ISSUE NUMBER 258 | SPRING 2021 | ISSN 2049-8993

direct commerce

RELIABLY INFORMING THE ENTIRE DIRECT COMMERCE COMMUNITY

The official publication for the DCA

DIRECT COMMERCE ASSOCIATION

5000 print copies are normally mailed to readers but with many now confirmed as WFH, all can now access our digital edition as well as regularly checking in for daily news updates at

homeofdirectcommerce.com

Direct Commerce Awards
WINNER 2019

YUDU

Enhanced Digital Publications

BRING PRINT CATALOGUES **TO LIFE.**

- INSTANT PURCHASING
- DATA ANALYTICS
- VIDEO & ANIMATION
- SOCIAL SHARING

Convert your views into orders with YUDU.

"Our brochures went from traditional print to interactive digital brochures on our website and mobile apps, creating an accessible tool linking our brochure and online procurement."

Kelly Mansfield
Marketing Manager
Nevilles

enquiries@yudu.com www.yudu.com 0207 430 6608

Cover image courtesy of UK Investor Magazine

Editorial and subscriptions
t: +44 (0)208 092 5227
e: info@directcommerce.biz
w: homeofdirectcommerce.com

Advertising
t: +44 (0)208 092 5227
e: sales@directcommerce.biz

Membership Services Ltd / Direct Commerce
32 Enterprise Avenue
Tiverton
Devon EX16 4FP

Publisher & Acting Editor
Jane Revell-Higgins

Design & Production
Dean Fraiquin

Executive Producer - Content
Victoria Revell-Higgins

Reporter
New reporter starts this month

Stay in touch

Click here to join our in Group

CONTENTS

Most of our regular readers will be literally chomping at the bit over these coming weeks, monitoring their direct and store sales as shops settle into being open once again for business. Will the wholesale re-opening of high streets and shopping malls make a dent in direct and online revenues? Or will the initial consumer excitement give way to the realisation that direct scores rather more highly when it comes to choice and convenience? Anyone living in a seaside town, as I do, will long have been used to the pattern of most independent retailers shuttering their stores after the Autumn half term until preparing to re-open for the Easter holidays. Vacant stores in the better locations always quickly snapped up and the remainder let on very loose terms, usually with six months rent free, to enthusiastic under-capitalised amateurs. (Most of latter not lasting beyond Autumn).

This current period has been very similar around the country, with new window displays, re-stocking and re-opening activity waking up what had been near deserted town centres and shopping malls. But no amount of enthusiastic endeavour from those still in business can mask the eyesore of boarded up stores left vacant by all those retail businesses which have failed. The sight of these neglected shop fronts is enough to dampen the spirits of both passing shoppers and those working in neighbouring premises. New tenants will be thin on the ground, unless positions are prime and rents are realistic. Although regional reports say that there is strong demand for retail space in key coastal locations like Falmouth, Dartmouth, St Ives and Padstow which are expected to be swarming (once again) with well-heeled holidaymakers over the summer. Retail space anywhere that morphs into Fulham or Kensington by Sea is, understandably, seriously sought after because these holidaying people will have plenty of money to spare and be absolutely longing to get into the holiday spirit and spend it.

Beyond trying to secure new space or rising to the challenge of greater competition, many readers will also be readjusting to having team members return to office working and developing HR policy that reflects the future modus operandi. Considering how they can arrive at the best balance between home & office working. Which roles are better suited to office working? How to help newer recruits who will never have been into their offices in person to integrate with other employees and settle into working more closely with colleagues they have hitherto only conversed with via Teams or Zoom. How to ensure that there are opportunities for learning for everyone as business life readapts and that those who long to work back in the office, which a high number do for assorted reasons, can take up a desk again. It is undoubtedly going to be a very busy time getting everything into place.

Wishing everyone very successful trading and a much awaited 'return to normal'.

JRH

Next raises profit guidance for 2022

Next has posted its full results for the year ending January 2021 – a year dominated by a 'crisis unprecedented...

☛ **READ WEB VERSION: Click Here**

Joules appoints new CFO

Joules has appointed Caroline York as its new chief financial officer (CFO) to support the group's next stage of growth....

☛ **READ WEB VERSION: Click Here**

ASOS posts bumper first half results

ASOS says that its first half sales rose by 24 per cent to reach £1.98bn. This generated pre-tax profits of...

☛ **READ WEB VERSION: Click Here**

Scotts & Co. adds to its portfolio of catalogue brands

Multi-channel retail group, Scotts & Co., publisher of catalogue titles such as Scotts of Stow, Gift Discoveries, Expert Verdict and...

☛ **READ WEB VERSION: Click Here**

EVM's COO leads Peacocks' rescue deal

Peacocks looks set to emerge from administration, potentially saving around 200 stores and 2,000 jobs, thanks to a management-led rescue...

☛ **READ WEB VERSION: Click Here**

Studio.co.uk announced as lead sponsor of ITV'S In for A Penny

Online value retailer, Studio.co.uk has been announced as the lead sponsor of ITV's hugely popular on-the-street game show, In for...

☛ **READ WEB VERSION: Click Here**

ProCook signs up to Real Living Wage

ProCook has announced that it is now paying the Real Living Wage to its employees. All UK ProCook employees, including temporary...

☛ **READ WEB VERSION: Click Here**

Atterley secures £3m investment

It's been reported that online fashion marketplace Atterley.com has raised £3 million in its latest funding round, led by Maven...

☛ **READ WEB VERSION: Click Here**

Weird Fish enjoys online sales boost

Weird Fish says that it generated an 84 per cent increase in its online sales last year, with like-for-like sales...

☛ **READ WEB VERSION: Click Here**

Go Inspire strengthens its board

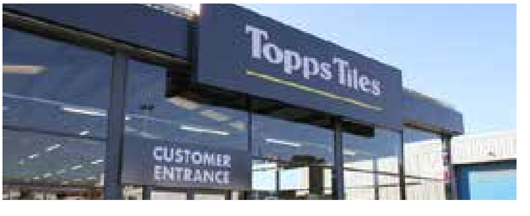
Go Inspire has appointed Jonathan Harman (pictured) as a non-executive director effective 1st April. Harman was previously managing director for...

☛ **READ WEB VERSION: Click Here**

Wincanton wins new contract with Snug

Wincanton has signed a new three-and-a-half-year contract with online furniture retailer Snug to provide them with eFulfilment, stock management and...

☛ **READ WEB VERSION: Click Here**



Topps Tiles predicts 'sharp' rise in sales in April

Topps Tiles has seen a slight decline in first-half revenues but says it expects sales to bounce back once trading restrictions ease in April. According...

☛ **READ WEB VERSION: Click Here**

Enact acquires Bartoline

Bartoline, a leading manufacturer of decorating sundries has been acquired by Enact, the SME platform of private equity investor Endless. A new CEO takes the...

☛ **READ WEB VERSION: Click Here**

Waitrose appoints new head of marketing

Emma Isaac has been named as Waitrose's new head of brand marketing & marketing planning. Most recently, Isaac (left) spent...

☛ **READ WEB VERSION: Click Here**

Hotel Chocolat partners with Contentsquare

Hotel Chocolat is partnering with experience analytics platform Contentsquare to fuel its customer-driven digital innovation and online growth. Over the...

☛ **READ WEB VERSION: Click Here**

Onestock receives funding from Silverfleet

OneStock, an omnichannel OMS software solution provider, is entering a new phase in its development, as it announces investment from...

☛ **READ WEB VERSION: Click Here**

Victoria Plum celebrates record year

Victoria Plum has marked its 20th anniversary of trading, with record results. The online bathroom retailer saw sales soar by...

☛ **READ WEB VERSION: Click Here**

OnBuy appoints its first CCO

OnBuy.com has named former eBay exec Mark Lister as its new chief commercial officer. His appointment – to bolster the...

☛ **READ WEB VERSION: Click Here**

Allbeauty and Fragrance Direct acquired by Maximo Group

Maximo Group which is a joint venture between the owner of Allbeauty, various private investors together with the Guernsey Investment...

☛ **READ WEB VERSION: Click Here**

Cazoo valued at $7bn ahead of NYSE listing

British online car retailer Cazoo is set to float on the New York Stock Exchange having agreed a merger with AJAX I, a $805 million...

☛ **READ WEB VERSION: Click Here**

Ocado sales up 40 per cent in Q1

In Ocado's first-quarter trading update of the year, the retailer says it is 'primed to thrive in a post-Covid world'...

☛ **READ WEB VERSION: Click Here**

FAIRE

Faire launches in the UK

Online wholesale marketplace Faire has expanded into Europe, with the debut of its platform in the UK and Netherlands...

☛ **READ WEB VERSION: Click Here**

Screwfix increases its store estate

Trade retailer Screwfix has plans to open more than 50 stores this year – 40 in the UK and 10 in the Republic of Ireland ...

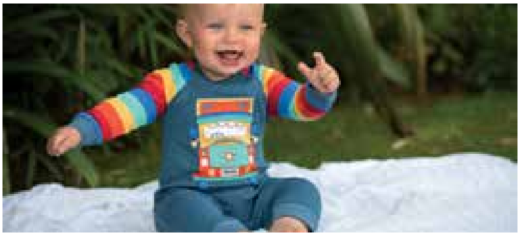
☛ **READ WEB VERSION: Click Here**

WHSmith

WHSmith partners with Tapestry

The Tapestry Agency has announced a partnership with WHSmith to support one of the world's oldest retail chains in bolstering...

☛ **READ WEB VERSION: Click Here**



Frugi announces 51 per cent rise in turnover

Organic and ethical children's wear company Frugi Group – comprising of organic cotton children's wear brand Frugi and reusable products...

☛ **READ WEB VERSION: Click Here**

Victor Herrero named new CEO of Clarks

Clarks has appointed Victor Herrero as its new executive chairman and chief executive officer. The confirmation coincides with news that...

☛ **READ WEB VERSION: Click Here**

JD Sports to acquire Polish business

JD Sports Fashion Plc has entered into a conditional agreement for the acquisition of 60 per cent of Marketing Investment...

☛ **READ WEB VERSION: Click Here**

DFS' digital investments pay off with 'exceptional revenue growth'

Despite many of its showrooms being shuttered by lockdown restrictions, DFS has posted a strong performance in its interim results...

☛ **READ WEB VERSION: Click Here**

B&M prepares to launch into online

B&M is poised to develop an eCommerce offering having hired Jens Sorensen as its digital director. The value retailer had...

☛ **READ WEB VERSION: Click Here**

VF Corporation opens its new UK fulfilment centre

VF Corporation, owner of Vans, The North Face, Timberland and Dickies brands, has opened its new multi-million-pound fulfilment...

☛ **READ WEB VERSION: Click Here**

☛ WEB VERSION: Click Here

Of course the US is retaliating against the UK's misconceived Digital Services Tax

By David Jinks, ParcelHero

President Joe Biden's US Government has slammed the UK's go-it-alone Digital Services Tax (DST) as 'unreasonable, discriminatory and burdensome'.

It is planning to slap $325m (£235.8m) of taxes on key British exports to the US in response to Britain's new online tax. This introduced a new 2 per cent duty on services from the likes of US giants Google and Amazon, which was swiftly passed on to Britain's online shoppers.

Many of Britain's best-known brands will suffer new taxes of up to 25 per cent on their US sales if Washington follows through on its threat. Clothing, furniture, shoes and even specialist British products such as saddles will be hit by the new tariffs if they are introduced. Big names such as Burberry will be caught up in the tit-for-tat measures.

The DST was introduced last April in a desperate attempt to make up for lost income from business rates and to supposedly level the playing field between High Street and online stores. It was originally the brainchild of former Chancellor Philip Hammond. He decided Britain couldn't wait for planned international action against multinational eCommerce giants and that the UK would go it alone with a new online tax. He argued the DST could bring in £500 million a year but, as shoppers moved online during lockdown, its timing proved unfortunate.

As we warned at the time, the international tech giants simply passed the cost to companies using their services, who then passed it on to their customers. Amazon increased seller fees on its platform in response to the 2 per cent tax increase, followed by Google, which now applies the full cost of the tax to all ads on UK Google and YouTube as an additional fee to advertisers. Needless to say, those advertisers then pass the cost of services such as 'pay per click' to their customers, through an increase in prices.

The US Government's retaliatory strike was planned when Donald Trump was still in office, but President Biden has not stopped its rollout. The Office of the United States Trade Representative (USTR) will hold a committee hearing on 4 May to decide whether the new tax plans will be pushed through. If they are, then many of Britain's best-loved brands will pay a heavy price for the misguided

tax, just as their EU markets shrink through excessive red tape and costs following Brexit.

Amazingly, a UK Government spokesperson has said in response to the announcement from Washington: “Should the US proceed to implement these measures, we would consider all options to defend UK interests and industry.” Is this deeply misguided tax going to propel us into a trade war with our closest trading partner post-Brexit?

The online tax nightmare isn’t going to stop there. The UK’s business rates are the highest in Europe and hoover-up £25bn a year for the Government. To make up for lost income because of the current Covid business rates holiday, Chancellor Rishi Sunak was expected to announce a new 2 per cent Online Sales Tax (OST) on all eCommerce purchases in his Spring Budget. This would include all sales from US companies selling to UK shoppers.

It’s rumoured Chancellor Sunak postponed the announcement of his new sales tax until he could gauge President Biden’s reaction. Judging from Washington’s proposed retaliation to the DST, we think he now has a pretty good idea what the reaction would be to a further online tax.

Far from helping “level the playing field” between High Street and online stores, online taxes dig up the entire pitch by forcing every sensible retailer with both physical and online stores to pay a new eCommerce tax, on top of whatever scheme eventually replaces business rates. They also alienate our closest trading partners.

The US Government is warning that it will slap tariffs of up to 25% on many key British exports, in retaliation for the UK’s new Digital Services Tax.

☛ WEB VERSION: Click Here

Online retail returns

3 ways you can reduce them and educate the consumer in the process

By Stephen Sumner, Retail Growth Consultant

As we know online shopping has risen strongly during the pandemic, but this has also meant a big increase in the number of items being sent back because they don't fit, or aren't as expected. Across the retail sector, return rates (pre-pandemic) to bricks-and-mortar stores were running at around 8 per cent. Compare that with a hefty 40 per cent returns rate for online purchases.

It's no secret that to build an online fashion business it's vital that you factor in those high 'return rates' into your financial models. Return rates for many retailers can make or break a company, particularly those in the fast fashion sector. But what about those other sectors that have seen immense growth during this pandemic?

Thanks to the lockdown, UK online sales rose by more than a third in 2020, the highest growth since 2007.

One problem with this for retailers is that customers are far more likely to return items when they buy them online. This is especially the case for items of clothing, which obviously cannot be tried on first. This is one key factor that many new to online retailers get wrong and then suddenly find that the boomerang return rate dilutes not only the bottom line but also pushes up the unforeseen operating cost.

Items get worn, and sent back, are unable to be returned to stock. Presents get bought and then either exchanged, or a refund requested, so the logistics process tends to impact virtually every part of the business, along with the additional environmental cost.

Prior to the pandemic The Wall Street Journal reported that Amazon had begun freezing the accounts of shoppers 'who made too many returns'. Meanwhile in April 2019, Asos announced its own crackdown on 'serial returners', deactivating transgressors' accounts. While research by Brightpearl of 200 retail executives found that two-thirds of respondents were willing to follow Amazon and Asos' example.

Simply factoring in higher than average return rates is one thing, but factoring those returns during a time of unprecedented change when retailers are looking to keep resource cost down is where we often see most of the pain being felt.

Today there is a plethora of companies developing technology to help reduce returns rates, for many even as much as 1 per cent reduction in return rates can have a meaningful commercial impact along with benefits to the environment.

☛ WEB VERSION: Click Here

Here's 3 things you can do;

1. **Include at least eight images of every product you sell.**

2. **Use interactive 3D and product customisation capabilities.**

3. **Support augmented reality capabilities for furniture and appliances.**

Why is it brands don't seem to utilise 'Social Media' for something other than to 'advertise and promote' themselves?.

What we see is them using it as a 'reactive' way to manage disgruntled customers, but for some reason they prefer not to 'engage' in conversations that can not only resolve and reduce some of the returns dilemma but listen with intent to all that feedback.

Social platforms are a great low cost way to help inform and educate consumers around sizing and other valuable information that can create a win/win situation and help to take the strain and stress out of the process for all.

There's no better reason to return a sofa than that it doesn't fit in your living room. Ditto for that new coffee maker and your counter. By offering true-to-size AR functionalities, retailers make it possible for shoppers to know definitively whether a product will work in their home before they pay for it. Again, when retailers make these features available, mis-matches and therefore returns will decrease.

☛ WEB VERSION: Click Here

How to build trust in your content for sustainable business growth

By Timo Vertainen, CEO, React & Share

Our recent research collected by the team at React & Share showcases the search habits of consumers online in 2020/21.

Through the use of a YouGov survey, it was revealed that only 1 per cent of Brits believe everything they read online despite 88 per cent of us searching online at least once a day. As online searches continue to grow, it has never been more important for consumers to trust the content they read online. Any website that holds trustworthy content can relate to sustainable business growth by ensuring repeat traffic and increasing your rankings. So how can you improve your content strategy and build trust within the online content that you provide your target audience?

Let your audience talk to you

Asking your readers what they want is the number one way to build trust in your content. By reaching out to your audience to find out what they think, you are automatically displaying an interest in their needs - putting your head and shoulders above those who press post without a care in the world. After all, when you publish content how do you know - without collecting feedback - that your audience has left the content feeling satisfied? To get effective feedback from readers, don't ask too much of them. A couple of your readers will want to email you or complete a survey. A few more may leave a comment or chat with a bot but almost all would be willing to click a button.

We're huge advocates for pulling in voices from respected industry members to foster trust between you, your content, and your community. In these turbulent times, reliable content from reliable sources has become central to the lives of millions, and who's more trustworthy than the (other) experts in your field? Featuring industry thought leaders, highlighting testimonials, platforming case studies, or even including your customer in your content is a great way to build credibility. This is where social proof enters the chat. Social proof is the idea that people mirror the actions of the masses and can come in many forms including word of mouth, reviews and other content efforts.

Don't ignore the (qualitative) data

It's important to pay attention to what the numbers are telling you about your content. Data can be deployed to influence decision making, inform content strategies, and demonstrate your teams' efforts. There are plenty of free tools to gather some pretty interesting insights, however, we're inclined to warn against focusing solely on gathering quantitative rather than qualitative data. Quantitative data can give you great insights into how your content is performing on the surface but quantitative data gathered via feedback can let you know exactly how your reader feels about the content that you're posting. Bounce rates, traffic, and likes are much less important than human-centric metrics such as customer satisfaction, shares, and engagement that get to the heart of your audience's needs.

☛ WEB VERSION: Click Here

“Trustworthy content has never been more important for businesses, as only 1 per cent of Brits believe everything they read online

Be authentic

Employing a consistent and authentic tone of voice across all channels that align with your brand is crucial. Imagine stumbling upon the socials of a website that you know and love and discovering that the messaging across the social channels doesn’t resonate at all with what you like about the web pages. Beyond authenticity, injecting personality into your content can make it seem more genuine, reminding readers of the real people behind the screen. Personalising content won’t do any harm either. However, any inconsistencies in voice, messaging, imagery, quality and overall branding – no matter how small – are a massive red flag to anyone reading your content. If trust is central to your content strategy, make sure that all of your content plays by the same rules.

Prioritise clarity and accessibility

Ensure that all information is clear, accurate, and above all accessible. Just one spelling mistake can chip away at the trust your audience has in you, and they’d become less and less likely to stand up for your content.

Beyond small errors, refusing to address crucial conversations around accessibility and publishing pieces that exclude a large portion of your readership could have disastrous consequences when it comes to trust in your content. Keeping content clear, concise, and compliant with Web Content Accessibility Guidelines is a good step towards creating content that readers can utilise. Also, ensure that any tools you are using are aligned with the same guidelines. You’d be surprised how many aren’t.

☛ WEB VERSION: Click Here

Elements of customer development you control

By Kevin Hillstrom, MineThatData

For an average client, your merchandise assortment is responsible for +/- 60 per cent of what you sell. If advertising is responsible for 80 pe cent of your sales, you've done something wrong. You want customers to buy from you simply because of what you sell.

So you control what you sell.

You control what your customer sees when the customer arrives at your website. Showing every customer the same thing every time worked in 1999, it doesn't work in 2021. Well, it works, but it is highly sub-optimal.

You control the notifications you send to your customer. Every night Clubhouse is sending me a couple of notifications every hour. Most of it is garbage, of course (How To Make $10,000 A Month ... Blurring Boundaries of the Forth Industrial Revolution ... How To Launch A Podcast). But that's not the point. The point is that they're working overtime to let me know to interact with the app. The same concept applies to Orvis. I can get notifications from Rakuten about what retailers want me to buy but I can't get notifications directly from retail brands. Tells you something, doesn't it?

You control every aspect of your email marketing program. Most of us don't personalise anything. My team personalised email campaigns at Nordstrom in 2001. Tells you something, doesn't it? Clients who personalise email campaigns get 10 per cent to 50 per cent gains in productivity, and that greatly accelerates Customer Development.

You control all print marketing activity. Old school cataloguers still generate half of their sales from print, stunning as that may sound. They know something about Customer Development that most eCommerce brands fail to understand. Of course, that level of knowledge comes at a cost, a cost that paper reps, printers, and postage mavens love.

You control your loyalty program. Points, discounts, promotions, perks. All of this gets communicated in an outbound manner. Use this real estate wisely.

You control your audio and video efforts. Podcasts. YouTube. Instagram. Tik Tok. Every brand great at Customer Development has a credible Audio/Video program. I've worked with several brands who are essentially old-school television stations, sans linear programming. It's a no-brainer, folks.

You control a lot of stuff, but I'm not interested in itemizing everything you control. I'm interested in seeing you do something to facilitate the Customer Development process.

☛ **WEB VERSION: Click Here**

Pssst!

Are you planning to mail **MORE** catalogues this coming year? That is, more than you mailed in 2019 and 2020. You might want to speak with the team at **Royal Mail Marketreach**. Apparently there are some stonkingly good incentives available for those growing their mailing volumes which only a savvy few have so far secured.

On selling bee business for £100m

Steve Ryan, who is from Liverpool, has sold his Bridlington firm Bee Health to Dallas-based INW, and says he can now afford an island in the Bahamas and a Falcon private jet. Asked by a Mirror reporter how it feels to be a multi-millionaire he said: "No bloody different". Adding, "we ended up at more than double what we thought we'd get for it".

Steve and his late wife started the bee product company in 1992 and a move into health supplements saw business soar. "The pandemic doubled us, it sent us into chaos. We were manufacturing 160 to 170 million tablets and capsules a week," he said. "The business was just so successful. We were making 50 million Vitamin D every two weeks".

Will 30 per cent of UK shoppers plan to shun the high street from 12th April?

YES, according to research by YouGov on behalf of Manhattan Associates between 29-30th March.

34 per cent said they had no desire to return because many well-established retail brands have disappeared. A further 8 per cent said they will not return to the high street until they are fully vaccinated.

Aside from the lack of shops, people continue to fear spreading Covid-19: 60 per cent will delay a return to the high street until they have confidence that people are adhering to government guidelines around Covid-19. While 25 per cent say they consumers will hold back on high street visits for fear of potentially catching Coronavirus.

Craig Summers, UK MD, Manhattan Associates commented: "Well known brands leaving the high street and an ongoing fear of Covid-19, has had an impact on consumer confidence to visit and enjoy shopping from 12th April. With fewer people intending to shop on the high street, retailers need to continue to rethink their approach, with 50 per cent of consumers wanting shopper numbers limited in store and 16 per cent want same-day delivery – especially 18-24 year olds (29 per cent) to reduce the handling of purchases, and 17 per cent wanting till-less shopping to ensure social distancing."

20 per cent said having to use public transport would prevent them from returning.

☛ WEB VERSION: Click Here

Customer loyalty is the new black

By Will Dymott, Hachikō

Over the past year with stores locked down we have seen an unprecedented shift from physical retail to online. Many direct retail brands have gained a lot of new customers as a result, but as web growth slows, customer acquisition will get harder, more complex and more expensive.

Privacy legislation has made recruitment even more difficult and expensive as customers deny access to their data. Customer recruitment will become even more expensive and difficult with Apple and Google's impending restrictions of 3rd party cookies.

In order to tackle these challenges, we need to make every customer count, beyond their first purchase or indeed after their last. Keeping your customers and turning them into repeat loyal brand advocates is what will deliver you profit.

Loyal customers are vital to a business, they drive profitability, it is not unusual for 80 per cent of a brand's profit to be driven by 20 per cent or fewer of its customers. Using customer analysis and insight you can unlock key behaviours that drive customer loyalty, and the more loyal your customers, the better your profitability.

According to Fred Reichheld from Bain & Co. "Increasing customer retention rates by 5 per cent increases profits by 25 per cent to 95 per cent." Personally, 95 per cent looks a little toppy to me. My guess is that everyone reading this would be delighted with a 25 per cent increase in profitability. And with profitable customers you are able to invest more in recruitment, driving even more growth.

Customer lifecycle marketing (CLM) means different things to different people, for many retail brands it has been an unreachable nirvana that makes marketing directors' eyes light up and finance directors' eyes roll.

With many email service providers incorporating marketing automation into their platforms, this is becoming a thing of the past. But how do you go about using these systems, and is marketing automation the silver bullet many would like you to believe?

Good CLM uses every opportunity where a brand communicates with its customers. Much more than eMail marking, it is using customer insight to deliver the right message to the right customer at the right time, via the right channel.

As marketers our job is to convert sales to relationships -

☛ WEB VERSION: Click Here

because relationships bond the customer to the company and the brand

My top 10 tips for customer lifecycle marketing and building a solid loyal customer base are:

1. START!

The most important thing about CLM is to start doing some. Start with analysis of existing customer behaviour. Slice and dice your transactional and visitor data to look for customer segments using cluster analysis, then look for both good and bad customer behaviour. Then conduct next best action analysis to identify what messages you need to send to customers to encourage the former whilst discouraging the latter. Be practical, remember that your insight must be usable, so concentrate on the datapoints available to you such as first order value and category purchased from. For example, a clothing brand may discover that female customers who buy jeans and subsequently go on to buy a sweater, end up with a higher lifetime value that those whose second purchase is from other categories. In this case messages following a jeans purchase should feature sweaters.

The quicker you start the faster you can use test and learn to improve and add more. As a consultant working in this field, I have seen too many analysts getting bogged down in the minutiae and stalling any progress in achieving their goals. It is important to remember that we sell things to people, we are not landing on the moon, 'Good Enough' customer analysis is often good enough to take your learnings forward to test.

2. Don't forget your gut

Data is a useful tool, but human initiative and understanding remain at the heart of any successful business. Data alone will never find the next product innovation. So, if you have an idea test it.

3. Test & Learn

This neatly brings me on to the next tip. Once you have your insight and hypothesis, there is no substitute for the real world. Don't immediately roll out a new campaign, instead test it. Only when you have a good result should you roll out to more of, and then all of, your customers. And if it doesn't work remember you have learned something, shut it down and move on.

4. Remember things change

Customers and customer behaviour always change, just because something didn't work in the

Continues overleaf >

☛ WEB VERSION: Click Here

"... It is not unusual for 80 per cent of a brand's profit to be driven by 20 per cent or fewer of its customers."

past, it doesn't necessarily mean it won't ever work. If you believe your idea is worth testing, don't let a previous test from 5 years ago stop you. Conversely periodically check that existing automation campaigns are still performing.

5. Don't just stick to email

By using more than one channel to communicate with your customers you will increase response, eMail is great, but don't forget direct mail, SMS, on site personalisation, retargeting etc. One of the most under-utilised customer touchpoints is the delivery, examples include a clothing business which achieved a 19.4 return on ad spend – ie: for every £1 spent, it generated an incremental £19.10 in sales.

6. Resist buying the latest CRM system

Review your existing systems to see what there is, as well as existing welcome programs and CRM capabilities. More often than not, retailers' existing eMail service providers or ESP's have marketing automation as a module, but it hasn't necessarily been implemented for all sorts of reasons. Poor implementations are also common as many system integrators struggle with the legacy systems common in retail. However, quick fixes can overcome most blockages. This then allows you to kickstart marketing automation at minimum cost, as well as providing insight and learnings that can be used when a more sophisticated CRM system is adopted.

7. Don't view Automation as a way to cut corners

If you're looking at automation as a way to cut corners or avoid certain processes, your outlook is wrong. When you weave automation into your customer journeys, you are not eradicating necessary jobs. Rather, you are delivering a much better, more personalised experience. This will result in a higher repeat and conversion rate. It also allows your team to do more by being more efficient.

8. Don't stop

It's easy to set up a welcome programme and feel that you've done a good job, but great lifecycle marketing happens throughout the customer journey from welcome to reactivation and every stage in between. For example, if you sell a considered item such as Furniture, when an old customer starts to browse sofas, you can use this to trigger a series of emails explaining why your sofas are so much better than others This reassures the customer that you are the experts and will likely secure that next sale.

9. Use 3rd parties to help you get started

Use consultants or agencies to shorten the learning process and avoid mistakes, especially for the initial analysis. 3rd parties will not have any unconscious bias when looking at your customer behaviour.

10. Measure your customer loyalty

Every brand is different, so there isn't a one size fits all metric for customer loyalty, in fashion I like to measure the 90 day repeat percentage, ie: how many customers return within 90 days of their last purchase. For food and FMCG retailers this would be too long a time period and for a furniture retail it is too short. Set the time period that is right for your business. Don't worry about benchmarks, just constantly try to improve against your own figures and you will see great results.

Consistently dedicated to the celebration of excellence for 22 years

In these most turbulent of times we have been constantly amazed and humbled by the tremendous efforts of teams in this remarkable sector. We believe that this means that there is even more reason to celebrate your team's achievements. Indeed as you prepare your entry you and your team will be reminded of how much you have all achieved in what can only be described as truly extraordinary circumstances.

We have seen incredible agility, stunning philanthropy, amazing resilience all shining through these times of lockdowns, delayed arrival of stock, adapting roles to enable working from home. The introduction of safe working practices in operations environments to manage demand whilst protecting staff members. The installation of sanitisation points, screens and issue of PPE for staff whose work brings them into direct customer contact. The lengths to which many have gone to make their stores safe, to retain jobs, and even to expand their workforces.

Covid-19 has affected the everyday lives of our entire nation, of the world population. Business ground to a virtual halt in some quarters, with on-off lockdowns, heightening restrictions and the explosion of infections. Yet, despite all of this, there are many of our sector businesses exceeding both revenue and EBITDA forecasts as well as those who have by necessity 'cut their coats according to the cloth available' and are now returning to more ebullient times.

This year's very special Direct Commerce Awards process offers an excellent opportunity for businesses of all sizes and in all niches to compete against their peers and win the hearts of our panel of expert Judges. With a past winners roll call containing some of the very best B2B and B2C direct and multichannel retailers, reaching the shortlist is a worthy achievement in itself, topped only by emerging victorious to receive a category winning trophy. Of course, to coin a phrase, you do need to be 'in it to win it' and with a range of carefully curated categories to choose from, there is bound to be at least one where your team's performance will eclipse all others.

Do take a look at this year's categories. There are some completely new ones included as well as many popular favourites. You can opt to enter with the support of one of your suppliers/ agencies, or they can enter on your behalf. All the guidelines for this year's contest can be found at **homeofdirectcommerce.com** along with details of past winners.

There is literally nothing to lose. All shortlisted entrants get to take part in the virtual awards ceremony. Winners will each receive a VIP celebration package, timed to arrive after the ceremony, for distribution and sharing with their team members. Winning businesses will also receive great publicity via the Direct Commerce Award Winners Publication which includes selected comments from the Judges.

Lifetime Achievement Award

The Lifetime Achievement Award is presented following consultation with an informal group of respected sector leaders. Those nominated have made a significant contribution to the sector over time, developed outstanding businesses, and set new standards which others aspire to.

By honouring these truly impressive individuals we seek to express the gratitude of the sector as a whole for their role in developing new markets, pursuing excellent standards, and sharing their knowledge and expertise with others.

Nigel Swabey, DCA President Emeritus presents the 2019 Lifetime Achievement Award to Stuart Paver.

download full entry details from:
homeofdirectcommerce.com

Categories

Choose the category(ies) that best fit your business and your niche

Best Direct/Multi-Channel Business or Brand by Turnover Band*

1. **Annual sales of up to £5M**
   a) B2B b) B2C
2. **Annual sales of £5M - £15M**
   a) B2B b) B2C
3. **Annual sales of £15M - £30M**
   a) B2B b) B2C
4. **Annual sales of £30M - £50M**
   a) B2B b) B2C
5. **Annual sales of £50M-£100M**
   a) B2B b) B2C
6. **Annual sales of £100M+**
   a) B2B b) B2C

Open to any business or brand utilising 2 or more channels to sell products direct to businesses or consumers. Channels may include: print catalogue, transactional website, off the page advertising, reader offers, in-home agent based sales, email/digital communications, mobile, online shopping malls, social media/commerce, TV shopping, affiliate programmes, wholesale distribution, retail and/or trade counter sales.

Judging Criteria
An evaluation of entrants' overall performance taking in the following key areas: Positioning and proposition; brand ethos; range; targeting; offers; creative execution; campaigns by channel; CRM; acquisition; new developments, launches and adaptations during 2020* and how specific 2020* challenges were met.

***All information submitted, and turnover should relate to calendar year 2020.**

Best Exploitation of Technology – ideal for supplier/client collaborative entry

7. **Best Exploitation of Technology - annual sales up to £25M**
   a) B2B b) B2C
8. **Best Exploitation of Technology - annual sales over £25M**
   a) B2B b) B2C
   Was 2020 the year that saw your business transform its performance via adoption of new technology? Examples: re-platforming website, implementation of a new multi-channel or e-procurement solution, adoption of new web tools, etc. Our Judges want the objectives and the business case, along with the results being achieved.

Best Business to Consumer Brand – by merchandise category

9. **Children's/Family**
10. **Active Lifestyle/Young**
11. **Mature Market**
12. **Home & Interiors**
13. **Luxury/Prestige**
14. **Fashion/Accessories**
15. **Gardening & Outdoor Leisure**
16. **Gifts, Hobbies & In-home**
17. **Charity Trading**

Best Business to Business Brand – by merchandise category

18. **Office & General Business Supplies**
19. **Industrial, Technology & Warehouse Supplies**
20. **Facilities Management, Janitorial Equipment & Hygiene Supplies**
21. **Education, Teaching & Training Equipment & Supplies**
22. **Health, Medical, Scientific Supplies & Equipment**

Best Overall Niche Brand

23. a) B2B b) B2C

Campaigns & Partnerships – ideal for supplier/client collaboration

24. **Best Catalogue Creative & Print Production Campaign**
    a) B2B b) B2C
25. **Best Mail Campaign**
26. **Best Door Drop Campaign**
27. **Best TV Advertising Campaign**
28. **Best Social Campaign**
    a) B2B b) B2C
29. **Best Technology Partnership**
    a) B2B b) B2C
30. **Best New Media Development**
31. **Outstanding Philanthropy**
32. **Outstanding Customer Experience**
33. **Outstanding Agility in response to Covid-19 challenges**

DIGITAL & POSTAL ENTRIES ACCEPTED

Official entry form to be completed by all entering

Direct Commerce Awards • 32 Enterprise Avenue • Tiverton • Devon • EX16 4FP
T: 0208 092 5227 • email: info@directcommerce.biz • homeofdirectcommerce.com

Category entered (please tick)

1	**Annual sales of up to £5M**	B2B		B2C	
2	**Annual sales of £5M - £15M**	B2B		B2C	
3	**Annual sales of £15M - £30M**	B2B		B2C	
4	**Annual sales of £30M - £50M**	B2B		B2C	
5	**Annual sales of £50M-£100M**	B2B		B2C	
6	**Annual sales of £100M+**	B2B		B2C	
7	**Best Exploitation of Technology - annual sales up to £25M**	B2B		B2C	
8	**Best Exploitation of Technology - annual sales over £25M**	B2B		B2C	

BEST BUSINESS TO CONSUMER BRAND		
9	**Children's/Family**	
10	**Active Lifestyle/Young**	
11	**Mature Market**	
12	**Home & Interiors**	
13	**Luxury/Prestige**	
14	**Fashion/Accessories**	
15	**Gardening & Outdoor Leisure**	
16	**Gifts, Hobbies & In-home**	
17	**Charity Trading**	

Enter any two categories of your choice for **£95** (+VAT). Each additional category entered is **£40** (+VAT).

BEST BUSINESS TO BUSINESS BRAND		
18	**Office & General Business Supplies**	
19	**Industrial, Technology & Warehouse Supplies**	
20	**Facilities Management, Janitorial Equipment & Hygiene Supplies**	
21	**Education, Teaching & Training Equipment & Supplies**	
22	**Health, Medical, Scientific Supplies & Equipment**	

23	**Best Overall Niche Brand**	B2B		B2C	

CAMPAIGN/PARTNERSHIP					
24	**Best Catalogue Creative & Print Production Campaign**	B2B		B2C	
25	**Best Mail Campaign**				
26	**Best Door Drop Campaign**				
27	**Best TV Advertising Campaign**				
28	**Best Social Campaign**	B2B		B2C	
29	**Best Technology Partnership**	B2B		B2C	
30	**Best New Media Development**				

31	**Outstanding Philanthropy**	
32	**Outstanding Customer Experience**	
33	**Outstanding Agility in response to Covid-19**	

All entries will be confirmed via a VAT invoice (issued on net terms). Full instructions on how to submit your entry will be emailed after your form has been processed. **All processed entry forms are considered final.**

Entering Company: ....

Entering Brand(s) if different: ....

My Name: .... Position: ....

Company: .... Web: ....

Address: ....

....

.... Postcode: ....

Email address: ....

Landline: .... Mobile: ....

PO Number (if applicable): ....

Date: .... Signature: ....

CALL FOR ENTRIES
CLOSING DATE
07TH MAY 2021

How would you like to submit your entry?

By Post ☐

Digital ☐

Please await instructions before submitting your entry

TADESIGN
27
YEARS OF TOP PERFORMANCE

Masterful performances

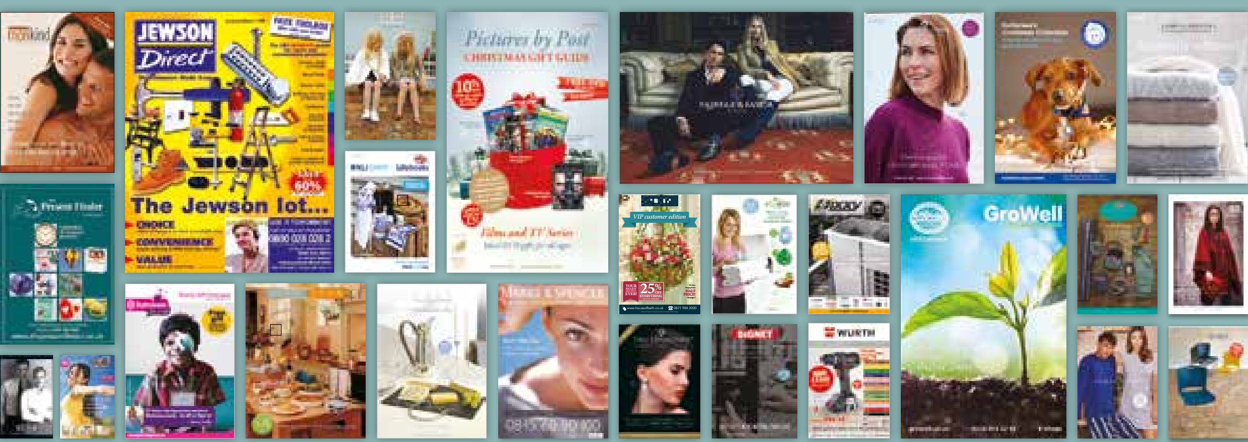
Music experts agree that it takes 10,000 hours of hard practice, coupled with natural aptitude, to make a world-class violinist. And if you were paying for tickets to a Beethoven concerto, that's who you'd want to hear.

Perceptive marketers take a similar attitude to their catalogue designers. They prefer the agency whose Creative Director has over 70,000 hours of specialist experience, has a multi-award-winning team, and an unrivalled portfolio of performance.

Call us – the results will be music to your ears!

TA Design breathed new life into our brand, with fresh thinking and great design work. Sales are already way up on last year.

Creative Agency of the Year, ECMOD Award, Client Testimonial



TADESIGN
catalogue creativity

Email **tony@tadesign.co.uk** or call Tony or James on **01273 72 40 40** today

www.tadesign.co.uk

☛ WEB VERSION: Click Here

The holdout test that goes the other way

By Bill LaPierre, Datamann, USA

It seems that I have written endlessly this past year about the importance of doing holdout tests. It also seems that you paid attention. Many of you – clients as well as non-clients – have emailed me to let me know that you are doing them.

Many of the holdout test results I've reviewed for clients showed that the increase in demand from the names mailed is not that great – usually in the 30 per cent to 40 per cent range. Said another way, 60 per cent to 70 per cent of the sales will come in anyway without a catalogue. And when you back out the costs of the catalogue from the segment of names held out (not mailed), often this segment is more profitable than the names mailed. Woo-hoo!

But what if they aren't? What if the holdout test shows that the names held out just don't responded at all unless they get mailed a catalogue? (I've yet to see the results of a holdout test where there are zero orders and sales.) But even if there is some modest response from the names held out, what happens if the names mailed responded 200 per cent better than the names held out?

Some of you might consider this a victory – the catalogue lives to fight another day! Everyone who loves a catalogue – including me – will usually breathe a sigh of relief as it means that the company will keep mailing catalogues.

But it also means that this mailer is in trouble, for a variety of reasons.

☛ WEB VERSION: Click Here

- They are possibly not segmenting their customers to identify the web customers that don't need a catalogue to purchase.
- Or, they have very few web customers at all, forcing them to keep mailing catalogues to grow.
- They have a weak website and/or they have always emphasized calling in an order. They probably still have an order form.
- They have an older customer for whom the catalogue still resonates.

It also usually means that they have a very weak on-line prospecting program, if they have one at all. They may have an ad program on Google but are doing little else to generate online awareness. This may sound absurd to some of you, but it is still the norm in many companies.

Conversely, because they are still catalogue dependent, they still prospect for new customers with the catalogue. When they order prospect names for catalogue mailings, they specifically omit "pure web buyers" on their rental lists. Or the co-ops are suppressing pure web buyers from their models because they don't respond to catalogues, which is after all what you want the names from co-ops to do – respond to your catalogue.

These companies have built a feedback loop that doesn't treat web shoppers well. The few web buyers these mailers do generate are weak performers when mailed a subsequent catalogue, so they dismiss "online prospecting" as a viable growth option because these customers don't respond to the catalogue.

They did this in part because they knew they had an older customer and they expected that customer to always want to order with the catalogue, probably via the phone. However, we all know that the pandemic has changed ordering patterns. One thing it has also done is made older customers more comfortable online. So, don't automatically assume that because your customer is 60+ or 70+ that they will always use a catalogue.

If you're generating less than 50 per cent of your new buyers online, you are not putting enough emphasis there. Some of you who long ago passed that threshold and who now generate more than 80 per cent of your customers online are scratching your heads wondering why other companies are not following your lead. But every company is on a different trajectory and there are still some mailers doing very well with traditional prospecting using rental/co-ops names and mailing a catalogue.

The flip side to their experience is that they do well when they mail a catalogue to their

Continues overleaf >

☛ WEB VERSION: Click Here

catalogue customers. It's like the 1990s and response rates are great. But in my opinion, their days are numbered. They have to develop a broader exposure online and need to do it quickly before their traditional sources of names are no longer able to sustain their growth.

There is a danger in relying too much on any one source of new customers – in today's privacy-fueled environment, all sources are susceptible to being eliminated. However, I believe that long term, you have greater potential for acquiring new customers online than you do through traditional catalogue prospecting.

Should You Mail Them All?

Here is another way of looking at the same issue. We recently ran a test for a client where we identified an attribute that one group of buyers had present, while another group did not. The attribute – which I can't identify – is something which can be grown/enhanced among their customers by the client if they so desired.

The client has a high average order, and a very healthy response rate, especially during the pandemic. The response rate for the names mailed with the attribute was 140 per cent higher than those names without the attribute.

That's not important. The reason is that if you think about it, you can create two test segments in any mailing, where you could get a 140 per cent difference in response between the two. Put all of your 1X web buyers up against your 6X+ Catalogue buyers and you'll probably see similar results.

But here is what's important. Even though the response rate for these groups of names are dramatically different, and the average order is 10 per cent higher for the names that had the attribute, there is only an 18 per cent difference in profitability per order between the two groups.

How could the response rate be so much better for one group, but the profitability per order between the two groups be so close? The reason is that most of the cost of sales are variable – as sales increases, the costs increase at a similar rate. The only fixed cost – the cost of the catalogue in the mail as a percent of gross margin – is relatively low for both groups (3 per cent for one and 8 per cent for the other). Consequently, because of the high average order and healthy gross margin, the profitability per name for each group is close. In this scenario, it makes sense to continue mailing both groups, even with the disparity in response.

Below is a different scenario, with a significantly lower average order and response rates. Now the cost of printing the catalogues has jumped to 21 per cent of gross margin for the group with the attribute and 56 per cent of net sales for the group without it, creating a 190 per cent difference in profit per customer.

Yes, it is still worth mailing both groups, but if the mailer needs to reduce expenses because of perceived risks in response, it is easier to justify cutting the segment of names without the attribute in this instance.

My point is that many factors go into reading the results of a holdout test, or even a test measuring the difference of including an attribute. Many of you have shared with me that you created the hold-out and mail groups equally and conducted the "mailing" portion of the test correctly. But then you discovered a series of biases in how results were being measured, that seem to always favor the catalog. Having accurate costs (preferably by season) and knowing the difference between variable and fixed costs is critical in this analysis. And once you prove the results of a holdout test, continuing measuring them. This is not a once-and-done process. Your long-term survivability depends on it.

☛ WEB VERSION: Click Here

Beware the fine print!

By Matt Booker, COUSIN

First impressions are everything. They set in place assumptions based on trust, value and appeal that last well beyond the moment.

Never has this been truer than the current day when we are bombarded by digital messaging in pretty much every waking moment. Very little of this is invited or useful, and most of it is repeated, just in case we didn't realise we didn't want what we didn't ask for. This exhausts patience and shrinks attention span. It is a crude and arguably rude way to build a relationship, demanding immediate attention without offering the courtesy of time to reflect.

But it is effective, measurable, quick and cheap to produce. Executed well and measured effectively digital can be quite brilliant. Its immediacy, flexibility and ability to incorporate dynamic and hyper personalised content has been nothing short of revolutionary for eCommerce. However, the more ubiquitous digital becomes, the more important print becomes too. There's an old saying that 'often your greatest strength is your greatest weakness', and this is true of both print and digital. Print's strengths are digital's weaknesses, and vice versa. Some of the new print technologies that can incorporate dynamic content are a big step towards combining the best of print with the best of digital, but all too often the qualities of each channel are not considered separately when it comes to execution.

A beautifully curated and well produced piece of print carries with it value, authority and authenticity. Value because it isn't cheap, but has been sent to you nevertheless. An investment of time, money and consideration has clearly been made by the brand which chose to send a physical communication to your home. Authority because of all that printed matter speaks for; the important decisions we make are committed to paper, and paper touches many of our most formative and

Continues overleaf >

☛ WEB VERSION: Click Here

memorable experiences. We learn to read and write with paper, we are gifted presents wrapped with paper, and we cherish books in our homes. And authenticity because done well it sets a brand apart from those who don't have the resources to be able to extol the virtues of their brand in a more formalised manner.

Print is hard - and that's the point. But having invested so much time, effort and money into creating something, so often the end product is let down by the finer details. When we pick up a catalogue we make immediate decisions about the brand, its appeal and its trustworthiness. Great product, inspiring imagery and tight copy help to create intrigue, allure and perhaps aspiration. An offer often draws us in, giving the sense of an opportunity for a bargain or maybe an excuse to validify an irrational decision. Personalisation can build the feeling of an individual relationship.

All good so far, but what damage does the sense of substandard do? Imagery that looks flat and boring, paper that feels unnecessarily cheap, products whose colour you can't trust, flesh tones that look weird, binding that won't let you open the catalogue properly. All of these problems say one thing, and that thing is not only eroding your investment but also damaging the perception of your brand.

These things are easy to fix, and even easier to avoid. More often than not the solution isn't adding cost, it is knowing what's causing the problem and finding a way around it. Knowledge, experience and time are often in short supply when it comes to looking after print production but they are invaluable when it comes to getting the biggest bang for your buck.

In a hyper competitive retail environment being able to stand out is vital. So review your formats, check your colour accuracy, investigate alternative materials, develop effective environmental messaging and spend some time really looking into what works for your competitors. After all, if you're going to invest the time and money to produce and mail a catalogue then best make it count.

Because people do read the fine print.

☛ WEB VERSION: Click Here

Understanding D2C What's fuelling the move?

By Elliott Jacobs, EMEA Commerce Consulting Director at LiveArea

The direct-to-consumer (D2C) market has skyrocketed, experiencing double-digit growth to the point where it is projected to grow 19.2 pe cent this year. While D2C will have been on brands' radars for some time, the majority have lacked the systems and processes needed to support such a move. The closure of physical retail, however, has proved a catalyst for many to make the move as they aim to reinvent themselves for the new landscape.

While the April 12th roadmap puts a return to the high street back on the horizon, we're unlikely to ever return to pre-pandemic footfall. Together, shrinking margins, the emergence of digital disruptors and the unstoppable rise of eCommerce mean D2C is no longer a nice-to-have for many brands, but a means of competitive differentiation in the age of at-home retail.

Changing behaviours under Covid

When we think of 'D2C,' it's usually the likes of Dollar Shave Club, Brewdog and Bloom & Wild that come to mind, and two key similarities run through them all. Firstly, they tend to be niche and offer a fine-tuned proposition concentrating on one category – think subscription razors, craft beers or letterbox flowers. Secondly, they are obsessively focussed on digital, whether it's through social media engagement and user-generated content or innovative eCommerce experiences, these brands lead the way in data-driven business decisions.

The most agile, efficient and resilient businesses over the past year have been the ones which place digital commerce, data and analytics at the heart of their operations. Businesses can no longer rely solely on bricks-and-mortar, with many household stalwarts reliant on physical real estate having shut their doors for good. Spurred on by lockdown restrictions and panic-buying, many consumers are now sold on the convenience of buying directly from brands – a trend which is unlikely to change even with the reopening of physical stores.

These behavioural changes have sprung larger brands into action, who are now launching their own D2C operations to improve profitability and take over the relationship with customers. Here, Nike has reaped the rewards of an earlier decision to pull back from Amazon and use its website and shopping apps to build close connections with customers no longer shopping in-store. Elsewhere, PepsiCo and Heinz launched D2C offerings catering to common lockdown purchases to address supermarket shortages as a result of the panic-buying seen in the early days of the pandemic.

Acting on data intelligence

The reason behind many of these brands adopting D2C lies in the

Continues overleaf >

☛ WEB VERSION: Click Here

data. Typically, CPG brands reliant on supermarkets, marketplaces and retailers to sell their products are at the mercy of these partners in feeding back the data. Retailers who take a D2C approach, however, own the entire customer journey and are well-placed to develop a 360 understanding of their customers.

The wealth of data available is substantial, providing brands with valuable insights and one singular source of truth which cannot be underestimated. Brands can then go on to optimise products, processes and communications and increase relevance to consumers in a way that isn't possible when selling via third parties. Not only this, but control of the data also facilitates new ways of exploiting it – whether it's running more targeted marketing campaigns or identifying shifting consumer behaviour patterns. The lesson here is that data is the future, and retailers will want to own as much of it as they can.

The switch won't happen overnight

A D2C sales channel should factor in every stage of the customer journey and there are myriad factors to take into account. For a start, they should consider the most effective means of competing with marketplaces, retailers and other brands for web traffic, whether it's through social, search or PPC. From there, engaging content, immersive experiences and a seamless user experience will help brands build genuine connections with consumers and retain their custom.

Beyond this, a well-oiled D2C operation requires significant upfront investments in real estate, technology and staff. For example, any business aiming to achieve scalable online sales needs a platform that provides all the modern tooling needed to run an online business. It's through these tools that brands gain the information required to treat customers as individuals. From a fulfilment perspective, D2C brands are in the business of sending regular packages to consumers rather than shipping bulk containers, meaning considerable changes to operating models will be necessary.

PepsiCo, Heinz and Nike have all proven the value of D2C in times of hardship. If other brands are to embark on similarly successful projects, they will need to ensure data, technology and processes can integrate and inform one-another across the entire customer journey. Those which do it right will set themselves up with a new source of income on top of the traditional wholesale channels when they return. But a cookie-cutter approach is no longer enough, and CPG brands considering the leap will have to decide whether such a commitment is right for them.

☛ WEB VERSION: Click Here

Amazon's here – so what's the future for UK supermarkets?

By Russell Loarridge, Director, ReachFive

Amazon has set its sights on the UK supermarket sector. From the Amazon Fresh initiative to its partnership with Morrisons, offering free, next day delivery to Prime customers, the arch disruptor is looking to turn the UK multiple market on its head.

Disruptive Grocery

While the 'walk in, walk out' Amazon Fresh stores in London may not make a ripple on the big supermarket pond, offering eligible Prime customers free, same day Amazon Fresh deliveries on orders over £40 was a clear indicator of Amazon's plans. And those plans have come very quickly to life: with its latest partnership with Morrisons, Amazon Prime customers can now get free, next day delivery on Morrisons' products.

Free. Next Day. How are the UK supermarkets planning to compete? Amazon's market disruption credentials are unparalleled. This is a business with deep pockets and a willingness to wait. It can afford to make a loss on every delivery for years if, in the process, it can persuade its existing legions of loyal customers to use the service for their regular consumables weekly shop, and perhaps even attract a few of the lost sheep not currently fully paid up as Amazon Prime members.

Continues overleaf >

☛ WEB VERSION: Click Here

> “...this foray into UK FMCG & grocery retail is reflecting key trends in customer expectation and behaviour...”

And it is not just deep pockets. This is a company with both unparalleled operating efficiency and market leading customer engagement and personalisation. It also has perfect timing – and right now, this foray into UK FMCG & grocery retail is reflecting key trends in customer expectation and behaviour that the Amazon/ Morrisons collaboration can only accelerate.

Confident Consumers

Many more people are now accustomed to buying online: around a third of UK consumers plan to carry on shopping for food online once the pandemic has subsided. At the same time, shop local has been a big trend over the past year – not just due to lockdown orders but also in response to the plethora of small independent food providers who have gone above and beyond to support customers.

In addition to the multiples' high street convenience formats, independent food retailers – the delis, fishmongers, bakers and greengrocers - have benefitted from an upswing in consumer demand. While other retailers have closed, a number of independent food retailers have opened new high street premises during the pandemic. People enjoy the chance to buy fresh food direct from the experts – especially when local suppliers can offer the reduced food miles and farm to fork eating that are increasingly important to consumers.

The Amazon/Morrisons partnership capability to provide customers with free next day delivery of all the staples – the dull cleaning products, shampoo, tins of tomatoes, pasta and the inevitable loo roll – totally eradicates the need to visit the supermarket. Rather than heading to the out of town superstore and adding 'not-quite-so' fresh produce to the trolley simply for convenience, customers can receive all those dull items at home, on demand, with free delivery, and instead head to the high street for the fun bits, checking out the farmers' market, the new deli and sharing a coffee.

Conclusion

UK multiples were already scaling back their large out of town supermarkets prior to the pandemic and investing in smaller convenience stores. But they have also invested very heavily in online retail – investments that need to be recouped. How? Large format stores cannot be mothballed overnight. New convenience formats cannot be accelerated. And what UK supermarket can offer free next day delivery – apart from Morrisons of course? Savvy move. So what's the strategy?

The boss of Ocado may have shrugged off Amazon's likely impact on the UK, but Amazon has thrown a hand grenade in to the supermarket sector, that will turn the future of grocery shopping in the UK on its head.

☛ WEB VERSION: Click Here

Early signs show an upturn in UK spend

Increased optimism around economic recovery

While some of the big changes and shocks of 2020 continue to play out, there are clear indicators and signals pointing to a rebound in consumer spend and optimism.

These insights come as part of the latest McKinsey & Company UK Consumer Sentiment Research, which provides quantitative analysis of consumer sentiment during the global pandemic, based on primary consumer research and third-party market data.

Whilst the UK has one of the highest shares of vaccinated population globally, UK consumers have reported that they will still wait for restrictions to be lifted and wider vaccination coverage before re-engaging with activities outside the home. Ninety-one per cent of people are not currently engaging in 'normal' out-of-home activities. While 75 per cent shopped in person for groceries and necessities, just 34 per cent did work outside the home, and only 9 per cent shopped in person for non-necessities.

The research shows that optimism regarding the UK's economic recovery is at the highest recorded level during the COVID-19 crisis. Thirty per cent of consumers

Continues overleaf >

☛ WEB VERSION: Click Here

"...optimism regarding the UK's economic recovery is at the highest recorded level during the COVID-19 crisis."

are optimistic that the economy will rebound within 2 to 3 months and grow just as strong as or stronger than before COVID-19 (compared with 17 per cent in November 2020). Consumer spending is expected to be highest in the travel (55 per cent) and dining (53 per cent) categories once restrictions are lifted or the spread of COVID-19 halts. Beauty and personal care was the next highest category at 38 per cent.

Additional Key Findings of the UK Consumer Sentiment Research Include:

Signs of spend recovery

Despite decreased household income and increased savings, optimism has also led to an increase in spending. Forty-seven per cent of consumers intend to splurge in 2021 to reward themselves. Younger consumers, especially Gen Z, indicate a higher intent to spend or treat themselves.

Lag of positive impact of vaccination

Net spend intent fell to -6 percentage points for vaccinated consumers compared with those not yet vaccinated. This drop is likely due to the over-representation of baby boomers in the vaccinated group. The majority of vaccinated consumers expect routines to return to normal by the end of 2021, and say finances are already back to normal.

Digital shift is here to stay

Up to 92 per cent intend to continue purchasing online post COVID-19 (from those who currently do). The strongest intent was in the online purchasing of vitamins, OTC medicines, published content, and apparel.

Ongoing "investments" in homebody economy

Consumers have made structural changes to their homes which will create lasting change. Thirty per cent of consumers have invested in new uses of their living space at home through remodelling or setting up a specific work-from-home space. Thirty-two per cent undertook house moves – including moving into a larger or smaller home, in with family or to an entirely different geography. Nine per cent reported getting a new pet at home.

Brand loyalty continues to be disrupted

Seventy-two per cent of consumers have changed stores, brands, or the way they shop. And many of these behaviours appear set to stay with 84 per cent of those who tried a new brand stating their intent to remain with them. Millennial consumers are at the forefront of this revolution, with 85 pe rcent stating they have tried new a new shopping behaviour during the pandemic.

2020, not a year that most of us want to remember... Although some have thrived!

By Wendy Slater, Director, Breedon HR Northants Ltd.

It is no secret that the small and medium-sized companies took the biggest hit over the past year from the Covid-19 crisis. Few would argue that this has been the worst crisis to impact businesses in modern history. This is despite the unparalleled government support that has been extended over the period which many UK based businesses have benefited hugely from.

With a total of some 4.7 million employees still on Furlough, according to the provisional figures for February 2021, there are a lot of people still facing an uncertain future. Many simply do not know whether they will have jobs to return to. Even with the latest moves to re-open stores, sports facilities, pubs and restaurants, many businesses will not be able to restore trading to past levels. That sadly will result in redundancies.

With this top of mind, Rishi Sunak announced an extension of the furlough scheme until the end of September, which provides companies with some level of comfort, providing additional time to re-build their business before the subsidy ends completely. However, companies will need to start contributing 10 per cent in July, and 20 per cent in August and September towards wages for the hours employees cannot work.

What does this mean? The table below shows the detail. You can obviously find more information on the Government website here [Furlough Scheme Extended and Further Economic Support announced - GOV.UK (www.gov.uk)]

	May	June	July	August	September
Government Contribution: wages for hours not worked	80% up to £2,500	80% up to £2,500	70% up to £,2871.50	60% up to £1,875	60% up to £1,875
Employer contribution: employer National Insurance contributions and pension contributions	Yes	Yes	Yes	Yes	Yes
Employer contribution wages for hours not worked	No	No	10% up to £312.50	20% up to £625	20% up to £625
For hours not worked employee receives	80% up to £2,500	80% up to £2,500	80% up to £2,500	80% up to £2,500	80% up to £2,500

Continues overleaf >

☛ WEB VERSION: Click Here

Now is definitely the time to start to plan your business' way out of Furlough. July will be here, before we know it.

Whilst this might seem like a challenge, it could actually be an opportunity in disguise. You may be tempted to go back to how you worked before but, given recent experience, is that the best option for your business now?

The Pandemic brought remote working into the norm for lots of employers that hadn't had staff working from home previously. Some companies struggled with the sheer technical impact of how they could facilitate it, especially at such short notice. Others were already equipped from a technical perspective but were not prepared in terms of how they could manage remote workers on such a large scale.

A report by the Chartered Institute of Personnel and Development (CIPD) found that remote working did not cause a fall in productivity in 71 per cent of businesses, and in a third of them productivity had increased, suggesting that many could make the shift permanent after the crisis ends.

Did you see an increase in efficiencies or productivity? Has this given you more capacity?

You might also recognise there were some activities that were enshrined in pre-pandemic times that you have not missed and don't need at all!

Businesses in general will need to consider their employees' welfare and the latest research by digital coaching provider Ezra, suggested 75 per cent of staff do not want to return to the office full time once we get back to 'normal'. So, managing staff remotely, at least some of the time, is probably here to stay.

Does this mean you will need less office space and perhaps be able to reduce these overheads?

Some staff have really benefited from not having to commute to the office. This has improved their work/life balance, given them more time for rest, and in some cases, they have been afforded greater flexibility around when they work.

It is certainly also true that some staff have experienced increased stress, anxiety, loneliness, and perhaps other mental health issues, from working remotely. Many have found it much harder to

“A report by the Chartered Institute of Personnel and Development (CIPD) found that remote working did not cause a fall in productivity in 71 per cent of businesses

switch off from work. The home environment has also had an impact on how they feel about it, especially if they live in a smaller home with limited space to set up a work area in. The studies and spare rooms enjoyed by more senior employees simply aren’t the norm for those with young families, or single people living in shared accommodation. More than this, those less experienced employees will have lacked the kind of guidance and support usually found from working as part of an in-office team and may well feel unable to progress whilst working remotely.

Overall, now is a great time to take the opportunity to conduct your workforce audit and use the findings to re-shape your business. If you take advantage, you could end up with a far more efficient business than you had pre-pandemic. Of course, re-structuring could mean you regrettably have to make some roles redundant and/or ask employees to undertake different roles. Conversely, it may well open up opportunities to promote some of your current team members as well as recruit the new expertise you have wanted for some time but never thought you would be able to afford. It is likely that most of your employees will be open to change and by acknowledging the need for it, will be on board to deliver new ways of working which could be just what your business needs.

The way we work and where we work has undoubtedly changed forever and this could and should benefit businesses and their workforces. Calling, of course, for strong leadership and management which will be increasingly more crucial now than ever.

☛ WEB VERSION: Click Here

How retailers triumph over the looming third-party cookie apocalypse

By Andy McNab, VP EMEA, Fanplayr

The decision by Google and the other major browser operators to axe third-party cookies threatens the effectiveness of many retailers' websites.

Organisations will still be able to use first-party cookies for their own domains, but the use of third-party cookies to monitor what visitors do on other domains will stop. This is a big change.

For years, third-party cookies have allowed a retailer to track where consumers go, once they have left its website, providing a wealth of data that fuels personalisation and optimises interactions with those same consumers when they return. The information from third-party cookies is also critical to the accurate targeting of internet advertising.

This decision to ban third-party cookies has been taken in a broader context. It follows the increase in privacy concerns following the EU's GDPR (General Data Protection Regulation) and the CCPA (California Consumer Privacy Act) in California. Apple and Firefox have already acted, and Google will make its own move in 2022. Since Google has more than 60 per cent of the browser market, its decision is highly significant.

Retailers need new solutions to fully exploit their website data

It is such a major change that unless organisations start focusing on how to use the data from their own websites, they are likely to experience a significant drop in revenues from next year as consumer behaviour is lost in a forest of generic information. In retail, all brands must think smartly about new customer insight and personalisation solutions that maximise their own website visit data.

Google itself has acknowledged the potential impact of its actions on revenues. Analysis by the company of the 500 largest Google Ad Manager publishers globally over three months found where no cookie was present, revenues plummeted by an average of 52 per cent compared with traffic where there was a cookie. This is one of the reasons behind its Privacy Sandbox initiative – an attempt to create a secure environment for personalisation that also protects user privacy. Little in the way of meaningful results has come out of this so far, however.

Although we know Google plans to end the use of third-party cookies, information has only trickled out, which is why companies may not have fully grasped the seriousness of the situation. It has not helped, either, that each browser operator has its own interpretation of how to deal with third-party cookies and privacy. Most browser companies are restricting storage access where cookies have been identified and classified as compromising user privacy. However, Safari has followed a different tack with its Intelligent Tracking Prevention. This uses multiple methods to restrict storage access for third parties algorithmically classified as having cross-site tracking capabilities.

Whatever the approach, brands will have to battle harder to get consumers to their sites, using keywords and SEO-optimised content.

☛ **WEB VERSION: Click Here**

Once consumers are on a company's website, however, it should be a different story. Advanced tools are already available, employing behaviour analysis, segmentation and personalisation to supersede the insight provided by third-party cookies.

Retail websites must implement AI-powered personalisation

AI-driven technologies, for example, analyse and act on the data generated by consumers as they visit a website. This gives companies a faster, more sophisticated and profitable way of interacting with consumers once they are on a site. The technology stores just the unique ID of the user in a first-party cookie so is not affected by privacy restrictions. It remembers each visitor and their visit but without using any other information, which is the type of website-tool cookie used when logging into Facebook.

The data from this cookie enables a company, for example, to see when consumers are behaving in a way that indicates they are close to buying or have "exit intent" and are about to leave the website. The company sees the consumer's behaviour in minute detail and can interact with them in real time to provide a positive outcome without becoming intrusive.

An AI-powered solution of this type delivers a discount, offer, promotion or recommendation at exactly the right moment. This is based on the consumer's current and previous behaviour and what they may have put in their basket. Contrast this with the clumsy and unprofitable way many organisations use discounts, undermining their P&L by insistently dangling offers before they understand each customer. A retailer should have a solution that guides a consumer through their journey with shrewd recommendations and knows when it is time to close a sale or trigger a decision with the right offer.

This more sophisticated and personalised approach to interaction avoids crude tactics such as annoying pop-ups with offers or recommendations that fail to match individual preferences. If the AI segmentation and personalisation solution is part of a more advanced single platform, retail brands can use the data and analysis to personalise marketing content in SMS messages and emails sent to consumers (who consent), which deliver far better results through precise targeting.

The advantages of a single platform

The single platform approach also has another major advantage. It is much easier to implement and far more efficient and streamlined compared with separate solutions wired together for different parts of the customer journey, such as reduction of basket abandonment or upsell tactics.

The platform approach is the kind of slicker, technology-driven solution brands need to implement as the third-party cookie apocalypse comes into view. The alternative is flounder in a morass of data, losing track of customers. When the axe has fallen, the winning brands will use their own first-party cookie data far more smartly and productively to segment and personalise in real time as visitors are on their site. But they need the right platform so they can employ the latest advances in AI technology and provide a streamlined and profitable experience for themselves and their customers.

☛ WEB VERSION: Click Here

Why you need to know about Core Web Vitals

By Gav Winter, CEO, RapidSpike

From 1st May 2021, Google will start judging a website based on a new set of performance metrics called Core Web Vitals. This initiative is focused around user experience and will become part of Google's ranking algorithm.

Core Web Vitals are a set of metrics used to measure the user experience stages of a web page – loading, interactivity, and visual stability. They apply to all web pages and a website needs to pass each of the signals to provide a good experience for users.

Google helps users find the most relevant and high-quality sites on the web and website owners need to pass their Core Web Vitals to avoid being punished by their algorithm. Only 23 per cent of businesses currently pass these tests consistently, so organic SEO will be negatively impacted for the large majority of companies. This also represents a great opportunity

☛ **WEB VERSION: Click Here**

for businesses looking to capitalise – monitoring your scores and fixing problems could result in a major SEO boost.

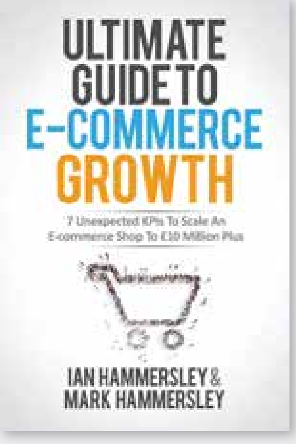
If you are in a competitive market it is advised for you to take action on your scores to be able to compete. Metrics will differ across desktop and mobile, therefore it is vital website owners measure their Core Web Vitals on both platforms. This will help gain a true understanding of how customers experience their website. For each of the Core Web Vitals, it's important to attain the 'Good' target at the 75th percentile of page loads across mobile and desktop. The time to act is now to ensure your website is not left behind.

☛ WEB VERSION: Click Here

Ultimate Guide to Scalable eCommerce

PART 4

By Ian & Mark Hammersley



YOUR PRODUCT PAGE HAS THE POWER OF A LANDING PAGE

This really showed us how important individual product pages actually are. They have become the new landing pages of your website and work much harder than they used to. This means your product pages, if developed properly, have much more power than previously.

Category pages may not be as important when it comes to Google Shopping clicks, but they should not be ignored either. On average, we found that category pages should not be bouncing more than 55 per cent . With these pages, there are several different methods that can be used to quickly pull a customer in and help him or her click on a product. Ease of navigation is another big booster for the add-to-basket rate.

Some methods include:

- Placing bestsellers at the top.
- Using the Image Attribute System.
- Spontaneous offers at the top.
- User reviews.

FIRST IMPRESSIONS COUNT

Have you heard of the psychological effect of anchoring? This bias affects us all.

Inside our heads, we think we are rational human beings making sane judgements based on sensible thinking.

However, we are swayed by everything we see and hear, especially the most recent.

In Thinking Fast and Slow, Daniel Kahneman ran an experiment with his partner Amos where they had a Wheel of Fortune pre-set to only stop at 10 and 65. After spinning the wheel people were asked, 'What is your best guess of the percentage of African nations in the UN?'

Those people who saw 10 and 65 had average estimates of 25 per cent and 45 per cent respectively.

Other experiments have gone on to show that even when we know we are being shown a high anchor, we still are affected by it. This is why:

- Those market stall pitches start with a high number. 'I would

Continues overleaf >

☛ WEB VERSION: Click Here

normally charge you £560 for this set of plastic vegetable chopping gizmos, but I am not going to even charge you £250; instead . . .'

- Stores mark up to mark down. So they can show a was high anchoring price.
- Jewellery is expensive—even though diamonds are practically worthless second hand, a high retail price triggers the 'expensive is good.'
- The last experience of someone's holiday has a huge impact on the review they give. So savvy hoteliers make the checkout and last night an amazing experience.

Even though we know this is going on, we are not immune.

So we e-commerce owners must be careful what we show the visitor before they reach the website. Therefore, bidding on brand on Google AdWords is important—as we can control the message they see before they visit the site. The organic listing often lacks punch and anchoring.

The first image they see on landing is also critical to their subsequent experience. That image will anchor their whole experience on the site. Split testing landing page images is one of the most rewarding activities you can do.

The first review they see on a Google Search for 'Brand Name Review' will anchor the following reviews.

The products on the top line of the category will anchor the experience of the other products. Try putting one expensive product in the top line of each category to see what happens to your average order value.

If you do offer coupons, try making the before price bigger and the after price smaller in font sizes. How does this affect conversion?

DOES THE SITE APPEAR EASY TO USE?

You may be aware of the famous experiment by Daniel Simons where he asks people to watch a video and count how many times a ball is thrown.

After watching the video, people are asked if they 'saw the gorilla.'

In the video, a person in a gorilla suits walks onto the screen and beats their chest and then exits. It's obvious, but 50 per cent of people taking the experiment missed it. Daniel Simons calls this attentional blindness.

This blindness comes from the way our eyes are built and minds wired. The high-resolution parts of the eye are small and use a lot of energy to use, thus we can only focus on a small amount of an image at any one time. We believe we are seeing the whole picture as the subconscious fills in the rest of the image with what 'it expects to be there.'

This is so powerful that, in conversion rate optimization, perceived ease of use is pretty much aligned with actual ease of use.

That's quite a powerful statement, if you think about it.

It means that if your website looks easy to use, then people will find it easy to use. But if it looks hard to use, then people will find it hard to use, even if it isn't. People focus on what they believe is the truth and look for corroboration that aligns with that. It's too hard for the brain to constantly change its opinion, especially for something like buying from an e-commerce site where they are in 'leisure mode.'

Looking at attention blindness first in relation to an e-commerce site, people only focus on a small part of the screen, and optimising the parts they focus on will have a huge impact on revenue per visitor.

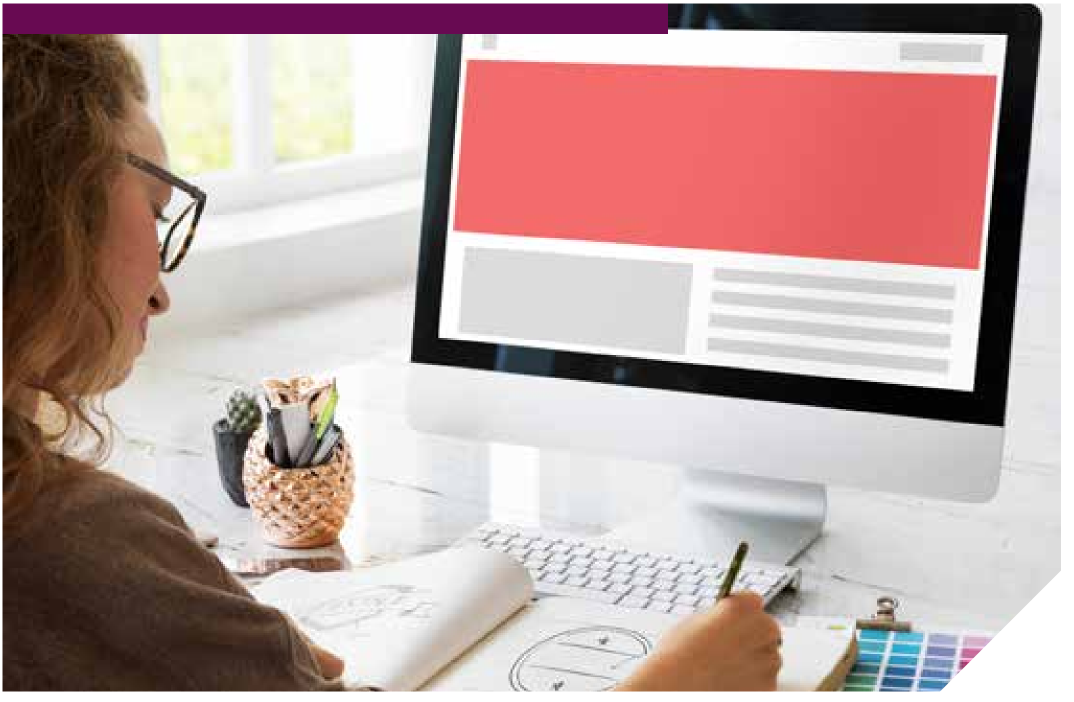
Optimising the parts of the site they don't focus on is a waste of time.

We can find out which parts of the home page, product page, category pages, basket pages and checkout pages people look at using a heat map tool. The hot spots are the places where you want to focus your split test work. They are the small parts of the site that are focused on and will disproportionately affect the user's impression of the store.

Also, take a step back and ask if your website looks easy to use? Are the Add to Basket buttons clear in a different colour and big and obvious? Ditto with the Proceed to Checkout buttons. Are there elements

Continues overleaf >

☛ WEB VERSION: Click Here



you can remove to clear clutter to allow more white space to highlight what the user should do?

Remember, if they think the site is easy to use, it will be easy to use. A five-year-old should be able to figure out what to do.

When its our e-commerce site, we look at it with different eyes as our e-commerce site is our livelihood—it's a major focus in our lives. Thus, we can see a lot more on the site than the normal person because our focus is much higher. This extra focus makes us think we can add more elements, multiple home page offers, and still get more revenue. But the customer has other things in their life that they must focus more on; hence they can only give our site a narrow focus.

We must treat that narrow focus with care and understand that if we ask for too much focus energy from a visitor, they will bounce.

BEST SELLERS AT THE TOP AND IMAGE ATTRIBUTES

Most e-commerce platforms offer automated image attributes and plugins that let you arrange your products according to algorithms that will be most conducive to making a sale. You definitely don't have to do the work yourself, manually adding the tags to new items or best sellers. Site extensions will do this for you, so take advantage of that.

SORT YOUR HOMEPAGE TRAFFIC INTO BUCKETS

Recently, we read Ask by Ryan Levesque. It's one of those books that we need to pick back up and have another look at. In a nutshell, he gets in front of a large river of buying traffic and asks them what they want.

He then splits the majority of this into (up to five) buckets.

Then he creates a landing page that asks people which bucket they are in and sends them to a sales page crafted exactly for that bucket.

He knows that 80 per cent of the traffic will fall into one of these five buckets and thus will get their own carefully crafted sales letter or offer.

Super simple and super effective. Yet very few people do it.

Let's look at an example of how this might work on your homepage.

☛ WEB VERSION: Click Here

Take someone selling golfing equipment. Surveying the traffic in the golfing niche might lead you to the following buckets:

- First time golfers looking for their first golf clubs.
- Parents looking to buy clubs for their children.
- Intermediate golfers looking to move to the next level.
- Advanced golfers looking for the latest hot product.
- Everyone else.

Once we have the buckets, we can craft a simple home page survey to understand which person we are dealing with, i.e. 'Get Started With Our Five-Second Survey.'

Then we can lead, for example, the parents to a landing page talking about how to choose the right set of golf clubs for their child, covering what size to buy based on the child's height, etc. This will convert that buyer much more than a generic home page trying to convert all five buckets.

This approach makes so much sense. But hardly anyone uses it.

Why?

Because we think we know the buyer. We think that we know exactly what should go on the homepage and that we can't afford to miss anyone.

It's the fear of not appealing to all traffic that stops us doing this approach. You hear it across all small businesses when you ask, 'Who is your customer?'

And they answer, 'Well, men and women 18 years to 65.'

Basically, their target market is human beings who have a bit of money.

We need to stop selling to everyone and do a good job of selling to the 20 per cent of buyer categories that make up 80 per cent of the traffic.

It's a good book; have a read, and then use your homepage to shift people into the five main buckets that your buyers represent.

SHOW YOUR REVIEWS

Reviews are going to build trust in your potential customer. Many shoppers actually won't buy from websites that don't post reviews because they rely heavily on the opinions and referral of others. Also, make sure your reviews are from a third party like Feefo or Trustpilot so that they are more believable and you get the review stars on your Google AdWords adverts.

And remember, you are supposed to be thinking of your e-commerce site just like a regular shop that someone could walk into. You wouldn't have just one item in the display window, would you? That would be ineffective. So, it's important to merchandise your product pages just the same way you'd move items around in a physical store, bringing best sellers to the front, displaying accessories with the items they match and placing new merchandise in a prominent place.

IMPROVE YOUR PRODUCT COPY AND OFFERS

If your products sell themselves via great imagery but then when the buyers dig into the detail the product copy looks like it was written by the accounts team, then you are going to lose the sale.

With product copy, we are trying to influence the visitor into buying the product. In terms of influence, you can find no better than Professor Robert Cialdini who literally wrote the book on influence.

We have been studying Cialdini for years, and here is our top checklist on how to bring some Cialdini magic to your product copy and store. We use this list when we are trying to increase the conversion rate of an e-commerce store by focusing on the buyer journey.

1. Are we using the law of reciprocity? What small item can we use to trigger this law? Can we use free samples or give something unexpected away with the first order?
2. The reason why. Are we giving them a reason why they should do what we want? Even because and repeating the obvious is better than nothing. Don't just have an offer, have a reason why there is an offer.
3. Law of comparison. If you show something hot first, the next thing will be considered much colder than it is; for example, show expensive items first to make items appear better

Continues overleaf >

value. Estate agents show crappy houses first. For example, can you have one expensive item in the category? How does this affect average order value (AOV)?

4. Can we trigger the 'expensive equals good' rule and then discount to make them want a bargain? (Does not work with commoditised products, only own brand.)
5. If we offer something much more expensive and they reject it, then we offer what we want them to accept, they will more likely accept. For example, offer three-year support plan then one-year support plan.
6. Consistency. Can we get the person to make a small step in the area we want? Later, changing direction will be harder for them: for example, getting them to fill out a survey telling us what they like about our brand. Mental commitment subconsciously.
7. Like previous point. During the sales process, we can ask them questions like, 'Why are you considering purchasing from us?' They will create a rational answer and want to be consistent with it. Or even if the sale takes a while to close, ask, 'Can you tell me why you have chosen to do business with us?'
8. Can we get them to write down their consistency statement and get them to share it publicly? Once public, they will change their image of themselves to be consistent with the statement even more. Could be part of a competition.
9. Low ball offer. Make an offer that's likely to be accepted to make the person convince themselves that they are now a customer of the store. Once they have bought something, even something tiny, they will be much more likely to make a bigger purchase.
10. Social proof. If we can show that others are doing what we desire the visitor to do, then they will follow suit. People look to others to see what to do.
11. Social proof heightened. People will much more likely copy behaviour of people like themselves. Even similar names, living in similar addresses, doing the same jobs, etc.
12. When the buyer is in a moment of uncertainty, we can employ opera claqueurs, i.e. the first people that get the crowd going. We have all seen those market stall people use fake buyers to start a buying frenzy at the end of their pitch.
13. Can we show that we dress like the target audience and share similar values to them? Political views. Hobbies.
14. Can we associate ourselves even loosely with something cool going on? For example, during the moon landings, everything sold featured the space race. Or in Olympic years, everything focuses on this.
15. Click-whirr effect of authority figures. Uniform. Titles. Name badges. Backstage passes. Can we add elements of this to increase the sale?
16. If we offer them something that is against our interest that builds trust early on, for example, don't buy this, buy our cheaper one if xyz. Or show them some bad reviews on our site for some products so that they believe the good reviews.
17. Double scarcity. People who were told beef is going to be in short supply doubled their orders. But people told beef supply is going to be in short supply and told this information comes from an exclusive source bought a huge amount more. So how can we create scarcity on our stores and make customers believe that they are getting inside information about the scarcity—premium buyers' clubs etc.?
18. Can we trigger the scarcity trigger by getting all potential buyers to show up at once onto one product and show how many people are looking at that item? Or even get them to reserve a buying spot, where they get 10 minutes to decide on the product before the chance is offered to someone else.

MANAGE BY EXCEPTION

A few years ago, we began to look at the product pages and category pages that had the highest bounce rates in more detail because we wanted to

☛ WEB VERSION: Click Here

work on our worst performers to bring their sales up. To do this, we tagged them properly and used Google Analytics, so we could see, in detail, the worst product pages and worst category pages.

Why would we work from the poorest performers?

Attempting to analyse hundreds or even thousands of your products to see what's working and what isn't would be impossible. For this reason, we always say, 'Manage by exception.' By using the correct tags, you can receive a Google Analytics alert that tells you what your worst performing product and category pages are on your website for any given time period.

We don't like to do this alone however. We encourage each of our clients to take ownership of their merchandise and take a look at these statistics each week.

TAKING OWNERSHIP

This is your website, after all, and if these products are meaningful to you and you're passionate about your business, sometimes you might be the only one who knows exactly why certain products or pages are failing so badly. Maybe the images don't bring the item to life or the price point may be too high or the most important feature isn't mentioned. Focus on the top ten worst pages, because that's where you're losing the most potential sales.

We like to pretend my worst performing page is the only impression a potential customer has of my website. What would they think of my business and my product if they only landed on this one page? By asking yourself this question and treating each page like a 'first impression' opportunity, you'll be able to take your website to a new level.

By working on the poor performing pages, you'll invest your time and money in the right area and make a difference in your add-to-basket KPI. And, worst- case scenario, you'll be able to decide whether a product doesn't really fit with your website and if you should pull it for good.

Remember the bricks and mortar analogy we talked about earlier? How would you feel if someone walked into your High Street shop, saw your products on the shelves and immediately walked out? You'd want to know why!

CHECKING MIDDLE REVIEWS AND RATINGS

What if you cannot figure out how to improve your value proposition?

Another hidden gem that we track are middle-user reviews. Each Monday, we ask our clients to look at all the reviews they are getting and categorise them into different sections based on what they are about, like:

- Pricing.
- Packaging.
- Delivery.
- Website ease of use.
- Customer service.

Depending on the week and the client, there may be ten or more categories being addressed. Once this is done, we tell our clients to look for the middle reviews, or the ones that have a two or three out of five rating.

These middle-of-the-road reviews offer the most constructive and useful feedback, in our experience. Four- and five-star reviews often say everything is brilliant, which can be good for the ego but not so good when it comes to figuring out what changes you can make to improve your website, products or user experience. Extremely low ratings (one star) are often derogatory comments towards your website or staff. The middle reviews are what you want to look at. These offer the most useful information, both the good and the bad.

don't miss the next issue...
WHERE TO INVEST
A CASE STUDY

☛ WEB VERSION: Click Here

Sharing our Secrets: Part 2

New Customer Recruitment

Rent? Swap? or Hitch a Ride?

By Nigel Swabey, President Emeritus, DCA; CEO Scotts & Co

In part 1 of this series, I identified personalised mailings as 'Top of the chart' for New Customer Recruitment. In our experience, direct mail is by far the most cost-effective of all advertising channels for practically all direct retailers, not just catalogue retailers. When orders are correctly attributed to the advertising source which triggered the response and when lifetime value is taken into account, direct mail wins hands down every time. Customers acquired through direct mail register higher order values and are more loyal. Their lifetime value is often twice as high as a new customer acquired online.

The next question for any direct retailer is should I rent prospect data, should I swap buyer data with other direct retailers, or should I hitch a ride by inserting in a third-party's customer mailing?

List rental of prospect data – The traditional route

Before the arrival of the data co-ops in the UK (Abacus, Transactis and Experian's Club Canvasse), list rental via any one of 20 or so list brokers was the default option for a direct mail campaign. But with rental costs running at between £120 per '000 and £150 per '000, it didn't take long for most catalogue mailers to realise that the co-ops offered a more attractive solution, with multi-buyers available at £70 per '000 or even less.

With access to these co-ops restricted to catalogue retailers, those in financial services, charities and other verticals still had few options other than to rent prospect data. Charities continued to rent prospect data heavily, but most were then completely unnerved by the introduction of the EU GDPR directive. Only now are the charities rediscovering the value of direct mail, with a major uptick in list rental by charities in the last six months. By contrast, most financial service operators have simply migrated their spend to online channels or have forged 'white-label' alliances with large owners of customer data.

Data swaps – The original raison d'être of the Direct Commerce Association (DCA)

Why pay list rental charges when you can swap buyer data with your industry colleagues at practically no cost at all? That was the question posed in a closed session of senior client-side executives at an ECMOD conference at the Wembley conference centre in 2003. Six months later, at a grand luncheon at the Berkeley Hotel in Knightsbridge, 12 catalogue industry CEOs, owners and senior directors met to sanction the launch of The Catalogue Exchange and agree the guiding principles that would govern its operation.

With the Direct Marketing Association acting against the interests of the catalogue industry at that time, the Catalogue Exchange was established as a new trade association to fully represent

☛ WEB VERSION: Click Here

the interests of the catalogue industry. It went on to become a strong lobby group on all issues of interest to catalogue retailers. Formed with the specific objective of promoting close co-operation and sharing of best practice between catalogue publishers, the original desire to promote data swaps as a cost-effective means of sourcing prospect data underpinned the fledgling association. The Catalogue Exchange was later renamed the Direct Commerce Association, to reflect the growing importance of the web as a channel for all direct retailers.

Why might I want to consider data swaps and how should I go about it?

Apart from the obvious advantage that data swaps cost much less than any other source of prospect data, the swap process is transparent. Unlike prospect data supplied by the co-ops, you get to know which selection parameters work on each partner's list. At Scotts & Co., we find that our best data swaps out-perform the top segments of co-op multi buyers – perhaps because we are able to identify a clear affinity between our brands and the customers of our chosen partner brands.

The mechanism for arranging swaps adopted by most catalogue retailers is to approach one of the three industry brokers who specialise in such swaps. For a fee of between £10 per '000 and £30 per '000, agencies such as Mokrynski, Accent Direct Marketing or Black Kite Media will propose and manage a programme of data swaps with any one of the 25 or so catalogue sector operators who engage in swap arrangements. There are plenty of other advantages though to using a broker:

- A broker is aware of all of the active buyer lists that are available and will often share their experience of how responsive an individual file has been for their clients.
- A broker is a one-stop shop. If you are swapping data with 5 or ten different data owners, it can generate a fair amount of administration. It can also be a bit of a headache to keep track of swap balances - how much data does your swap partner owe you or vice versa.
- A broker is in a position to ensure that your data swap partner is fully compliant with the terms of the GDPR.

Continues overleaf >

☛ WEB VERSION: Click Here

The option always exists, of course, to contact prospective data partners direct. If you don't mind the additional administration, you save the brokerage fee and can discuss directly with your data partner the profile of your target customer. This will enable larger data owners to propose specific selection parameters likely to improve your response rate.

What are the pros and cons of advertising inserts in third-party mailings?

The idea of 'hitching a ride' with a fully personalised customer mailing that has been sent to a group of customers who are known to be responsive to direct mail has its attractions. This is particularly relevant in the current environment, where so many purchase decisions are now being made in the home.

Nevertheless, this is not pure solus direct mail and there are limitations. For example, your customer recruitment message needs to be accommodated on a leaflet weighing no more than about 8g to qualify for the standard mailing insert fee. That's fine if you are simply offering a voucher or if your brand proposition is simple, but this format does not permit you to propose a full range of products or services. Heavier inserts can be carried, but the price of access tends to rise in proportion to the weight of your advertising piece.

The advantage of an inserts programme however is that your total advertising cost is much lower as standard 8g inserts normally cost no more than £27 per '000. The cost of testing is tiny too, with many mailers offering free tests of up to 50,000 inserts. Scalability is good too as a successful test of 100,000 or 200,000 inserts can be quickly scaled to many millions.

Most catalogue mailers accept inserts in outgoing mailings and just as with data swaps, there are specialist agencies and insert brokers who will assist in proposing and arranging a full programme of insert advertising. Amongst the largest of these brokers are UKLPS, The Specialist Works, Griffin Media, DM Focus, Medialab, EDIT and Media in Mind. Alternatively, you can contact catalogue mailers or their media divisions direct, to arrange inserts. There's no rate saving in going direct as mailers honour their relationship with the agencies but speaking to the catalogue owner direct does sometimes help to get a better picture of what inserts availability looks like over the coming months.

The pandemic is causing major shifts in the tectonic plates of the media market. Newspapers and magazines have suffered badly during lockdown and sadly, many of the most reliable insert publications such as the Telegraph Group have chosen to increase their rates aggressively in order to compensate for their loss of advertising revenue. This is likely to have the opposite effect as media inserts are very marginal as a recruitment channel at the best of times and advertisers are now voting with their feet against the new rates being proposed as they are simply not affordable.

But across all new customer recruitment channels, there are developments which are immensely positive. The co-ops are having their best year for a long time and are ready to bend over backwards to help new clients. Royal Mail has declared that it is ready to give a sympathetic hearing to any direct mailer who can set out a plan for a substantial increase in their mailing volumes. Bear in mind though that incentive support is only likely to be available on incremental volumes. But it's on these marginal volume decisions that mailers need a helping hand with costs. Royal Mail is ready to provide support where it is most needed.

Response rates to direct mail remain high too, as customers seem to have settled into a new habit of buying direct for the sheer choice and convenience that home delivery can offer. The evidence for this is very close to home for us at Scotts & Co. We chose to double our mailing volumes as we went into the pandemic and as a consequence, sales have risen by 40 per cent over the past year and the size of our customer database has increased by over 50 per cent. We emerge from this pandemic with renewed faith in direct mail as the most powerful and effective channel for new customer recruitment.

☛ WEB VERSION: Click Here

Zero-party data, a major opportunity for brands in 2021

By Russell Loarridge, ReachFive

The last 12 months have profoundly and irreversibly transformed consumer shopping habits. More than ever, companies need to better understand their customers by putting data at the centre of their strategy to deliver an experience that is relevant, personal and engenders brand loyalty.

The broader global economic and health context; increased competition; and the upcoming end of third-party cookies are driving marketers to refocus their resources on their own customer data. Between "first-party data" or "zero-party data", what data should brands focus on to deliver a premium experience that respects customer privacy? How do they transform this data into actionable insight that adds business value?

Regulations, the end of third party cookies: a revolution in the data world

Businesses are under increasing pressure from customers who demand a relevant and personalised online experience that matches what they have been offered in-store. Personalisation is not something that can be improvised; rather it must be based on in-depth and timely customer knowledge. Until recently, "third-party" data (that which has been aggregated from multiple sources) has been the primary source of customer knowledge and was considered something of a marketing magic bullet. Today, however, technological barriers - such as the disappearance of third-party cookies - and regulatory changes (IDFA (Identifier for Advertisers) on iOS, AAID (Android advertising ID) on Android, GDPR in Europe or CCPA (California Consumer Privacy Act) in the United States) are putting consumers back in control of their data. As such, a strategy based mainly on third-party data is a strategy that is destined to fail.

Harnessing the potential of first-party data

First-party data – that which companies collect directly from their audiences, customers and prospects via purchase histories, interactions on their sites or applications, or loyalty programs - is an interesting alternative. 52 per cent of marketers aim to collect more first-party data in 2021 as part of their digital strategies.

However, if "first-party data" is essential to drive a better understanding of an individual user and allow marketers to make more informed decisions in order to optimise their marketing strategies, it is not the panacea.

Any marketing strategy based mainly on this historic customer behaviour data, is, in fact, going to be subjective, based on probability and

☛ **WEB VERSION: Click Here**

inference and therefore not enough to satisfy the demands of today's discerning consumer. We should not make the same mistakes in 2021 that we have made over the past decade and exploit data without truly understanding who our customers are and what their real-time and future needs are. This is where zero-party data comes in, data that is voluntarily and intentionally shared by customers to improve their online experience.

Stop guessing with data, 2021 is the year of zero-party data

Until now, brands have built their digital marketing strategies on probabilistic data, and not on the much more reliable and objective deterministic data. While the concept of zero-party data may seem confusing at first glance, it offers the capability to transform how brands market to their consumers.

Guessing what customers want is no longer necessary: just ask them. A zero-party data strategy is not implemented by forcing users to fill in their data, but by creating a relationship of trust. In providing a 'give to get' value proposition, consumers are more likely to share their information, sometimes even in larger quantities, in exchange for a more qualified customer experience and customised content that will bring them value. Handled correctly, this data can be the next holy grail and companies need to start preparing for it now to master its workings.

How do you implement an effective "zero-party data" strategy?

To successfully implement a zero-party data strategy, brands need to collect the data, information and permissions they need to create personalised marketing at all stages of the customer lifecycle. The first step is to manage customer preferences in real-time. To do so, brands must ask customers relevant questions or solicit them through different methods such as quizzes, surveys, interactive experiences, etc... as soon as an individual creates a customer account. But beware, asking for too much information at once may have an adverse effect, so the trick is to ask for this data gradually, throughout the customer journey. The goal is to establish a relationship of trust with a customer - hence only asking what is necessary to offer the best possible shopping experience.

Customers need to be able to manage how they want a brand to communicate with them and update this at any time. Brands, therefore, need to provide consumers with the ability to easily manage their consents from the outset of an engagement. Today, to be satisfied, a customer needs to feel unique.

Finally, once all this information is gathered, it is important to be able to share it, in a completely secure manner, with all the brand's customer relationship and omnichannel solutions. In order to be effectively managed and value gleaned from it, this data must be structured and unified in a single database rather than scattered across various data silos.

In the majority of cases, marketers rely on overburdened IT resources to manage these huge amounts of data; but to absorb, sort, analyse, and make it quickly actionable, marketers need robust technologies, now more than ever. These solutions will enable them to handle the increasingly complex task of managing and integrating identities across all internal solutions.

The personalisation of the customer experience will become even more important in the coming months. In order to design effective marketing strategies, companies - most of which have started to actively use first-party data in their marketing - will also have to rely on zero-party data. In order to provide a deeply personalised experience and generate the most value, merging these data sets appears to be the most appropriate way forward.

Only companies that have already implemented solutions, such as CIAM, will be able to offer their customers the unique experience they expect.

It enables a brand to identify their users and personalise their experience through a customer journey based on their preferences and a relevant – and regulatory compliant - use of their data.

☛ WEB VERSION: Click Here

How translation and voice search are unlocking global eCommerce potential

By Alan White, Business Development Director, The Translation People

Utilised for everything from booking a taxi, calling a friend, playing a song or controlling other smart devices in the home, voice search equipment is present in one in five UK homes, and is now also becoming integral to another part of our lives.

Research shows that 20 per cent of all Google searches are now conducted via voice searches - a figure that's been on the rise since 2013 . Additionally, 65 per cent of smart speaker owners say they feel comfortable making an online purchase with their speaker, while 43 per cent of voice-enabled device owners conduct all their shopping using this type of search.

As such, the experts responsible for selling products online to shoppers around the world need to begin considering the role of translation in this journey. Because while smart voice devices are great at translating human language into a search request, to meet the needs of audiences around the world who are increasing their use of voice search, an overhaul of your international marketing materials will be required.

Increasingly, translation providers are working closely with online global brands, developing new strategies and techniques to ensure potential customers can find them from anywhere in the world and to create attractive and efficient user experiences across all marketing activity and materials.

Voice search and SEO

When it comes to voice search, consumers want a smart assistant that both understands them and speaks to them understandably, and which can produce results relevant to their request.

Alexa, the voice search device from Amazon, speaks and understands eight different languages, while Google Assistant can support up to 44 languages from around the world, so those who haven't considered translated voice search as part of their marketing strategies are potentially missing out on huge global audiences. To achieve that effectively, marketers should look at the basics of a website build.

A website can only be found if its SEO strategy is strong, so those that wish to attract customers from around the world must implement multi-language SEO, conducting local and cultural research to find out what potential customers might be searching for.

☛ WEB VERSION: Click Here

This will often include different search terms than those used in English language territories and when considering voice search specifically, will require a bespoke strategy to cater specifically for spoken requests. Typically, this involves creating website content that answers what a person says – such as FAQs or top tips pieces, which directly answer questions the user is asking – rather than what they type. In short, build your SEO strategy to ensure your products can be found by anyone, anywhere in the world, whether they type or speak their search.

International messaging

If someone has a good experience on your platform, tailored to their language needs, they'll be more likely to buy from you again in the future. If you've been able to capture a shopper through voice search, it would be remiss to ignore the role of your marketing material in this journey, but this involves more than just translating your original content word for word.

Target audiences of different cultures and languages engage more with messages that are tailored to their specific markets, so when you translate your content, review all previous, live and upcoming campaigns to ensure the content, tone and sentiment is relevant to all. That way, you'll be able to capture their attention in a language they understand.

Voice search and video content

Increasingly, video content is being used to produce search results. A typed Google search of 'how to fix a broken washing machine' will recommend a YouTube video to a user ahead of a standard webpage, for example. International eCommerce businesses which utilise video to promote their products should apply translated subtitles or a foreign language voiceover to their videos to help users of any language to understand the content. But for the video to be found in the first place, video descriptions and meta tags should be translated too, so that they can be discovered from anywhere in the world. Doing so will mean when a request for your products or content is made in another language, Google is better enabled to offer your it as the best result.

Voice search is advancing in its capabilities and looks set to dominate how we seek out the products we consume and engage with. For global businesses, translation helps to understand your current or potential customers, how they might find your products and what you can do now to get ahead in the voice search race.

☛ WEB VERSION: Click Here

Will April 12th store opening dent online and catalogue sales?

With all non-essential retail outlets in England re-opening from April 12, what will that mean for DTC retailers? Is it going to take demand away from them?

There are mixed views on this. On the one hand the ability to go out, mix and mingle whilst shopping for fashion and beauty products is going to attract swathes of millennials who have sorely missed their high street and social jaunts. These destinations along with hair and nail salons, outdoor bars, restaurants, and gyms are preparing to open to what they hope will be healthy sustainable levels of footfall. News that Debenhams is to run some final fire sales in certain of its stores will likely attract crowds, as will Primark stores, which - having not offered an online option - will be expecting customers to return in droves for low cost family clothing.

But what about the more mature customer in all of this ? The view of many is that this older age group will be more likely to wait until the fuss dies down, and carefully choose the times of day that they shop in person with care. Not feeling comfortable in crowds, despite most having received their initial dose of a Covid vaccine, they also feel side lined by retail chains which no longer appear to cater for their needs. It is the distinct lack of appeal of retail offerings for this large group of customers that will virtually guarantee that the catalogue and online retailers who focus on the mature market will maintain their growth.

Eric Hazan, senior partner, McKinsey & Company commented: "The reopening of stores on April 12 could act as a trigger for a 2021 spending splurge. Despite decreased household income and increased savings, forty-seven per cent of consumers intend to splurge in 2021 to reward themselves. Whilst the reopening of stores could act as a catalyst for the expected spend, retailers should be mindful that the digital shift is here to stay. 92 per cent of UK consumers (of those that currently spend online) intend to continue purchasing online post COVID-19. So, now the growth opportunities for retailers are really defined by them identifying and meeting the new online and in-store expectations."

There is certainly pent up demand across most merchandise categories and many retailers targeting the younger customers are hoping for a sharp uptick in sales one their stores re-open. However, the pandemic has had a major impact on the financial wellbeing of younger people as many will have been long-term furloughed or lost their jobs. They may flock to the stores, but will they be in a position to buy at the levels retailers are forecasting? Some think it doubtful.

Whilst it is true that many consumers have put off making major purchases for some considerable time, it is also the case that many will have taken stock of their personal finances during the pandemic and realised that they do not need to buy anywhere near as much as they have in the past. Whilst nowhere near as extreme as the post war 'make do & mend' behaviours that cast shadows in the late 1940s-1950s, some believe that the lessons learned during the pandemic will stick.

But as more people return to workplaces or migrate to a blend of home and office working, there will undoubtedly be greater demand for smarter attire. It is also to be expected that people will crave opportunities to dress up and socialise which will also act as a driver for fashion sales.