

## Customer Experience is Defined at New Levels during ICX Summit '17

By Lyle Bunn  
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The marketing establishment and dynamic media are coming together at customer experience. When brands, retailers and digital experience providers met at the June 4-6, 2017 Interactive Customer Experience (ICX) Summit in Dallas, the focus was on defining "what works" to maximize CX approaches.

The ICX Summit discussions reflected what is being said by branding and media gurus such as Sasha Strauss (UCLA/USC), Scott Galloway (NYU and L2 Inc.) and others with insights about customer experience and brand positioning.

Retail is a \$4.95 trillion industry in North America, \$390 billion of which is reflected in online revenues. Physical retail accounts for over 92% of purchases and its inherent capabilities to offer discovery, browse, learning, product examination, try-on and immediate fulfillment are core to the customer experience. These support the branding, revenue, margins and loyalty to which digital experience contributes, which providing improved productivity of places, processes and people that are the foundation of business-to-consumer enterprise success.



Christopher Hall, ICXA

A very low percentage of consumers are buying a product at the lowest available price because factors such as convenience, time, trust, loyalty and experience influence the perception of value. Overall experience is the biggest factor on whether or not a purchase will be made, and each interaction impacts future purchases (i.e. transactions) and overall brand and retailer loyalty.

*Customer experience (CX) is to engage consumers on topics of shared interest. It involves discovery, learning, play and acquiring as well as story telling and respect for people, places, organization, listening and aspirations. CX is the feeling that you get in the presence of the brand.*

In opening the event Christopher Hall, Executive Director of the ICX Association compared retail to the book industry noting that those physical book sales continue to be strong despite the inroads that e-books have made. There is room for both, but the physical books that are safest from the e-book encroachment

are the “beautiful books,” either coffee table books of art or photography, etc., or novels and other “regular” books that are being printed with more creative flourishes to differentiate the physical product from the virtual one”.

The “stor” of store has related to storage for readily accessible inventory, but that same “stor” is increasingly the basis for story” declared Ken Nisch, Chairman of JGA which has developed branded environments and consumer strategy for clients such as Sundance, Sleep Number, Hershey’s, Disney, H&M, The North Face, Whole Foods Market and Big Bazaar. Telling the story is to describe the topic of mutual interest to the storyteller and the listener. Selling the story is to influence the perception of the topic.

In-store media has tended to be biased on the art of the art and science of customer experience and urged the realization that both of these are elements and that professionals should be bold in applying analytics. A customer-first strategy prevails when digital experience seeks to improve the productivity of places, processes and people.

Four issues in digital experience planning and implementation were identified;

- a. Applying return on investment (ROI), total cost of ownership (TCO) and total economic impact (TEI) to serve as the basis of investment decisions.
- b. Resourcing changes including identifying and supporting champions, budgeting, correlating the disruptive and engaging approaches into the path to purchase, and providing the enabling capability.
- c. Optimizing based on impact analytics that offer insights toward optimization. The voice of the customer and the voice of associates are too seldom applied as digital media is used for passive message presentation, interactivity and as dynamic engagement drawing upon on live and operational data. In each case, digital experience should be in the context of the geography and culture. Mason Page, SVP of Strategy and Client Services at Reflect says, “On-location media solves problems and captures opportunities while simultaneously serving the brand, the retailer and the customer. The key is to identify the problems and create ways to effectively measure the solution.”
- d. Sourcing the digital experience. Retailers, food service providers and other business to consumer organizations are put off by the approach to version release used by software and technology providers. Consumers expect that a product will be fully perfected before it is offered for sale. A sandwich, a dress or a watch must be a complete product with every copy offering the same quality and consistency. It is a foreign concept for businesses to buy tools and products that are not fully developed or for which customization is needed. The less bespoke and the more off-the-shelf that customer experience

approaches are, the more attractive they are from a price, risk managed, reliability, time to implement and use-ability standpoints".

David Kepron, VP Design in the Global Design Strategies department of Marriott International whose book "Retail (r)Evolution: Why Creating Right-Brain Stores Will Shape the Future of Shopping in a Digital World" was published in fall 2014 (the second printing is now sold out) reinforced the adage that "I do and I understand" in a conference session that focus on the neuroscience of CX.

Brain scan research results were presented by Michelle Adams of Dallas-based Marketing Brainology, whose work with PepsiCo spanned 10 years including her role as VP of Customer Strategy and Shopper Insights. "Sensory input from visuals, audio, touch and aroma activate areas of the brain, often in subconscious ways, and these have a significant impact on our emotions and decision-making" Adams concluded, adding "Brain scan data allow insights far beyond what may be verbalized by consumers, and will contribute to common practices in experience design".



Fab Stanghieri, SVP of Business Development and Client Services for Cineplex Digital Media defined the role of CX providers in a welcome address to the events Elevate Awards ceremony. "At Cineplex Digital Media we believe that screens have the power to revolutionize how the world does business. When used to their full potential screens can completely transform the way people, Shop, Share, Pay and Play". Cineplex was the provider on four projects that were part of Elevate Awards

Stanghieri continued, "But a screen is just a screen without the right strategy, setting and story. As digital solutions providers we pride ourselves on our comprehensive package of strategic expertise, world-class content creation, data analytics and executional innovation to insure that every screen, regardless of the format becomes one of the most powerful connection points between a business and its customers. At CDM we think differently and are committed to deliberately impacting change through digital transformation.

Christine Rice, Director Worldwide Segment Marketing, Digital Signage and Kiosks in the Retail Solutions Division of the Intel Corp Internet of Things Group reflected on the Intel vision of "delivering the perfect personal shopping experience". Rice started by explaining that Intel-based media players are inside,

behind, beside, or under the vast majority of digital signs and kiosks worldwide. Intel helps drive over 75% of shopper-facing, place-based media.



Christine Rice described how “retail has morphed from being very relationship driven 100 years ago to mass marketing where we lost all of the personalization, but now we have the ability with technology to provide both!”

“Analytics are critical to both offering a personalized experience and for measuring if the content is reaching the right audience” explained Rice, adding “Personalized experiences can be provided by simple day-parting and knowing your audiences at different times of the day.

For example, at Home Depot on weekday morning at 7am the audience is the contractors and on Saturday afternoon it’s the do-it-yourselfers). Personalized experiences can be even more personal with front-facing cameras understanding the specific audience and changing content on the screen to meet your needs; for example, do you look like you are there to buy baby formula or something else?”

She added, “Understanding who is actually seeing your message or advertisements on the screen is critical for the brands that are paying for the ads and for justifying ROI for the investments in the store experiences”.

Scott Emmons who has led the Innovation Lab at Neiman Marcus IS for the past 5 of his 13 years with the retailer said “Form is as important to function when it comes to technology in luxury retail, so we are extremely focused on assuring that our customer experience approaches suit the overall Neiman Marcus experience.” Generally, the reason that something doesn’t work is because it doesn’t solve a real problem or remove friction from the shopping experience. ”

He continued “Our successes can in part be attributed to making sure foundational data infrastructure is available everywhere, sourcing according to standards, building strong networks and device management capabilities, thinking in terms of a media platform and building in functional overhead”.

Emmons added, "One of the principle benefits of an Innovation Center is to harmonize and address issues and priorities across stakeholder groups, to help assure that our broader enterprise interests are best considered”.

“Customer experience design includes having alternatives in how the interface of brands, retail and consumers” said Dennis Schleicher, Customer Experience Design at Kohl’s.

One of these interface elements is pricing. Variable pricing can reasonably be part of B2C commerce where different costs of business apply. We could expect to see shipping charges that differ from home delivery to store pick-up and for in-store special offers.

Ken Moy, VP Digital at Subway describes, “The customer experience is intrinsically personal and changes from moment to moment. Not only do retailers need to provide great digital products and services, but must have the processes, skillset and discipline in place to continually evolve them in line with evolving customer expectations”



*Ken Moy, Subway*

"The “attention economy” is very real,” said Rohit Kapoor, VP of IT at Pizza Hut International, adding, "customer experience has its biggest obstacle the consumer’s time, and the biggest challenge is to respect the customer’s time. Be sub-optimal in any aspect of the business will impact CX or pricing."

Ed King, formerly of MaxMedia advised, "One of the guiding principles of work for brands such as AT&T and others is an encompassing and descriptive demographic profile for a group coined as ACES – Always Connected Experience Seeking consumers. Customer experience is a composite of sensory inputs that influence attitudes and actions, 95% of which are unconscious, so why not use all the inputs that comprise our human experience such as visual, audio, touch, gestural and aroma”.

Albert Vita, Director of Strategy and Insights for The Home Depot explained that "digital experience technologies are only valuable to the extent that it brings engagement to a human level of how people discover, learn, relate and interact. Today’s in-store retail customer experience funnel starts with disruption and then engages consumers with connecting, experiencing, conversion and sharing" adding "the starting point is empathy and love for customers and associates and what we can do together.”

Customer experience has to be the business focus aimed at expressing and having patrons feel love for themselves, what they do and can become”. The time has come to take customer experience to new heights as “The retail apocalypse has officially descended on America according to a May 21, 2017

Business News article<sup>1</sup> that reported on the expected closure of 3500 locations.

At 23.5 square feet of retail space per person in USA<sup>2</sup>, compared with 16.4 square feet in Canada and 11.1 square feet in Australia, the next two countries with the most retail space per capita, brands and retailers are under pressure to gain traffic and conversion. CX is a differentiator.

Supply systems related to customer experience are actively engaging in response to brand and retail needs. CX is increasingly seen as a horizontal versus a vertical focus with executive support<sup>3</sup>. The internal innovation, marketing or customer experience group of the brand or retailer can draw on the expertise of CX design agencies or source directly from the experienced base of digital experience technology providers including Cineplex Digital Media and Reflect Systems as referenced in this article, or other providers of computing, software, hardware and display products such as Intel and LG Electronics that distinguish themselves with capabilities that fulfill CX objectives.

*Lyle Bunn is North America's longest serving analyst, advisor and educator in North America's Dynamic Media industry. He serves on the BrainTrust of RetailWire.com and as Chair of the Center for Digital Experience ([www.CDigEx.org](http://www.CDigEx.org)) was nominated as the Elevate Awards Customer Experience Influencer of the Year. See [www.LyleBunn.com](http://www.LyleBunn.com) or email [Lyle@LyleBunn.com](mailto:Lyle@LyleBunn.com). Photos provided by ICX Summit.*

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<sup>1</sup> See: <http://www.businessinsider.com/the-retail-apocalypse-has-officially-descended-on-america-2017-3>

<sup>2</sup> See <http://www.businessinsider.com/the-retail-apocalypse-has-officially-descended-on-america-2017-3>. Morningstar Credit Rating Report. Oct. 2016