to make it work, you have to break it apart.

BY ANDREW MYERS [WORKJAM]

Today's retail landscape is volatile on many fronts: employees want a workplace culture where they feel engaged and motivated, while customers want to purchase from companies that cater to their unique needs. With customer expectations changing, it has never been more critical for employees to be able to keep up with the many products their store sells—because customers are taking the time to research their purchases carefully.

## DEALING WITH INEFFECTIVE LEARNING TOOLS

Retailers are having a hard time training their employees and ensuring their product knowledge is up to date because they aren't using the right tools. Many retailers think they are digital because they have a company intranet or an LMS, where they can show their employee's video training and have them complete quizzes. The thing is, this kind of training is relatively primitive—because it doesn't utilise one key feature of a true digital workplace: mobilisation.

Asking employees to come off the store floor to watch a 30-minute training video in the backroom not only reduces the store's productivity, but it also doesn't give the employee any freedom to learn when it's best for them, in a way that's best for them.

## PUTTING KNOWLEDGE IN THE PALM OF EMPLOYEES' HANDS

Products evolve quickly. A paper-based or non-mobile training program isn't able to keep up with the slew of information employees need to know to do their jobs. An actual digital workplace—one where all training content can be viewed from a mobile device—gives employees and retailers new-found freedom.

With short videos and quizzes employees can engage in on their phones, corporate can ensure the information is delivered in a timely fashion and that it is being retained. In fact, the average attention span is just 40 seconds when reviewing information digitally. This means that the hour-long training videos or dense training booklets



## CREATING A CORPORATE CULTURE WHERE CUSTOMER SERVICE IS PARAMOUNT

Employee training materials are much more than product details—they serve the basis for workplace culture. By ensuring that employees have the information they need at their fingertips, the organisation provides them with the confidence to speak to customers with conviction. This empowerment is a critical aspect of highly engaged employee cultures.

Many of the concerns that employees hear from customers today are around whether products are made and sourced ethically. After watching and actually retaining the training materials provided, employees can discuss the customers' concerns on multiple levels—from how the product was designed, to how it was manufactured, to how it was packaged. With a library of knowledge in their pockets, they can look up any questions they don't have the answers to.

One of the biggest concerns retailers have when deciding whether to use a new technology solution is adoption. However, a digital and mobile-first platform is intuitive for today's workforce, who use their phones in every other part of their lives. In one retailer that recently switched to such a micro-training platform, adoption was 98%. Employees see the benefits of a mobile-first digital workplace immediately, providing corporate with a roadmap to developing a workplace culture that is centered on customer service.

## BUILDING BRAND LOYALTY THROUGH CONSISTENCY

Employee micro training on a mobile-first digital platform provides customers with a sense of security. They know that no matter which retail location they go to and which employee they speak to, they will receive consistent, superior service. Employees that are trained with this infrastructure are genuinely interested in helping customers not only because it is a part of the workplace culture, but because they feel confident in their abilities to be able to provide excellent service. When customers know they will always have the same great experience, they are bound to come back, time, and time again.

If driving sales and increasing profit is a priority for retailers, then adopting the right micro training digital platform to enable employees to talk to customers with more confidence and product knowledge should be a crucial part of retailers' operations strategies. The fact is that this is what customers want to see in the stores they do business with. It is time retailers caught up to the demands of customers and employees alike. 🛒



One of the biggest concerns  
retailers have when deciding  
whether to use a new  
technology solution  
is adoption.

are not helping employees learn. By creating short, easily digestible training content that can be stored, searched for, and viewed on a mobile device, retailers arm their employees with the knowledge they need to effectively serve their customers.



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# Six ways to win a sale by understanding Aussie shoppers pain points

In-depth consumer research to reveal six of Australian shoppers' most common frustrations and how retailers can solve them.

BY MICHEL VAN AALTEN [ADYEN]

**C**ustomer journeys are often riddled with friction points that annoy customers, negatively impact loyalty to retailers and result in billions of dollars in lost sales.

We surveyed retailers and consumers across Australia and other markets, projecting sales lost to negative shopping experiences. The findings from the 451 Research retail report, commissioned by Adyen, drive home just how critical it is for businesses to resolve shoppers' most frustrating challenges. And the first step to resolving them is identifying them.

We've compiled six of Aussie shoppers' most significant pain points — and show you how to fix them. omer journey, connecting sales channels and supporting a personalised shopping experience.

## 1. LET THEM PAY - THEIR WAY

Half of all Aussie shoppers gave up on at least one online purchase in the past six months because their preferred payment method wasn't available, while 44 per cent of in-store shoppers abandoned a purchase for the same reason. That's an estimated \$7 billion in annual abandoned sales online and \$6 billion for in-store.

To save the sale, support a variety of non-cash payment alternatives like contactless and mobile payments.

## 2. AUSSIES WANT BRICKS-AND-MORTAR OPTIONS

Australia has the largest percentage of consumers who prefer in-person shopping. Half of all shoppers say they strongly prefer shopping in a physical store, eclipsing the US (37 per cent) and the UK (36 per cent) by a significant margin.

Only 27 per cent of Aussies strongly prefer digital channels.

Digital channels are essential but bricks-and-mortar experiences still count. Instead of focusing exclusively on online or in-store experiences, retailers need to adopt digital strategies that ensure shoppers enjoy a consistent journey online and offline.

## 3. BUST THOSE QUEUES

Long lines are a major pain point, with 61 per cent of shoppers saying they abandoned an in-store purchase due to excessive queues. That number jumps to 68 per cent among customers aged 24 to 38.

Options like mobile point of sale, kiosks and self-checkout can combat queuing. Shorter queues aren't just valuable for closing sales — they can directly influence consumer satisfaction and loyalty.

## 4. GIVE CUSTOMERS WHAT THEY WANT

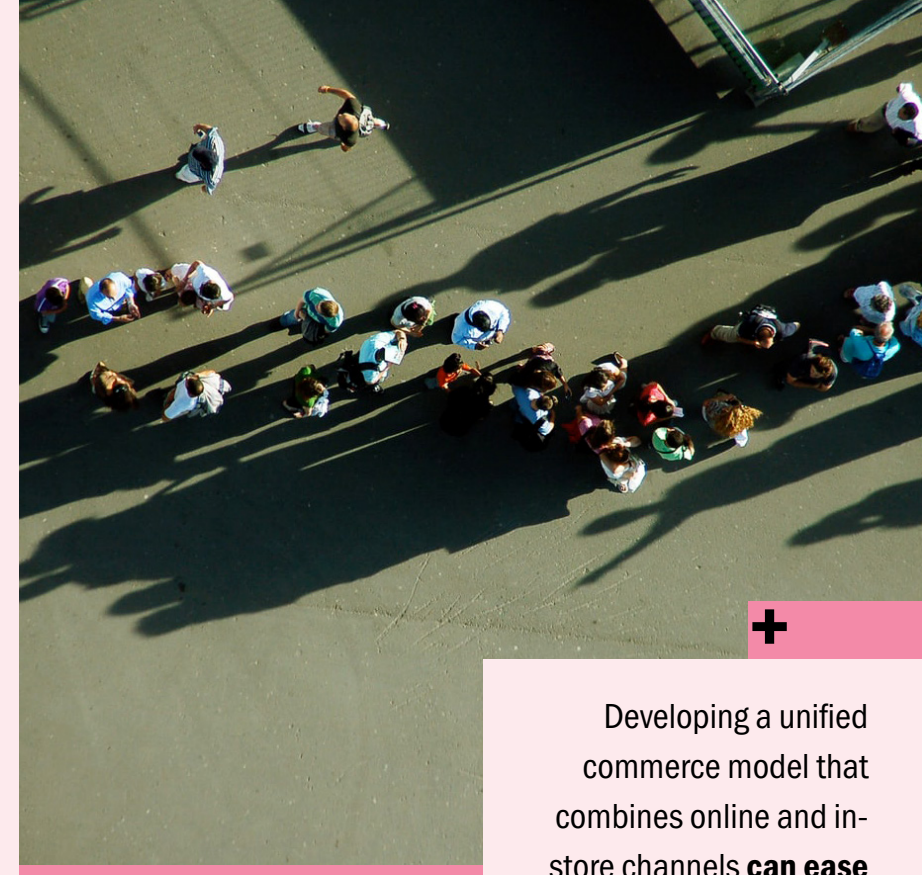
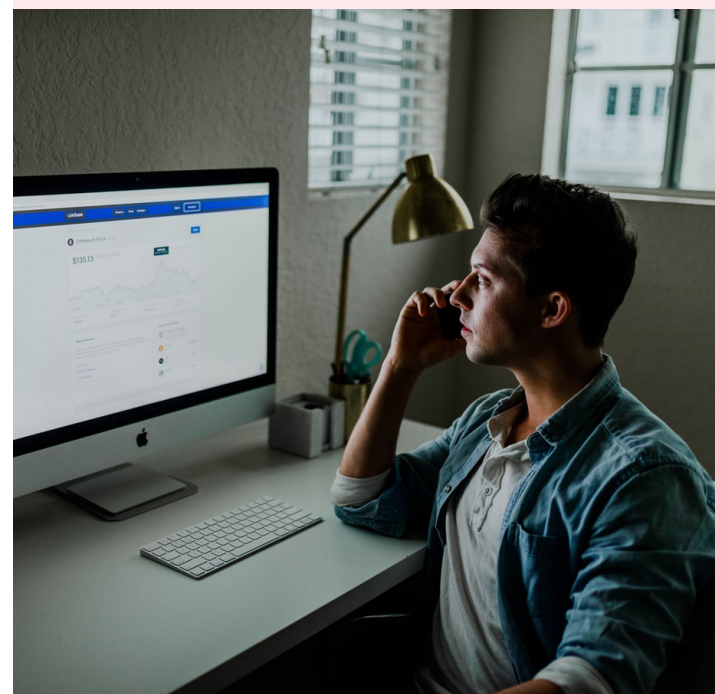
We found that 83 per cent of Australian shoppers chose to leave a store because an item they wanted was out of stock, adding up to \$14 billion in abandoned sales this year.

To save those sales, it all comes down to cross-channel technology! More than one-third of shoppers say they'd like the option to order out-of-stock items and have them shipped to their homes ('endless aisle'), while a similar amount say they'd like the ability to check an item's availability online before heading in-store.

## 5. DON'T ACCUSE THEM OF FRAUD (...OUCH)

In the past six months, almost half of Aussie shoppers have abandoned a purchase after a credit or debit card was declined due to incorrect suspicions of fraud ('false positives').

Better fraud detection can protect you from fraudulent activity and save legitimate customers the embarrassment of a card decline. Artificial intelligence, machine learning and behavioural analytics are increasingly popular ways to supplement fraud tools and lower the risk of a false positive.



Developing a unified commerce model that combines online and in-store channels **can ease shoppers' challenges.**

## 6. MAKE ONLINE PURCHASES EASIER TO COMPLETE

Almost two-thirds (63 per cent) of shoppers abandoned an online shopping cart at least once in the past six months due to difficulties in completing a purchase, representing \$9 billion in lost annual sales. And 44 per cent of shoppers said they abandoned a cart because of lengthy payment forms.

Save the sale with frictionless checkout experiences using features like autofill. You might even want to aim for one-click shopping experiences, as 33 per cent of customers say this option would significantly increase their loyalty to a retailer.

## HOW TO WIN SALES AND BUILD LOYALTY

Developing a unified commerce model that combines online and in-store channels can ease shoppers' challenges. Better yet, the research indicates that a unified commerce model can actively build positive sentiment and loyalty to your business.

**[Access the full Adyen 2019 Research report here.](#)**

Adyen (AMS: ADYEN) is the payments platform of choice for many of the world's leading companies, providing a modern end-to-end infrastructure connecting directly to Visa, Mastercard, and consumers' globally preferred payment methods. Adyen delivers frictionless payments across online, mobile, and in-store channels. With offices across the world, Adyen serves customers including Facebook, Uber, Spotify, the Cotton On Group and Lorna Jane. For more information, visit [adyen.com](https://www.adyen.com)



# OMNICHANNEL IS THE KEY TO CREATING GREAT CUSTOMER EXPERIENCES

Customers have no shortage of choice when it comes to choosing products and services; however, technology can be embraced to create a personalised and seamless customer experience.

BY **CHRIS RICH** [SQUARE]

Customers are used to getting what they want, when they want it and how they want it. They can get food delivered from any restaurant, at any time of day. And they buy everything from clothing to groceries on the go and have it all delivered to their door in just a few hours.

It's 2019, and more than 80% of Australians are now shopping online — and at the same time, competition has increased across all industries. With giants of the online game that can't be beaten on price or speed of delivery (think Amazon and Kogan), it's now more important than ever for small and medium-sized businesses (SMBs) to utilise the tools at their disposal to step up and compete.

More and more, it's about providing not only the right products or services but also incredible customer experience. By providing

a seamless customer experience, retailers can expand their presence, drive sales, and create loyal customers.

So how do you create great customer experiences?

For smaller retailers, it's all about where you're meeting your customers and how easy you make it for them to engage with you and make a purchase.

## MEETING YOUR CUSTOMERS

Customer interaction and relationship building are now more critical than ever, especially for SMBs who sell online. Customers still want a personalised experience. They want the businesses they shop to know them, what they like and where they like to buy.

To achieve this holistic customer experience,

retailers now need to live on more than one sales channel, and we've seen this shift. Over the past decade or so, bricks-and-mortar stores have developed websites while predominantly online sellers have started to advertise through marketplaces and social media, with many developing wholesale arms or physical pop-ups.

The days of businesses focussing on just one channel are long gone. A multichannel strategy is now the norm for most businesses. The good news is, selling everywhere no longer requires the budgets that used to be the domain of the big department stores. The rise in popularity and accessibility of do-it-yourself technologies means now even the smallest businesses have the opportunity to compete for customers' attention.

## CREATING A HOLISTIC EXPERIENCE

While having multiple sales channels can set SMBs up for the best chance of success, providing a seamless experience for your customers is another challenge. Using a variety of channels to inform customers of your brand and enabling them to purchase your products or services through whichever channel they choose is excellent; however, it doesn't mean their experience will necessarily be a smooth one.

Taking a multichannel strategy and converting it into an omnichannel experience is what many businesses now strive for. Omnichannel commerce effectively connects the dots between all your multiple sales channels to better engage with your customers. For instance, if your business operates on social, a website, and in your store, implement an omnichannel strategy that syncs inventory across all channels with an up-to-date view of what's available so customers can purchase the same products on each channel.

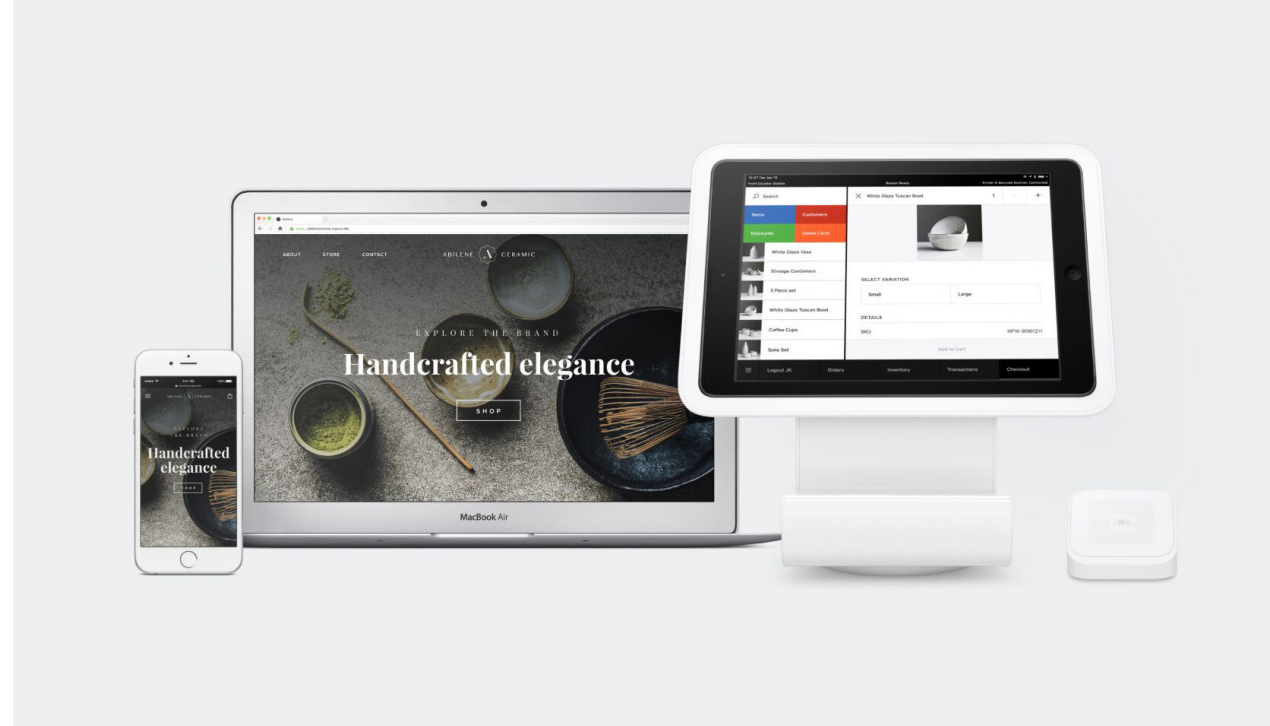
Instead of pushing brand messages channel by channel, an omnichannel strategy basically works like a web of channels. The goal is to keep customers moving around within the web, with each channel working together to encourage more engagement and, ultimately, more sales. It also gives you a comprehensive understanding of how your business is performing as a whole — like when you need to purchase new inventory and what kinds of products perform best on each channel.

## KEEPING COSTS DOWN

While this approach is extensive and requires a well thought-through business strategy, it doesn't have to cost you a tonne. There are now more affordable business tools than ever before that you can set up quickly and customise to your exact business needs.

With seventy-five per cent of customers saying they want a consistent experience whenever they engage with a brand, according to Salesforce, retailers should look towards giving customers what they want. This includes offline transactions, your website, and social media.

In competitive retail environment, it's not enough to create strong products if your target audience cannot find them, or they aren't available when they want to make a purchase. 🛒



**The days of businesses focussing on just one channel are long gone.** A multichannel strategy is now the norm for most businesses.



Square, Inc. (NYSE: SQ) revolutionized payments in 2009 with Square Reader, making it possible for anyone to accept card payments using a smartphone or a tablet computer. Today, Square provides tools that empower businesses and individuals to participate in the economy. A cohesive ecosystem of managed payments, hardware, point-of-sale software, and other business services helps sellers manage inventory, locations, and employees; build a website or online store; and grow sales. For more information, visit [square.com/au](https://square.com/au)



# Multi-channel does not mean multi-brand

All retail channels must provide the customer with a seamless brand experience.

BY CHRIS GRAY [DAYLIGHT AGENCY]

Consumers are spoilt for choice in today's multi-channel retail environment, but with more ways to purchase comes the greater risk of brand confusion. In a world where consumers can access your brand in many different environments, it is essential to ensure what they see is consistent across all channels.

It's certainly not merely a case of bricks and mortar vs. online. It's more about delivering a unified offering between the two.

Many companies are great at driving sales between the two major channels by offering incentives for both in-store and online purchases, but in some cases, it appears as though an instore experience competes with the same retailer's online platform.

A retailer must have a marketing strategy for each channel, but the customer experience must feel seamless.

By integrating their brand across online and instore, retailers have a powerful opportunity to reinforce their core values to consumers. Never before have retailers had a chance to reach their customers across so many touchpoints. It is now more critical than ever for retailers to grasp at opportunities to emphasise the brand, and not let them go to waste.

Getting back to basics and understanding the top reasons customers choose to make online and instore purchases is an essential step to seamlessly integrating both sales channels.

## THE TOP THREE IN-STORE BENEFITS INCLUDE:

### 1. Connectivity

People crave connectivity, and the in-store shopping environment provides an opportunity for human interaction that is important for wellbeing. We live in a digital world that sees people becoming more isolated, so the in-store experience is an opportunity for people to satisfy the need to interact and connect with other people.

### 2. Sensory

The chance to touch, smell, taste, and feel a product before purchase is an important element in the sales process.

### 3. Expert advice

Engaging with experts and having the ability to ask questions can assist in the decision-making process.

## THE TOP THREE ONLINE BENEFITS INCLUDE:

### 1. Convenience

Shopping at leisure at any time, any day anywhere, is the main driver for online retail.

### 2. Speed

Goods purchased are delivered quickly and directly to your home or workplace.

### 3. Research

The ability to canvass multiple stores without leaving your home to compare products and pricing is an attractive feature of online. The online experience can help to drive a customer into your store.

## THE TOP THREE RULES FOR INTEGRATING MULTI-CHANNEL SALES PLATFORMS

For businesses that choose to offer multi-channel for selling, here are the top ways to ensure your brand integrates well across each platform.

### 1. Communication

Deliver open, transparent, and consistent communication at all times on all channels – online, social, face-to-face, phone, in-store.

### 2. Regularity

Regularity creates ongoing familiarity and allows customers to become advocates and even ambassadors. 'Brand fandom' is what all brands crave and can be achieved by connecting emotionally with customers online and instore.

### 3. Consistency

A retailer must behave consistently, in an authentic manner, across all channels at all times. For a multi-channel retailer to be successful, a consumer must see the same brand values at all touchpoints. This allows customers to recognise patterns they can trust and believe in.

By focusing on the drivers for each sales channel, retailers can ensure the customer experience is in line with what they actually seek. They can provide an in-store experience that complements an online one, and vice versa, to ensure each channel goes hand-in-hand. 🛒

Daylight Agency is an integrated communications agency helping businesses achieve the right balance between brand promotion and brand protection. Our services include advertising & production, public relations, marketing, digital & social media, reputation management. For more information visit, [daylightagency.com.au](http://daylightagency.com.au)

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# KEEPING RETAIL SYSTEMS SECURE IN THE AGE OF CONNECTED DEVICES

IoT brings enormous potential for the industry, but there are challenges to address, such as protecting their data and keeping systems secure.

BY **GEORGE WILSON** [PAESSLER]

**L**ike many industries before it, retail is embracing the age of the Internet of Things (IoT) and the transformation it brings. MarketsandMarkets believe that IoT deployments are on the rise in retail and predict spending will reach \$35 billion (USD) by 2020.

IoT brings with it enormous potential for the retail industry – not only can deployments improve the front end by enabling better consumer experiences, but operational benefits, including simplified supply chains and reduced costs, are also being seen within the industry.

With massive growth on the horizon, there are several challenges for the retail sector to address when it comes to connected devices – and these come in the form of rapid data growth, and perhaps more importantly, protecting this data in an age of cyber risk.

So, how can retailers keep their systems secure?

## **THE ROLE OF IOT IN E-COMMERCE**

Retailers are adopting IoT in a range of capacities. One application includes using sensors to monitor stock in real-time to understand product demand versus supply and

help retailers plan accordingly. This type of monitoring is taken a step further when explicitly applied to the food and beverage market, where retailers using the same technology to monitor not only stock levels but external factors (e.g., temperature) that have an impact on the storage and delivery of perishable goods.

Away from logistics and warehousing IoT integration allows retailers to connect with both things and people, giving them greater insight into who their customers are and new ways of engaging with them. For example, by collecting data through IoT devices – like mobile payments

– retailers will be able to better understand the lifestyles and choices of their customer base and therefore communicate with them more effectively.

As such, the concept of integrating IoT technology into retail brings with it the hopes of improved efficiency, reduced waste, and better customer relationships.

## **THE CHALLENGE OF TRUST**

In today's hyper-competitive environment, retailers must get the customer experience right or risk losing out on sales. Consumers expect seamless interactions with a brand, from searching to checkout. If something goes wrong, consumer expectations are shattered, and brands will struggle to rebuild their reputations.


In addition to customer experience, retailers are also expected to address another concern; and that's with data. With IoT technology, comes data. More and more, online retailers realise the need to establish trust with consumers in exchange for access to this data. This is more important now more than ever when we take into account both the complex cybersecurity market and the impact of a data breach. Protecting the privacy of customers is therefore paramount.

## **KEEPING IOT NETWORKS SECURE**

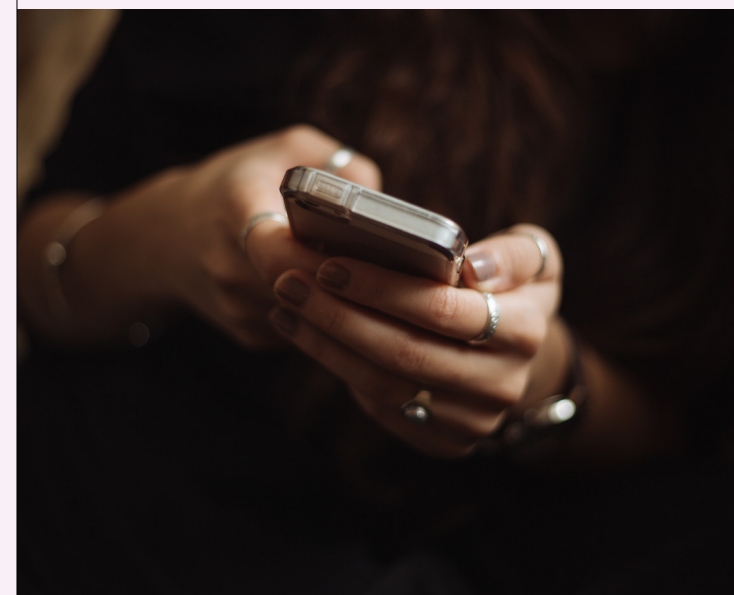
IoT devices are getting cheaper and cheaper, bringing with them a “fail fast” business ethos for the retail sector. This is an exciting time for consumers, who will see a range of new ways to shop and engage with brands. Some deployments, naturally, will be better than others. The challenge for retailers will be monitoring their deployments to understand customer impact and making adjusting where necessary.

Retailers are increasingly turning to additional tools such as encryption to protect customer data as it's transported through the internet with the SSL/TSL protocol, which prevents ‘man in the middle attacks.’ This means third parties can no longer access data that is exchanged between the sender and recipient when dealing with sensitive user information such as credit card information or login data. With real-time insights across all business operations, the business can be notified of any potential threats or changes in the network's performance.

IoT is everywhere, and the retail sector is a growing contributor to the phenomenon. The technology holds the key to innovation, improved customer experience, and operational excellence but if hacked, the tools can result in unrepairable vulnerability and reputational damage to an organisation.

It all comes down to visibility. When deploying IoT systems, retailers must remember not to lose track of their devices, the purpose they have, and whether or not they are meeting these needs. Network monitoring has increasingly emerged as a tool that enables retailers to track all of the devices on their networks to understand their performance, compliance, and risk. 

Our mission is to empower technical teams to manage their infrastructure, ensuring maximum productivity. We build lasting partnerships and integrative, holistic solutions to achieve this. Thinking beyond IT networks, Paessler is actively developing solutions to support digital transformation strategies and the Internet of Things. For more information visit [paessler.com](https://www.paessler.com)



In today's hyper-competitive environment, **retailers must get the customer experience right or risk losing out on sales.**



# Rebuilding bricks-and-mortar retail with Click & Collect

Convenient on-the-go solutions like Click & Collect are a digital solution bridging online and offline channels and rebuilding bricks-and-mortar retail.

BY JUSTIN DERY [DODDLE]

The next decade of retail is expected to churn out infinite challenges to Australian retailers that will need to remain profitable and relevant to consumers. On a global scale, we have already seen the diminishing presence of even the most established brands and storefronts. In contrast, the number of Australian online shoppers will reach 20.3 million this year, a 5% increase from 2018. While e-commerce brings opportunities to increase the utility of physical stores but to take advantage, retailers will need to adapt their offerings to meet consumers' growing expectations around delivery and returns.

## WHAT CONSUMERS WANT

As of February 2019, 80.8% of people in Australia shop online; for these consumers, home delivery is no longer convenient. Convenience and control over delivery are driving factors in purchase decisions and click and collect (C&C) services, which allow consumers to "trip-chain," completing multiple tasks in one visit, are preferable to making an additional trip to the post office to pick up a missed delivery.

Consumer expectations have been redefined by e-commerce retailers setting the bar in terms of value and delivery speed. Younger consumers are more likely to seek out alternatives if delivery is too slow, 68% of 18-25's have abandoned purchases due to delivery options compared to 50% of over 50s. The knock-on effect is increased pressure on logistics, which in 2018, saw Australian online shoppers receive an average of 2.3 parcels a year, an increase of 21% and growing.

In the pursuit of value, shipping costs are a deal-breaker for most Australian consumers, with 65.5% of total orders delivered last year having free shipping. In fact, 60% of Australians will abandon a shopping cart if the shipping cost is higher than expected. Free shipping is not always a luxury that small businesses can afford and so offsetting the expense through other channels becomes essential.

Omnichannel customers who shop both in-store and online are by far the most profitable, compared to customers who shop via one channel. Retailers neglecting omnichannel experiences are leaving revenue on the table.

## CLICK & COLLECT - CONNECTING ONLINE & IN-STORE

As of January 2019, e-commerce is responsible for 10% of Australia's total retail sales - compared to 18% in the UK. C&C has been the fastest-growing fulfilment option, ticking consumers' need for control and convenience and delivering benefits to retailers. Ultimately, in a competitive selling environment, shipping has become a key differentiator in customer experience.

C&C services drive footfall to physical stores, at which point 30% of customers go on to make additional in-store purchases when collecting an online order. Consolidating multiple orders into one collection point also eases the pressure on Australia's logistics industry, while providing a cost-effective solution to consumer demand for fast and free deliveries.

It's not only collections that afford these benefits; returns deliver unique benefits too. There's a perception amongst some retailers that making the returns process harder, equals fewer returns. This misses a significant opportunity to generate customer loyalty and benefit from statistical insights.

A staggering 96% of customers say they'll shop again if they have a positive returns experience, and over 60% say they're deterred from purchasing if returns information isn't clear or if they have to pay for the return. Smart Returns are a modern solution that provides timely data about what's being returned, when, why and by who. This not only streamlines the efficiency and profitability of the return itself but allows businesses to better deliver what customers want through the channels they want it most.

Over 50% of Australian consumers have used C&C in the last 12 months - showing a clear appetite for this more sustainable delivery option. Currently, only 42% of Australian retailers offer C&C services.

The opportunity exists for retailers to deliver streamlined omnichannel services that bridge the gap between digital e-commerce and bricks and mortar retail. Ultimately, the retailers that adopt these solutions will be the ones we continue to see on our shopping streets into the next decade, and those that don't will fade from consumer memory. 📦

**Omnichannel customers who shop both in-store and online are by far the most profitable, compared to customers who shop via one channel.**

Doddle began as a Click and collect service. We're now dedicated to bridging every aspect of online and in-store shopping. Our innovative tech makes shopping simple and rewarding for shoppers, retailers and carriers alike and is trusted by many of the world's leading retailers. Our tech-enabled delivery ecosystem enables processes like Click & Collect, Pick & Ship and Digital Returns. For more information, visit [doddle.com](https://doddle.com)



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Retail Directions' consumer-centric retail technology helps modern retailers such as The Body Shop, Cotton On, The Just Group, Nike, and Bras 'N Things realise their business potential. The system's retail-specific omni-channel architecture allows retailers to deliver a seamless "one brand" customer experience across all channels – online, at the checkout and on the store floor with mobile point of sale. The software operates in more than 40 countries supporting multiple languages, currencies, and tax jurisdictions.

Website: **www.retaildirections.com**

## SUPPLY CHAIN & SOFTWARE SOLUTIONS



### Manhattan Associates

Manhattan Associates is a global leader in supply chain and omnichannel software solutions. We deliver leading edge cloud and on-premises solutions so that across the store, through your network or from your fulfilment centre, you are ready to reap the rewards of the omnichannel marketplace. We have been operating in Australia for more than 17 years supporting Australian retailers like Target, Cotton On and the Country Road Group just to name a few.

Phone: **02 9454 5400**  
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Website: **www.manh.com.au**

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Website: **www.deputy.com**

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WorkJam is a complete digital workplace platform built to maximize the productivity of the frontline workforce. It extends traditional WFM components like scheduling and shift management with training and task management, chat-style internal communication, broadcasts as well as surveys, rewards, and recognition. Integrations with WFM, HCM, and LMS systems allow targeting based on title, location, skillset, and activity.

Contact: **Andrew Myers**  
Phone: **+61 417 334 718**  
Email: **andrew.myers@workjam.com**  
Website: **www.workjam.com**

## LEASING



### Lease 1

Lease1 are the industry specialists providing specific expertise to retailers in the area of Retail Tenancy. These services encompass Lease Expiring / Renewals; Lease Options Exercising / Overdue leases / Lessor Disputes; Rental Payment Difficulties; Lease Assignments (Business Sales); Strategic Lease Management; Market Rental Negotiations and Submissions.

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## RETAIL SOFTWARE



### Pronto Software

For more than 30 years, Pronto Software has been delivering tools that allow retailers to excel and prosper in whichever vertical they may service. Pronto Xi for Retail is an end-to-end Omni-channel solution with integrated business intelligence and analytics. Pronto supports hundreds of retailers including Nike, Clark Rubber and Snooze.

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## POINT OF SALES PRINTERS



### EPSON

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### Freshworks

Freshworks is the leading provider of cloud-based customer engagement software. Freshworks' products make it easy for teams to collaborate with each other and provide their customers with the best experience. Our suite of products includes Freshdesk, Freshservice, Freshsales, Freshchat and more.

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Website: **www.freshworks.com**

# PARTNERS DIRECTORY

## POINT OF SALE SYSTEMS



### Zebra Technologies

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Email: **mathew.bertram@zebra.com**  
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Website: **www.sap.com**





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Music licensing has changed for the better. In the next few months all retailers will receive **step-by-step** information on how to transition from the two-licence system of APRA AMCOS and PPCA to the simpler one-licence system of OneMusic Australia.

For the first time ever, there's an e-commerce website so you can log-in, transact online and review all your music use details in one place, at any time of the day or night.

All retailers will enjoy enormous benefits from:

- a huge cut in red tape and admin time - you've been asking for it!
- new background music fees - with packages starting at \$85
- easy add-on options for telephone on hold and website music
- legal access to a worldwide collection of music

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**What next?** The advance information about OneMusic Australia will be rolled out to coincide with your renewal date. In the meantime contact **hello@onemusic.com.au** or visit our website.

**onemusic.com.au**  
1300 162 162

**OneMusic**  
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