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CONFIDENCE IN THG FALTERS



The Hut Group, once the darling of the City, has fallen victim to short-sellers as well as to nervous shareholders selling off their stakes.

A lack of confidence in THG's future plans, as well as the ability of all retailers to weather the current freight and logistics storms, appears to be at the

heart of the problem. Much of THG's current situation was exacerbated by a 'capital markets briefing' which was intended to reassure the market about earlier announcements but sharply backfired. THG had said some weeks earlier that it would be looking to spin off its Ingenuity technology platform which

supports a significant roster of third party businesses trading online. It had also then mooted that the business might also then look to separate out its beauty arm. Having achieved a valuation of £9.8bn in January, THG's value swiftly fell to £3.5bn, with shares now languishing well below its float price.



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COVER IMAGE: Courtesy of The Times

What a joyous time we have ahead of us, if the national media has anything to do with it. There'll be a national shortage of toilet paper (again), a massive shortfall in: truck drivers, this year's must-have toys, warehouse workers, basic foodstuffs, furniture, OTC medicines, Quality Street, courier van drivers, turkeys, along with an abundance of price hikes and power cuts - how will we manage?

Some of these problems are real. Most are global. As consumers we're all after merchandise that's held up in containers in ports around the world and expecting that it will miraculously appear on store shelves, or be picked, packed and shipped to us at breakneck speed. A few countries are the producing most of this 'stuff' for the rest of the world and, inevitably, one problem in this chain creates another, then escalates into a global shortage. That doesn't help anyone. Not the SME waiting for stock that should have landed, been speedily cleared and delivered into its warehouse ready to ship on to customers. Not the retail

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PUBLISHER'S NOTE

fashion chain with gaps in its shop floor offering. Not in the supermarket giants' ability to have full stocked shelves of the seasonal products that consumers expect to find. It is not an exaggeration to say that consumers are used to being spoilt. Spoilt for choice of places and ways to shop. Spoilt by exhaustive ranges. Spoilt by competition driving prices down. Spoilt by super-fast delivery services.

Truck drivers are in short supply around the world. (Not exactly helped here by the inordinate delays caused by a certain government agency which issues licences – ie: many have passed their HGV tests and could be out there driving, but for the lack of a physical licence). Fuel was, apparently, in short supply too but thanks to a sustained bout of media driven hysteria that whipped a blip in the supply chain into a frenzy that saw idiots fighting over pumps, filling jerry cans, and queueing for hours to top up their already near- full tanks. Lo & behold, everyone calms down, the panic fizzles out and it transpires that here was actually plenty of fuel for normal day to day demand, it just needed to get to the garages. Now we hear it is the shortage of warehouse workers that will bring us to our knees. Much of the blame is being placed on the shortage of European workers but is it not because, like it or not, a certain online retailer has gobbled up all available operatives and that no one seems able to lure/ inspire the unemployed masses into this regular paid work? The same issues are being experienced in every developed country with higher pay and improved benefits being offered to lure more people

into operations jobs. As online retailing grows, the warehouse and subsequent chain of distribution becomes ever more vital. Rates of pay are rising and promotion opportunities abound for anyone who is reliable, hard working and keen to learn. The realisation has at last come that the much maligned 'back end' is absolutely where the buck stops and where consumer demand is transformed into cash.

Now there is talk of consumers having to accept that delivery times may/will inevitably have to be extended. Will it really hurt to wait a day or so longer? That cauliflowers and sprouts or flowers, for that matter, do not miraculously grow and pick themselves. That, actually, there are some 1.51 million people registered as unemployed in this country and 1.2 million live job vacancies that they could, or should, be thinking of taking up. While we're at it, what ever happened to the 'army' of students who worked in assorted part time jobs through senior school/college/Uni so as to be able to fund themselves and/or save for gap years?

I have every hope that we will all find our way through this strange period. That we'll evolve solutions for some of the issues, particularly the labour 'shortage'. That we can encourage our customers to have a little more understanding and patience when they order from us and appreciate that slightly slower delivery should result in lower carbon emissions.

JRH



21st October: 9.30-17.00

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Gymshark founder and backers in talks about IPO

According to reports, Ben Francis, the 29-year-old founder of Gymshark and his company's private equity...

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N Brown concerned about consumer confidence

N Brown Group revenue came in at £364.8 million for the 26 weeks to August 28th. This equates to a...

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Beighton to exit ASOS

Nick Beighton has surprised the market with his resignation following twelve years with the online retailer...

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International opportunity as cross-border demand remains strong

Pitney Bowes Inc has announced new BOXpoll™ data which uncovers fresh insight into cross-border buyer behaviours, trends and product preferences...

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Huboo raises £60m to scale in Europe

Fast-growing Bristol headquartered fulfilment business Huboo has raised £60m in investment to help it expand its eCommerce support services into...

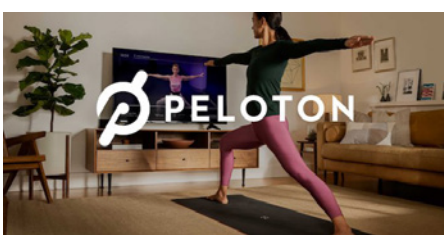
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Europe's top websites making basic checkout errors

Stripe has conducted a detailed review of the 800 top websites across the UK, Germany, France, Spain, Sweden, Italy, Poland, and The Netherlands...

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Peloton will launch clothing range

Peloton is set to extend its offering via the introduction of a new range of sportswear produced in its own right to enhance the range it currently...

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Three to revamp UK stores and extend offering

Mobile phone business Three is to revamp 313 UK stores in order to sell gadgets and broadband packages suitable for home workers. The stores will...

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DCK Group chosen by M&S for online & instore accessories collection

DCK Group has signed an agreement with M&S to supply a bespoke accessories collection across jewellery, watches and hair accessories. The collection...

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Milton Keynes party product retailer acquires Ginger Ray

A Milton Keynes-headquartered designer, manufacturer, distributor and retailer of party products and supplies has acquired £20m turnover...

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IPO on the cards for Marks Electrical

Online retailer Marks Electrical has announced its plans to float on AIM. The business enjoyed very strong growth in the...

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Turtle Doves secures growth funding

Turtle Doves, a British design and manufacturing company specialising in using post-consumer textile waste to create new cashmere garments and...

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JD Sports Fashion takes majority stake in bicycle retailer

JD Sports have acquired a majority stake in Wheelbase, a retailer of 'premium' bicycles which has three stores in the...

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Next holds its own with strong first half

Having posted an 8.4 per cent increase in half-year sales with profits up by 5.9 per cent to £347 million,...

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Hotel Chocolat releases its preliminary results

Hotel Chocolat Group plc has announced its preliminary results for the 52 weeks ended 27 June 2021 ("FY21"). Revenues were...

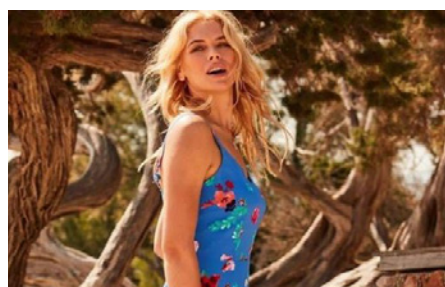
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Multi-channel retail group Scotts & Co. announces record results for fiscal 2020

Scotts Limited – the multi-channel retail group which trades under the title Scotts & Co. – has announced a record...

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Sales up at Sosandar

Online womenswear business Sosandar has reported a record first half as women switch from loungewear to clothes for the office...

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Julian Charles achieves breakeven

Bedding and linens retailer Julian Charles, operated by Rectella Ltd., which was acquired by SKG Capital last June is well...

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Andrew Shapin joins Travcorp board as it secures investment

More than 30 roles will be created after online holiday operator Travcorp, secured £3.7m in equity funding. The business trades...

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Jon Stockton appointed Managing Director Whistl Fulfilment

Whistl, the UK's leading logistics specialists in e-fulfilment, contact centres, mail and parcels, has promoted Jon Stockton to Managing Director...

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Buy It Direct hires for growth

Buy It Direct Group has recruited Laura Robertson, former head of trading and CRM from N Brown Group, to lead...

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FatFace appoints new CEO

Fat Face has confirmed that Will Crumbie is to replace Liz Evans as CEO with immediate effect. Incumbent Liz Evans...

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Robbie Feather to join The Very Group as retail managing director

The Very Group has appointed Robbie Feather, the former CEO of Fenwick, as retail managing director and a member of...

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Ciptex appoints Simon Weeks as CEO

Cloud communications specialist, Ciptex, has announced the appointment of Simon Weeks as CEO. Simon brings over 20 years of leadership...

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4 WAYS INDIE RETAILERS CAN BE GO-TO STORES FOR LAST-MINUTE GIFT BUYERS



JILL ALEXANDER, HEAD OF
MARKETING COMMUNICATIONS,
UK GREETINGS

VIEW ONLINE

There's no judgement here. We've all been there, the day before a birthday or even Christmas Eve, wondering what to buy and where to buy it. Last-minute gift buyers usually have a valid reason, of course. They may have a busy work schedule, wait until the final days in an effort to shop strategically, or just simply be classic procrastinators. But as a retailer, you don't need to know why customers are leaving things until the last minute, just that they do.

A study found that up to 40 per cent of shoppers wait until the last minute to buy gifts, so anything you can do as a retailer to cater to these customers who are trying to make something work at the last possible moment will go a long way to creating a loyal and returning customer base.

There's a clear market for last-minute gifts, especially around gifting seasons. Google search data collected by UK Greetings found that searches for 'last-minute gifts' in the week leading up to Christmas were 1,027 per cent higher than the yearly average. Meanwhile, gift-givers in Northern Ireland and Scotland were more likely to seek out last-minute gifts than their English and Welsh counterparts.

But how do you make the process easier for shoppers, and in turn, maximise potential sales? Jill Alexander, head of marketing communications at UK Greetings, one of the largest direct to retail publishers of greeting cards and social expression products in the UK, offers up four ways address this.

1. INVEST TIME IN PROVIDING ONLINE OPTIONS FOR NIGHT-OWLS & PANIC-BUYERS

Realistically, most stores can't stay open 24 hours a day 7 days a week, so for those shoppers that have left things to the last minute, make things as easy as possible to buy if they do happen to be doing their shopping at midnight! You can really cater to those night-owls and last-second buyers by making it easy to browse online. It saves valuable time not having to make their way to the high-street and battle through crowded stores filled with other stressed panic-buyers.

Retailers can curate potential last-minute gift ideas for targeted markets by grouping items together by topic, season, or specific interest. For example, a could amend their homepage featured items to suit the upcoming season, whether that be Christmas, Easter, or Valentine's Day.

Retailers can set up collections online that offer customers similar suggested items. This is also something that can be translated to in-store setups, with specific displays, additional items at the till-point, and aisle endcaps.





2. PROVIDE EASY PURCHASES & INCREASED ACCESSIBILITY FOR NON-PERSONAL GIFT BUYERS

Making gift cards easily accessible both in-store and digitally can really drive those additional sales, as gift cards are an ideal last-minute solution for those customers who need something quickly but don't necessarily require carefully selected or highly personal gifts. For those buying online, provide more flexibility by allowing multiple delivery options in the form of multiple denominations, designs, and whether they would like the gift voucher physically, digitally, or both!

Those with a little more time may prefer to receive a physical item in the post so they can wrap it up and give it to their recipient in person. But for those who are really cutting it fine, it pays to offer delivery options that include email and mobile.

If you're offering gift cards in-store, ensure they are positioned near to the till-points, as then they are easy to find for those with less time on their hands. Retailers can provide custom envelopes, nicely designed card holders, or even gift-boxes for those customers who are looking for that slightly more personal touch. It's a small addition, but it makes a gift card a little more tangible and has a better impact, which increases likelihood to purchase.

Offer up some last-minute gift ideas for shoppers through a dedicated 'gifts' page by curating products and items that always land well as presents. Creating a section, online or in-store, for well-priced gifts is a savvy way to convert shoppers into customers while also saving them time. Some of the best options for till-side displays can be neutrally designed accessories such as watches or jewellery, on-trend wall art prints, bath accessories and pampering products, or perfumes and colognes.

3. WORK TO BECOME THEIR GO-TO RETAILER: LOOK AFTER CUSTOMERS' PAIN POINTS

Many last-minute shoppers are often stressed and under pressure, so offering a gift-wrapping service can really cut out a vital time-consuming part of the process for them.

Attractive gift wrapping with a subtle brand logo added can be a great marketing tool to increase brand awareness while increasing customer satisfaction. A carefully thought-out gift-wrapping design can also help a younger brand make a name.

You can make a big impact by catering to your customers' unique needs and offering anything you can to ease some stress or frustration around last-minute shopping. By looking at customers' pain points around time-saving, money-saving, and stress-saving, you will quickly become their go-to retailer for those fast-approaching events.

4. REMEMBER, GREETINGS CARDS PLAY A SIGNIFICANT ROLE IN GIFT-GIVING

What gift is complete without a card? A card is the best opportunity to say why your recipient is important to you and why this gift suits them perfectly. You can find a card for any occasion, and it's the perfect little touch on top of your hurried present purchases. A greeting card can also be a gift on its own, with unique designs that your friends and family will love. Money or gift cards inside can be a bonus and are simple enough to organise when you're in a rush. Often, even a last-minute gift like a card can be just as meaningful.

Jill Alexander, head of marketing communications at UK Greetings, suggests that greeting cards have a bigger role to play in gift-giving than you may think. Jill Alexander said: "While we all love to receive gifts, greeting cards play a significant role in establishing those all-important connections we feel when exchanging presents and sending a card.

"Some people will keep greeting cards for a lifetime, looking back on them like fond memories. So, while you're last-minute shopping, remember to take the time to select and send a card."

Retailers can capitalise on this moment by making greetings cards an optional bonus at checkout. If you know that a last-minute gift is being bought, ensure that they can get a last-minute card. Explain to them why a card will complete their gift!

HYBRID WORKING: TOP TECH TIPS FOR TACKLING CYBER RISKS

[VIEW ONLINE](#)

As workers have been urged to "return to work gradually" as more employees were called back to the office in recent weeks, IT experts have revealed the cyber risks faced to businesses operating a hybrid working model and how they can tackle them.

With Boris Johnson saying that it is up to staff and employers to "work out for themselves" how many return to the office, and for how many days a week, hybrid working models could be here to stay. But what does this mean to a businesses and cyber risks posed?

Remote working creates challenges for IT services and cyber security as many working away from the office can often be without the data and network protection they may have at work. A businesses IT support can't easily access hardware and afflicted computers when remote.

According to the UK Federation of Small Businesses, smaller enterprises are collectively subject to almost 10,000 cyber-attacks a day. One in five small firms say they've suffered a cyberattack in the last two years. What's more, the annual cost of such IT security attacks to the small business community is estimated to be £4.5 billion

To help businesses stay secure as they operate non-uniform working models, Charlie Acfield, technical IT director at Totality Services has shared the most prominent cybersecurity risks that companies face and tips on how to mitigate them.

CYBERSECURITY RISKS FACED

Remote company data access: Naturally, this creates the most prominent risk from hybrid working with the necessity to access company data remotely, whether this be in the Cloud or via remotely connecting back into the corporate network. When IT cannot easily access hardware and afflicted computers. When working remotely or logging into public networks, risks can increase and IT cannot control the network and the associated security settings.

Personal/un-managed device usage: There is increasingly a requirement to allow staff access to data from personal, un-managed devices on unknown and potentially unsecure networks which can all carry risk. Employers may not have taken sufficient, if any, security measures such as continually updating device software, using



strong enough passwords and/or Multi-Factor Authentication meaning the device and company data is at a higher risk.

On-site business applications: Particularly problematic are legacy line-of-business applications which more often than not reside on on-premise company servers. As such, this can be complicated to provide efficient and secure access to those staff and devices operating remotely.

WHAT STEPS TO TAKE TO MITIGATE CYBERSECURITY RISKS

As with securing all environments, a layered approach should be taken that builds up protection from the data source through to the endpoint where possible.

Protect cloud platforms: Cloud platforms such as Microsoft 365 and Google Workspace should be protected by company policies such as enforcing Multi-Factor Authentication (MFA), encryption and preventing data being downloaded to unknown/personal devices.

Device security measures: Any device being used to access company data should be protected beyond the boundary of the corporate network with

services such as DNS protection or secure, always-on VPN back in to the office or data centre.

DNS protection is a solution that can be installed on laptops, PCs and Macs and makes sure that the websites accessed are legitimate. DNS protection helps to ensure that any login credentials input into websites is private and secure.

Migrate on-premise applications: On-premise applications can often be migrated to cloud platforms such as Microsoft Azure Virtual Desktops which can provide far greater security and flexibility than is possible on traditional corporate networks and servers.

On the importance of tech on cybersecurity when operating a hybrid work model, Acfield said: “Traditionally, when company systems were only used and accessed in the office, the risks were more straightforward to mitigate as control was possible over the entire IT stack. With the change to more remote and flexible work practices, technology can help by protecting the methods of data access as well as the endpoints themselves, whether they be company-owned, personal (BYOD) or mobiles.”

VIEW ONLINE

FRESHWORKS HELPS PARCELHUB RESPOND TO SPIKE DURING LOCKDOWN

Parcelhub has been helping UK retailers fulfil online orders throughout the pandemic supported by Freshworks' customer service software, Freshdesk.

This enabled Parcelhub to increase its productivity and handle double the number of daily tickets per agent while bricks and mortar retail outlets have been closed, all while its customer services agents have been working from home.

Parcelhub handles orders from over 2000 retailers. Using its network of warehouses and vehicles it collects & consolidates the parcels before passing them onto the retailers' carriers of choice. Parcelhub white-labels Freshworks' Freshdesk software as part of its own solution. This way, the company can respond directly to any enquiries raised by its clients' customers. By outsourcing its customer service function to Parcelhub, one of its clients saved over £40,000.

As the COVID-19 crisis hit the UK and retailers across the country closed their stores, Parcelhub's business accelerated to fulfill increasing demand for online orders. In May, the business saw a 250 per cent increase in the number of orders flowing through its doors. This also led to an increase in the number of tickets its clients' customers were raising, everything from delivery time to returns and social distancing enquiries. On a typical day, each of Parcelhub's 60 agents would normally handle 100 tickets each. During lockdown however, this doubled to 200 tickets per agent, per day.

"Our team was working at double their capacity. Our customers were handling requests on everything from sports equipment, to clothing, to home improvement stock and even essential items,"

said James Hayes, director business development, Parcelhub. "As Freshworks' client for a number of years, we are fully versed in the capabilities of its Freshdesk software and offer it as part of our service to our own customers. It has been particularly valuable during the current pandemic as it has allowed us to alleviate some of the stress on the retailers by handling their inbound customer queries."

Despite the 100 per cent increase in agent ticket requests, Parcelhub's Proactive Tracking Support team has managed to quickly adapt to the new working situation to achieve all its clients' individual service level agreements. Thanks to Freshdesk, the Parcelhub team has been able to adapt quickly and prioritise the tickets based on those SLAs. This helps to maintain the company's own reputation, but also the customer service reputation of the retailers it represents. Freshdesk helps Parcelhub to prioritise, categorise and assign tickets and allows for collaboration to take place across its platform, giving retailers full visibility of Parcelhub's responses and enquiry handling.

"Freshdesk has played a key role in helping Parcelhub to continuously deliver on its SLAs all while managing the increased demand for its services. The Parcelhub team have been able to do this, all while providing that next level customer support that its clients rely on to maintain their own reputations," said Simon Johnson, UK general manager, Freshworks.

VIEW ONLINE

PAYING TRIBUTE TO BRITISH FASHION DESIGNER DAVID NIEPER, WHO HAS DIED AGE 90

It is with great sadness that we share the news that Mr David Nieper has died. He passed away peacefully on Wednesday, 11 August.

David Nieper established his fashion brand David Nieper Ltd in Derbyshire 60 years ago – this year being the company’s diamond anniversary.

Over the years the family company has grown from a fledgling business to an international fashion brand employing over 300 staff.

David Harry Nieper was born in Darley Dale, Derbyshire in 1931. His father worked for local knitwear manufacturer John Smedley. Growing up in Derbyshire, David regularly visited John Smedley’s mill, soaking up the environment of the region’s textiles industry.

Following a stint in the army, which took him into the warzone of Suez - David returned to Derbyshire and took up a management position at John Smedley before marrying, then launching his own clothing business with his wife Roe in 1961.

David Nieper Ltd started out designing and making nightwear, employing a handful of local

dressmakers and working from a Nissen hut in the town of Alfreton, which was rented from the council for £3 a month.

It didn’t take long before David’s beautifully made samples and charming sales patter had impressed buyers in London, and he secured his first order from John Lewis.

Going from strength to strength, the firm went onto supply all the top department stores and became renowned in the fashion world, especially for its pure cotton for nightwear collection.

Throughout the seventies and eighties the David Nieper brand grew exponentially and gained a high profile, working with models including Joanna Lumley and Yasmin Le Bon.

Joanna had recently been in touch to record her own memoirs for David’s book *Persistence Wins* which was published in 2019 and dedicated to his wife Roe.

In recent years, David focused on the collections and creative direction of the brand, working



alongside his son Christopher Nieper OBE, company CEO. The company and people were his life’s passion. Over decades thousands of loyal customers inspired him to go the extra mile in designing and making beautiful clothes in Britain, and he worked tirelessly with his team until his final days.

His creativity, flair for style and joie de vivre will live on in his collections to be enjoyed by customers across the globe. His quick wit and sense of humour will be remembered fondly, by all who knew and worked with him.

David celebrated his 90th birthday last month surrounded by his family. The family and everyone at David Nieper Ltd will miss him enormously.

Q & A WITH...

AMANDA NORMAN, CEO OF THE LEPROSY MISSION TRADING



CLAIRE HART, ASSOCIATE CONTRIBUTOR,
DIRECT COMMERCE MAGAZINE

VIEW ONLINE



It's far removed from teaching English to underprivileged students in the Congo, but Amanda Norman's experiences in developing countries have stood her in good stead for the role she now plays in leading The Leprosy Mission's trading arm into their next stage of development.

Amanda joined The Leprosy Mission Trading as their CEO a year ago, having previously worked as a Marketing Manager for a commercial educational publishing company, and then as Director of Fundraising at Methodist Relief and Development, now All We Can. Latterly, Amanda was a Careers Adviser at Cambridge University (from where she had graduated as a languages student several years previously).

Her focus there was very much on championing careers international development, the environment and conservation, whilst undertaking a digital rebranding and social media revamp.

This experience has been beneficial in her current role-leading the commercial arm of this global Christian charity with their aim of eradicating leprosy, a preventable and curable disease, by 2035.

Every two minutes someone is diagnosed with leprosy, meaning that within the time it takes you to read this article at least four people will have been diagnosed with leprosy.

[The Leprosy Mission Trading](#) is a commercial enterprise generating income to fund the diagnosis and treatment of leprosy, educating the public and raising awareness. The money raised also funds vital research. Furthermore, the ethically sourced products within the catalogue and website have the additional benefit of supporting disadvantaged local communities in countries such as Nepal, India, and Bangladesh.

TLM won the Direct Commerce award this year for the Charity Trading Brand category.





Q: HOW DID YOU GET INVOLVED IN WORKING WITHIN THE CHARITY SECTOR?

As a committed Christian I have always had an affinity for Christian causes and having worked in the Congo, I have seen first-hand how vital the support of charities like The Leprosy Mission is. I wanted to use my commercial and marketing experience for good causes.

Q: OUR READERS WOULD LOVE TO KNOW MORE ABOUT TLM TRADING – FOR EXAMPLE, WHAT CHANNELS DO YOU UTILISE?

We still use traditional direct mail with a printed catalogue. Our paper catalogue goes out to our 40,000 existing supporters and we also use the Abacus Consortium for prospect data. We send a mini catalogue out to prospects in late September. We then send a follow-up catalogue, with a different cover, in October to around 155,000 names. We are always looking at testing things like cover design and the timing of the postal drop.

Our demographic, like many charities, are females, age 60+, who tend to prefer a physical catalogue. That said, online purchases are of growing importance, especially during the pandemic. Now

the web is as important as direct mail in terms of income and growing every day. We are now going big on social – Pinterest, Instagram, and Facebook. Our Facebook page is offering free high-value giveaways to generate shares and likes.

We also have a regular email campaign. We email our supporters every week and like to keep them updated with news on our various projects and show how their support is making a difference to people affected by leprosy around the world.

Q: WHAT ARE THE BIGGEST CHALLENGES CURRENTLY FACING TLM TRADING?

Contrary to many charities the pandemic has been a huge boost to our income for TLM Trading as we benefited from the e-commerce boom with our biggest ever revenue year.

Our Christmas cards are a big draw and are an entry product for many supporters. We have our own exclusive designs and customers clearly still believe cards are important, but we do offer an e-card option too. Ironically sales of Christmas cards rose last year as people felt the need to keep in touch during lock-down.

CONTINUES OVERLEAF >

As a trading company we compete against other charities and see the likes of Embrace the Middle East and Traidcraft as our closest competitors and technically even companies such as Amazon.

Our ethos is gently Christian for those wanting to support disadvantaged countries. We recruited 14,000 new donors for The Leprosy Mission last year through our website and prospect mailings.

Q: HOW DO YOU MANAGE TO MAKE YOUR CATALOGUE VISIBLE IN A CROWD?

We know our customers well. We are focusing increasingly on ethically sourced, Fairtrade, sustainable or artisan products. Customers want this. We stock some 1200 products. Our aim is that a customer could do all their Christmas shopping with us. “Change lives with your Christmas shopping” is our strapline.

Whilst the range of products we stock may mean we receive lower margins; we are committed to providing communities with a livelihood. Even throughout the pandemic, we continued to place orders, paying half up front and the rest on delivery. This strategy has enabled them to keep going.

With 1,200 products in our catalogue and online range, we are certainly punching above our weight in terms of gift catalogue ranges. We profile our supporters to understand them better, and from this, we know they like reading for example. It is important to tailor the range to their interests. Popular products this Autumn Winter include the Pachamama Fair Trade fleece-lined knitted bobble hat with sheep, leather handbags and of course Christmas cards!

We then have a programme of communications designed to convert catalogue shoppers into donors, with good conversion rates at around 8 per cent.

Our “Gift for Life” alternative gifts are very popular. Customers can buy gifts that change lives, such as Covid vaccinations for 24 people in Nepal for £30, or livestock such as a pair of chickens or a goat. We also invite customers to add a donation to their order when they check out from the website. We raised £600,000 in Gifts for Life and donations in 2020.



Our Digital and CRM manager has improved the online user experience and added in features such as refer a friend. We also use an interruption page and pop-ups to encourage additional spend to get free delivery over £50. We also have a countdown function – in case you are wondering how many days there are to Christmas!

To bring the products to life, we have stories of products being made such as the £90 leather handbag made in Nepal by the Nepal Leprosy Trust.

Q: HAS WORKING FOR TLM CHANGED THE WAY YOU SHOP?

Leprosy Mission Trading is focused on sourcing Fair Trade and ethically sourced products wherever we can. We are constantly looking at ways to make our products more environmentally friendly, removing plastic packaging, using FSC certified paper and so on. So, yes, I think this has made me a bit more careful about what I buy and from whom.

Q: WHAT'S THE BEST PIECE OF ADVICE YOU'VE EVER BEEN GIVEN?

So much over the years. One I live by is to “Be willing to take the first bite out of the elephant.” So much change does not happen because we are afraid to take the first step. The Leprosy Mission is a Christian charity so I would also want to add that “With God all things are possible.” (Matthew verse 19 v 26). I really believe that and have put it into practice again and again in my career.

My advice to anyone in Direct Marketing is to say

you can only grow if you embrace technology, even if you feel inadequate or frightened. Don't be scared.

Q: WHAT IN YOUR OPINION IS THE MAIN BENEFIT OF BEING A DCA MEMBER?

Some great training and sharing sessions. Winning the award has been a fantastic boost for us in terms of profile and recognition of the quality of the work we do in raising funds and awareness of leprosy through our shop www.tlmtrading.com

Q: WHAT ARE YOU HOPING TO ACHIEVE OVER THE NEXT YEAR?

We are investing heavily in our online capability with ongoing website upgrades in hand and added functionality in the pipeline. We work with a company called Tom & Co who redesigned it 4 years ago.

We also plan to go live with our new Salesforce database, which should be launched before the end of the year. This will enable us to segment our donor base, generating much more targeting communications and providing us with better reporting and automated follow up.

Social media is the lifeblood of websites, so we have appointed a new Digital Marketing Assistant to drive that forward.

Our aim is to raise more money than ever before. It costs only £24 to cure someone of leprosy so every penny counts. We are committed to our goal of zero leprosy – that no-one will catch leprosy after 2035.

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MAKING THIS CHRISTMAS ONE TO REMEMBER (FOR ALL THE RIGHT REASONS!)



BY LEE MILES, CHIEF CUSTOMER SUCCESS OFFICER, SITECORE

VIEW ONLINE

The past 19 months have been incredibly difficult for the UK retail sector. Looking back to Christmas 2019, retailers could never have predicted what was in store for them – a global pandemic shutting down high streets and changing shopping behaviour forever. Fast forward to Christmas 2021, the high street looks very different.

We know eight in 10 (83 per cent) UK marketers believe this festive shopping season will be ‘make or break’ for their brand. However, as they look to make this Golden Quarter a success, they are threatened by supply chain issues caused by both Brexit and the pandemic.

Recently, consumers have been warned of wavering stock supplies in the lead up to the festive period, with toy shops claiming the prospect of empty shelves as a high possibility, and supermarkets asking customers to start shopping early to avoid disappointment. Not to mention a developing European CO2 shortage threatening the availability of roast turkey this Christmas.

With our research revealing half of British consumers plan to celebrate more this year following a disappointing 2020, brands need to start capitalising on Christmas 2021 now. They must grab the opportunity to change the future of retail for years to come, by using technology to connect the in person and online customer experience before it’s too late.

CHANGING CONSUMER HABITS

Consumers have changed the way they like to shop. The pandemic accelerated the need for retailers to prioritise their online presence, with 44 per cent of consumers saying they plan to shop solely online this Christmas. But as retailers reopened their doors this summer after lockdowns were eased in many parts of the world, consumers remembered what they like about in-person shopping. That’s why integrating physical and virtual spaces has become essential.

Nowadays, consumers want a personalised shopping experience completely tailored to them and this Christmas will be no different. 47 per cent of Brits said they will shop with the brands that are championing their loyal customers with exclusive, pre-sale deals in the run up to Christmas. A quarter have said they would like to receive suggestions and reminders to help them plan their spending.

Brands need to make sure their businesses are ready for a new style of holiday shopping that puts the customer at its heart. Bespoke deals, targeted products and a combined online and in-person experience are



all becoming more valued by customers, so it pays to make shopping experiences as easy, seamless and personalised as possible.

MEETING DEMANDS IN A TIME OF TURBULENCE

Communication is key in difficult times. Using tactics such as regular email updates for those who have opted in, to update them about upcoming stock, or implementing chatbots to allow customers to get real-time information about specific items' availability, will allow retailers to keep customers happy and engaged. Taking advantage of technologies such as AI and chatbots and using them to improve online customer service (57 per cent) – can prove as an excellent way to engage further with those shopping from home.

THE GIFT OF CUSTOMER DATA

Maximising the use of customer data, which these days means discerning insights in real-time, is key to understanding how consumers want to shop, what they want to buy and when they want to buy it. With 63 per cent of marketers believing that customers will be willing to share personal

information if it means they are going to get a personalised experience, the challenge is to know which data is worth collecting. When done well, brands can develop customer profiles that are individualised enough to increase purchases and improve brand perception. As the conversation about data sharing and privacy preferences continues, brands need to be transparent, open and honest with their customers.

SLEIGHING CHRISTMAS SALES

There's no denying that this year's festive shopping season will be different – and not just with the sanitising stations and Perspex screens dotted around shops. As retailers plan for a likely record-breaking festive season, a sense of unease for what is going to come can be alleviated with adequate planning. Real-world supply chain issues and evolving buying behaviours have left many retailers and consumers wondering what will happen next. But, as Christmas 2021 draws ever closer, retailers must prepare for a new level of integrated, personalised shopping experiences.

LAST CHANCE SALOON



BY RUSSELL LOARRIDGE, REACHFIVE

VIEW ONLINE

Is the writing on the wall for eCommerce? Customers have relied on online retail for 18 months, with repeated lockdowns contributing to an extraordinary spike in growth – online now contributes 36 per cent of retail revenue compared to just 16 per cent pre-pandemic. Yet, while some of this new buying behaviour is likely to stick, online is no longer an emergency destination and retailers have failed to take note.

People are missing the quality of shopping experience. Buying online is a mechanical process at best, excruciatingly frustrating at worst. With growing confidence to return to the high street, the decline in online retail is inevitable. The big question is just how steep that decline will be.

As the peak season excitement of Black Friday and Christmas approaches, retailers have one last chance to take a serious look at the online experience and deliver the level of personalisation customers expect.

NOW OR NEVER

Over the past 18 months, online retailers have worked hard to scale up to meet customer demand. Websites are more robust and can handle increasing customer numbers without delays. Logistics processes have been overhauled. From diverse delivery options to an improvement in picking accuracy, fulfilment is more efficient.

But the essential buying experience remains the same – inadequate, perfunctory, exasperating. Why are individuals still compelled to wade through piles of irrelevant items in an increasingly desperate bid to find the required product... only to discover it is out of stock? A jumble sale would be more fun – and more productive. Is it any wonder basket abandonment and product returns continue to spiral?

Online is no longer an emergency destination – and consumers expect something better. A lot better. Yet retailers have simply accepted the new customer base and assumed it's here to stay. There has been no attempt to truly discover who these customers are – over and above uninformative email address and telephone number. From gender and size to preferences and hobbies, a good retail experience

has always been predicated on providing a product that meets a customer's needs. Yet, the vast majority of online retailers still have no real understanding of the individual preferences of each customer.

FAILING CHANNEL

The pandemic-induced sales growth is masking the reality: online retail isn't working. It's not working for customers who are missing the quality of a personal interaction in store. Moreover, it isn't working for retailers facing an ever escalating cost of sale. From the logistics disruption due to both inbound shipping delays and a critical lack of HGV drivers, as well as an escalating cost of sale with labour, fuel and marketing costs on the rise, already small margins are under pressure.

Something has to change – and fast. How can retailers create a loyal customer base that is also profitable – one that doesn't eradicate profits by using now expected free returns to order multiple products and return at least half? How can retailers create the positive brand loyalty and environment that actively encourages customers to come and browse – both online and in store? What is the best way to move from the chaos of the online jumble sale to a virtual

store that can use customer knowledge to take customers straight to the products they love?

It's all about creating a personal connection. Asking the customer their gender and age bracket, for example, immediately allows the retailer to present a far more relevant subset of the overall product mix. Request an ideal colour palette or preference for fell running over treadmills, and the retailer begins to create a valuable profile that can be used to nudge customers towards the most suitable items. Add in a 'only show available stock' button and time pressed customers will avoid the frustration of clicking on items only to discover at check out they are no longer available – or not available within the timeframe they want them by.

MAKE IT PERSONAL

Customer information can transform the quality of the shopping experience. This is not, however, about using super intuitive AI tools which may, at best, conclude a customer has a 98 per cent chance of being female and a 12 per cent chance of being a prima ballerina. Why not just ask the question? People aren't ordering multiple items because they are desperate for a trip to the Post Office or courier collection point; with inconsistent sizing and inadequate online descriptions they have no choice.

Why not use this behaviour as a trigger to engage and interact? If a customer puts multiple sizes of the same product in a basket, a pop up can suggest they

provide measurements to help the retailer recommend the best fit. This information can then be captured and used to enhance the customer experience every time, with a personal identity that becomes deeper with each visit.

It sounds simple but encouraging customers to provide their accurate measurements provides a huge step forward in the quality of the online experience and, critically, in reducing returns. Some online-only retailers are offering innovative virtual measuring services, while those with online and physical presence can make it an event. Inviting customers to a pop-up shop opening where they can have a free cup of coffee, a chance to preview a new collection and a chance to be measured at the same time, is a great way of building engagement and improving personalisation – and ensures the customer knows what size to pick next time.

SO MANY OPPORTUNITIES

Personalisation could and should be built into every stage of the online experience. Why, for example, are retailers not using returns information to improve their individual customer understanding? While some companies capture that data at a generic level to provide insight into issues with product quality and sizing, linking it to each individual customer is also hugely valuable.

Adding it to a customer's profile will help individuals with their next buying decision. They can check their buying history,

including sizes, what they kept and what was returned, which will help them choose the correct size first time, improve the experience and minimise the need to buy – and return – multiple sizes. Or why not present a simple pop up reminding the customer which sizes he or she tends to keep, to provide a quick nudge in the right direction?

A customer searching for children's football boots at the end of summer is probably getting ready for the new school term. Why not make the process quick and simple with a pop up saying – looks like you're buying back to school gear, here are the items in that size we have in stock now and can get to you before term starts. Creating a personal connection isn't complex – it just requires the right mindset.

CHANGING BEHAVIOUR

The speed with which online sales increased when the pandemic hit shows retailers just how quickly customer behaviour can change. And, right now, what is the reason for customers to keep buying online while the quality of experience remains as perfunctory and impersonal as ever?

Having invested heavily in online operational processes, retailers now face a rapid decline in demand at a time of eradicating margins. Nurturing a loyal customer base should be a priority. With peak season rapidly approaching, retailers are in the last chance saloon – action is required now.

WHY GOOGLE ANALYTICS 4 WON'T MEAN A THING IF YOU'RE NOT MEASURING THE RIGHT THING

VIEW ONLINE

The introduction of GA4 has got many SEOs, analysts and marketers extremely excited, and has driven an increased focus on measurement and analytics as a whole. With GA4 you can measure far more than with Universal Analytics (UA), adding new layers onto those pleasing-to-see metrics; the metrics that the CEO feels comfortable with or that indicate when teams need to panic, drop everything and address the problem with more money and resources.

But actually, the introduction of GA4 has the potential to waste even more money for many businesses, because they're simply measuring the wrong thing. They're likely to lift and shift – continuing to measure things they're comfortable with, rather than stepping back to actually review what they need to measure; to measure the things that tell them how they can change to transform.

So while GA4 promises to take your measurements to a new level – we're encouraging businesses to not get sucked into the more mentality when it comes to measurement, but to take the time to review whether they're measuring the right thing and identifying what they need to measure based on current business objectives.

MEASURE THE RIGHT THING, NOT EVERYTHING

With GA4, Google has attempted to help marketers to improve their insights from data and increase ROI. But the temptation with a move to GA4 will be to

just lift and shift. Keep the same measurements – but maybe just add a few more using the new property's features. The reality is the KPIs that a business is measuring were put in place years ago.

At Code, we've found that many of the organisations we work with have never done a measurement audit since launching their digital platform, even though it may have had many iterations. What's being measured hasn't been given the same thorough scrutiny as deciding what digital techniques to deploy in order to reach and satisfy audiences. The best practice is actually to review metrics every 12 to 18 months.

And even when apps or new touchpoints have been added, often the same and 'typical' metrics are measured as prescribed by what can be quantified in those channels. But while many businesses now have multiple platforms and channels – it doesn't mean they can and should be measured in the same way.



BY SHELL EPTON, HEAD OF ANALYTICS, CODE COMPUTERLOVE

GETTING STARTED WITH A MEASUREMENT FRAMEWORK

The first step to knowing whether you're measuring the right thing or could be measuring less is to do a measurement workshop. The overall premise is to ask; do your KPIs still reflect your business and the customer journey? Supporting this goal is to ask if the measurement you do reflects the real objectives of the platform or customer journey that's relevant to today's consumers.

The process begins with a stakeholder session. Part of reviewing how businesses measure is to acknowledge that data is a team sport. By working alongside all of your stakeholders and your team – not just looking at numbers – data analysts get a complete picture of a business and its digital estate, including its pain points. This also ensures that the knowledge being shared is that of the current team – which again could have changed since original measurements

were put in place. Stakeholder interviews can help to define the vision, which is step two of the process. It's then important to take a deep dive into what customers are actually doing – not just looking at what the data is telling us. And to map these actions against what the business wants customers to do – to see if there is a disconnect.

And consider; not all platforms are designed to do the same thing – so it may seem obvious, but this means that they shouldn't all be measured in the same way. Results of the workshop will then enable teams to create a Measurement Framework.

Within the framework, we account for what influences changes in metrics to add a 'human' element to the measurement. There are many things that businesses can't actually do anything about that impacts conversions from seasonality to major events.

The framework will allow organisations to cross-check against these. Often journeys are not straightforward and not static, and frameworks help you to measure successfully so that decisions can be made based on true insight on how to drive positive digital change.

THE METRICS THAT MATTER

If your organisation doesn't understand or trust data, you won't truly understand your customers. Too often, the data is unreliable. A web analytics tool might say one thing, while your back-end operational dashboard says something else.

By auditing your data analytics and connecting data sets, organisations can answer big questions about their customers and operations and make better decisions with confidence. So before jumping into GA4 – consider first the importance of measuring the right thing, not everything.



WHY WASTE YOUR PAID SEARCH ADVERTISING BUDGET?



BY BETH TAIT, MANAGING DIRECTOR, GO INSPIRE INSIGHT

VIEW ONLINE

On a global scale, paid search represents nearly a third (32 per cent) of generated eCommerce sessions, making it unarguably a key marketing medium. Last year, businesses in the UK spent 8.37 billion pounds on paid search advertising. While it may be evident that paid search advertising must continue to appear at the top of every marketer's agenda, few marketers have the capacity to specify how much of their paid search spending is delivering a clear return-on-investment (ROI). At a time where post-pandemic budgets are under a great deal of pressure, knowing how much of this spending is going to waste is vital.

Until now, the discussion has largely pivoted around the idea of optimising paid search campaigns. In other words, developing a greater understanding of which parts of the campaign are working and which are not. Yet, there is still much room for improvement in this area. A recent study suggested that 42.3 per cent of account managers had no system in place to track conversions and campaign efficiency. Without these systems in place, important insights may be overlooked; for instance, the average PPC account is producing all of its sales from just 12 per cent of its keywords.

While analysing budget efficiency is a great place to start, these findings could be made even more constructive by integrating knowledge around customer segments. Most PPC campaigns and subsequent discussions on the topic typically treat all customers exactly the same way: as a net new customer. While Customer Relationship Management (CRM) systems recognised decades ago the need to treat customers as individuals, as in the pre-internet era, the automated world of paid search has seemingly overlooked this approach.

In order to pinpoint the exact amount of paid search spending that goes to waste, Go Inspire decided to conduct a series of control tests with its customers. Between 2018 and 2020, 500,000 consumers took part in these control tests which were able to show the typical proportional

Sector	Estimated wasted spend on paid search 2020 (£ million - based on annualised data on H1 2020)
UK Total	728.9
Retail	144.3
Consumer Goods	96.2
Financial Services	88.2
Computing and Consumer Electronics	75.8
Automotive	81.6
Travel	57.6

savings that could be made by putting into practice an intelligent approach to paid search. The results were then extended across a number of markets – using the paid search budgets for that sector. Using a conservative model, the outcome of the study showed that UK businesses could be saving £728.7 million of their paid search budgets.

ALL-SEEING STRATEGY

The first step towards building a robust paid search advertising campaign involves gaining a holistic understanding of the customer – both online and offline – and building a picture of typical customer journeys and triggers. This process will also help to identify customer segments, depending on patterns of behaviour, and help to identify the value of each customer type. Through this analysis, businesses can ascertain which customer segments will react positively to paid search campaigns. From there, in order to develop a more refined approach to paid search, one must consider at which stage of the customer journey paid search will fit into – if at all. This may differ between different customer segments.

Creating a 360-degree customer view offers markets greater visibility, differentiation and control. Customers may return to a website for many reasons, including to leave a

review or purchase accessories. Remarketing messages to a customer that has already purchased or moved up a state in the customer journey will be ineffective and at worst perceived as a nuisance. Investing in this step is likely to produce a considerable return on investment. Yet, despite the wide availability of numerous tools offering multi-channel insight into customer behaviours, many companies are lacking the 360-degree view of their customers which would allow them to carry out this exercise. Once a holistic, 360-degree view of the customer is established, offers and messages must continue to be re-assessed to ensure they are delivering the best possible outcome.

THE CUSTOMER'S INTENT

The next stage involves harnessing this intel to deploy a more targeted paid search advertising campaign. When bidding their own brand name, marketers should be more strategic. If customers are already looking for them organically, presenting paid search advertising is a waste – as they would have clicked through to the website anyway. Understanding the customer's intent is therefore crucial. Only if the customer is seeking a competitor or is lapsed will the paid search advert be a good use of budget and stand a chance of serving

its purpose by recapturing their attention. Accidental clicks of misdirected searching can often lead customers to visit a page, leave and never come back – this is what we call phantoms. Only 25 per cent of phantoms may respond to a paid search message, thereby greatly diminishing your quality score and increasing your cost per click.

Since the pandemic, the customer journey has undergone a lot of significant changes and continues to do so. Go Inspire's recent study on post-pandemic segments offered valuable insight into how behaviours have evolved both online and in the real world, among both new and loyal customers. While many marketers know that some of their paid search advertising is going to waste, some may not know to what extent and in which areas the wastage is happening. Without insight into customer segments and journeys, addressing the problem will be a challenge. The pandemic has certainly highlighted the importance of frequently clicking the refresh button on our understanding of customer behaviours and staying up to date with customer preferences and responses to different marketing channels. To optimise paid search advertising campaigns, continuous monitoring of these emerging and evolving segments, as well as their patterns and triggers, will be essential.

For more information, download the dedicated report on wasted paid search from Go Inspire Group here: <https://www.goinspire.co.uk/whitepapers/which-bits-not-working/>

DIGITAL TRANSFORMATION OR DIGITAL EVOLUTION?



BY JASON CHESTER, DIRECTOR
OF GLOBAL CHANNEL
PROGRAMS, INFINITYQS

VIEW ONLINE

In a nutshell, digital transformation is the process of leveraging digitisation to transform business outcomes. So, what is the difference? I think that digital transformation (like so many other phrases coined by the IT industry such as Industry 4.0, big data, cloud, internet of things et al) is not the best or most accurate phrase to have been coined as it can lead to ambiguity, principally because of the word 'digital'.

Digitisation is the conversion of manual, or analogue, information and processes to digital ones. For example, information captured on pen and paper is analogue. Converting that into a digital format such as entering it into a spreadsheet, or database, is digitisation of that analogue information. Converting an analogue signal from a machine sensor to a digital format and storing that in a computer system is digitisation.

Of course, we have been doing digitisation for decades. The difference is what we then do with that digitised data. Historically, it has been for record keeping (sales orders, purchase orders, customer records, machine settings, quality check results, etc), or generating tabulated reports (monthly sales, budget tracking, customer demographics, quality performance reports etc).

But it is not digital transformation. Digital transformation is where the emphasis is on the second word – transforming the digital information that we have using new and emerging technologies, tools and techniques.

WHAT MAKES IT TRANSFORMATIVE?

Digitisation is what IT has been doing for years, and back in the day that certainly was transformative. Converting payroll processing from punch cards to computers was transformative. Converting customer records from a rolodex to a CRM system was transformative. Issuing a purchase order via EDI rather than Telex was transformative. But once digitisation became commonplace, the returns on business benefits plateaued. It became the norm, it became unspectacular.

But by digital transformation, we are not talking about incremental improvements by upgrading to a more modern CRM system, perhaps in the cloud that can be accessed remotely, or integrating payroll into larger financial management systems, or migrating from private EDI links to public networks using open standards. That march of progress happens anyway and will continue to happen in perpetuity. That is not digital transformation, that is just IT improvement, or IT evolution.



So, it continues through cycles in transformation, evolutions and maturity, and through each cycle the returns plateau as the low hanging improvement fruits are harvested and more significant gains become harder to come by. That's until the next cycle of innovation arrives - which happens to be where we are now.

We are at a point where new and emerging technologies are converging with maturing technologies that provide access to a new wave of innovation through the ability to leverage existing digitised data with automated process in new and transformative ways.

We can now collect, store and processes vast amounts of information quickly and at low cost (thanks to cloud computing), we can collect and sense data from the physical world in real-time (thanks to low cost embedded sensors and IIoT), we can combine data from our internal data stores with external data sources (through public and open networks, protocols and standards), we can apply innovative new ways of analysing that data (thanks

to advanced analytics and data visualization) and we can access those results anywhere, anytime and on any device (thanks to mobile networks and devices).

Together these things enable us to do things that we have never been able to do (either technologically, conveniently or cost-effectively) in the past. This is what is giving rise to transformative outcomes.

Being able to accurately forecast sales demand at a granular level and adapt the entire supply chain in real-time to meet that demand without the need to stockpile warehouses full of stock, can be transformative. Being able to predict variability of product quality performance in real-time through the manufacturing process and adjust those processes in real-time to minimise waste and maximise output, can be transformative.

A SHIFT TOWARDS DIGITAL EVOLUTION?

SolarWinds MSP president John Pagliuca recently described digital transformation as “a dumb phrase”, arguing “digital evolution” is much more suitable. It could be argued

CONTINUES OVERLEAF >

that transformation is a “dumb phrase”, but for the wrong reason. Digital evolution is what we have been doing for decades. Unless, of course, you still run your company’s CRM system from Roladex. Evolution is about continuous incremental improvement but for the reasons stated above, we are at a point where new technologies, tools and techniques are enabling companies to make transformative changes to their business (or manufacturing) processes. The “dumb” bit for me is the use of the word ‘digital’ in digital transformation.

What we are really talking about is the use of intelligence to drive transformative business outcomes, either artificial intelligence, or by augmenting human workers with greater information, insight, intelligence and processes in order to amplify their own human intelligence (just as power tools augment our physical capabilities). So, I would argue the phrase “intelligent transformation” is much more suitable.

SO WHAT IS IT? DIGITAL TRANSFORMATION OR DIGITAL EVOLUTION?

The technology industry is without doubt the grandmaster at hype (and I know because I have been a part of it for almost thirty years!). That has never changed, and it never will but what starts out as hype, invariably matures and becomes mainstream over time, yet it is the same conceptually. The microchip was once hype, desktop PCs were once hype, the internet was once hype, broadband was once hype, cloud computing was once hype. We have an innate human trait to dismiss anything as hype when it is new, when we don’t fully understand it or when we can’t see the benefit of it. Each of these get coined a name, a phrase or a three-letter acronym (now more commonly stretched to four to give us more options!). And so, the overarching moniker is then what becomes demonised.

What we need to do is to look beyond the technology. Technology is worthless. Yes, as a veteran of the technology industry, you read me correctly – technology is worthless. Technology is not what delivers business value. It is what that technology enables us to do that delivers business

value. It is the capability it provides that delivers business value. It is the competitive edge that it provides that delivers business value. It is the differentiation that it enables that delivers business value.

The whole notion that companies are “taking a huge leap in the dark to “transform” their business” is a flawed notion and one that has been perpetuated by the business schools, management consultancies and indeed parts of the technology industry who have a vested interest in that notion been believed.

Let me give an example: Imagine a manufacturing company that has one production line that is continuously problematic, suffers high degrees of unpredictability and variability, produces consistently poor-quality products and as a result generates a lot of waste. It has no way to capture, monitor and analyse trends over time with various aspects of the machinery or processes, only capturing quality measurements periodically at the end of the production process. That’s a problem and it impacts business outcomes (cost, waste, customer satisfaction, profitability, market growth etc).

Now imagine that this same manufacturing company turns to modern technology, tools and techniques to monitor in real-time all aspects of the production process and correlate that with the characteristics of the product been produced. It now has the capability to automatically analyse those data streams in real-time and use modern statistical algorithms to continuously identify variation and anomalies in order to predict the adjustments that need to be made and ensure the product and the process remains in control.

After that successful initiative, it decides to apply the same approach on the next line, and the next, and then the next plant, and so on... At what point does it become ‘digital transformation’? Does digital transformation have to be ‘disruptive’ for it to qualify to be termed digital transformation? Or did they turn to new technologies, tools and techniques in order to transform business outcomes?

At the end of the day, we can call it whatever we want, but the outcome is inevitably the same.

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09.00-09.30 NETWORKING

NETWORKING

	THEATRE 1	THEATRE 2
09.30-09.55	<p>Hello, welcome & review of key opportunities and challenges in the market Nigel Swabey, DCA President Emeritus & Chairman Scotts & Co</p>	
10.00-10.30	<p>Live interview with Christopher Nieper, CEO, David Nieper & Katy Ingram, Account Director, Sweet Analytics</p> <p>Most businesses serving the mature market enjoyed strong demand during the pandemic and its assorted lockdowns; however, unlike David Nieper Ltd, many were also impacted by their supply chains which have made them reliant and vulnerable to problems in the Far East. In this interview Christopher will share why he thinks it is important to keep control of your key supplies, limit outsourcing & why he is so passionate about investing in education.</p>	<p>Are privacy features in IOS 14/15 bad for business, and can I turn them to my advantage? Chris Simpson, CMO, More2</p> <p>With the rising tide of privacy measures driven by big tech, regulation, and consumer demand, we face growing challenges to how we target, measure, and deliver relevance.</p> <p>This session will discuss the impact of greater privacy on customer acquisition and retention, share some of more2's own benchmarks and talk about the risks and opportunities this presents to direct brands.</p>
10.35-11.05	<p>6 techniques to use data compliance to grow your active customer base and increase your revenue per customer Rob Bielby, Consultant, MIG</p> <p>A revelation for some and an innovation for others, this session will help businesses better understand how the current data laws can be used in their favour.</p>	<p>Perfecting Black Friday 2021: How can you make it work for you? Chloe Thomas, eCommerce Masterplan</p> <p>eCommerce marketing problem solver Chloe Thomas will be sharing the latest insight on how to get Black Friday 2021 right for you. From clever marketing tactics to your discount strategy, she'll be covering it.</p>
11.10-11.40	<p>Lessons learned from Brexit with Hakan Thyr, Chief Revenue Officer Fruugo</p> <p>A lot has changed for retailers since 1st January and in this session, Hakan will explore what lessons have been learned along with case studies from successful retailers.</p>	<p>Why what you thought was important about your email marketing is not as important as you think Nicola Fox, Consultant, Fine Tooth Comb</p> <p>Nicola has worked in retail marketing for 20 years and is now a specialist in loyalty and CRM. She believes that marketing teams know what their customer marketing strategy should be but are usually hindered by 1 of 3 things...data, culture and technology. If you're obsessing about send day and preoccupied by open rate, this is the session for you. She'll share how whatever your current position, you can start to change how you think about email marketing in your business and start to get it performing better for your brand.</p>

	THEATRE 1	THEATRE 2
11.45-12.15	<p>Long-Tail Stock? The Fast Track to Lost Profits! Julian Grindey, Partner, Sigma Efficiency</p> <p>Addressing the issue of long-tail stock will protect gross margins. Leaving it unattended too long will magnify the problem ten-fold!</p> <p>Pareto's rule frequently applies to retail sales performance; it dictates that roughly 80 per cent of your sales will come from 20 per cent of your products. What's less predictable is that the top 20 per cent of products will probably represent 80 per cent of your stock investment, leading to a 'long tail' of stock festering in your warehouse. Managed correctly, customer satisfaction, sales and profits can rocket.</p>	<p>The power of marketplace for customer acquisition and retention Parry Jones, Deputy CEO What's Possible Group</p> <p>Amazon's marketplace accounts for over 50 per cent of its sales. Airbnb has more listings than the top 10 hotel chains combined. Marketplaces are powerful. Connections have built a marketplace of some of the world's most exciting D2C brands, including fast-growth subscription dog food brand Tails.com. Find out how you can partner with Tails.com, use the marketplace for low cost customer acquisition, increase customer retention and generate a significant new revenue stream. A must for any D2C marketing team.</p>
12.20-12.50	<p>Fulfilling International Orders Nick Frazer, Carrier Development Director, Whistl</p> <p>With the advent of Brexit and the introduction of the greater complexities involved in getting orders over to customers in the EU, many DTC businesses found it was going to be too time consuming to continue to continue to serve customers in Europe. In this session find out how obstacles to friction free trade can be and are being overcome by successful retailers for which international trading is key to success. From Brexit through COVID and IOSS, discover how an agile multi-carrier delivery solution can get your international activity moving again in Europe and beyond.</p>	<p>How Museum Selection optimises its marketing budget using customer insight Beth Roach, eCommerce Manager, Museum Selection & Lara Bonney, Director, Tapestry Agency</p> <p>In challenging times, making efficient use of your marketing budget is never more critical. In this session, Beth and Lara will discuss how Museum Selection has been working with Tapestry to use customer insight to develop a multi-channel marketing strategy designed to drive business growth without busting the budget. From enhancing catalogue marketing planning and revisiting the approach to customer communication, to using attribution and incrementality testing to inform channel investment, this session will show how data-led decisions are helping Museum Selection grow its business.</p>

12.50-13.50 NETWORKING

NETWORKING

	THEATRE 1	THEATRE 2
13.55-14.25	<p>The role of catalogues in engaging Gen Z and Millennials Sophie Grender, Royal Mail</p> <p>One of the commonly held perceptions in catalogue marketing is that it is only the older demographics who engage with them. Young people live their lives online and surely don't engage with print! Gen Z and Millennials actually engage at a higher rate in terms of commercial interactions than those aged 34 plus. As a result of receiving catalogues they visit the sender's website, they make purchases, they discuss the catalogue content with others. In this session, Sophie will take a look at fashion, homewares and gardening to explore this further. These younger groups actually prefer a blend of physical and digital, we're calling it "phygital". We'll take a look at how the latest technology can make a seamless connection from offline to online in some exciting ways.</p>	<p>WORKSHOP 13.55-15.55:</p> <p>eCommerce Masterclass Part 1 Ian Hammersley, CEO, SmarteBusiness</p> <p>In this 2 hour masterclass, Ian will share 6 key KPI's to achieve rapid eCommerce growth:</p> <ol style="list-style-type: none"> 1. Essential elements for Ecommerce Growth 2. Market Square Test, Anxiety Analysis
14.30-15.15	<p>Channel Attribution: Who's fooling who? Debate led by Nigel Swabey, DCA President Emeritus & Chairman Scotts & Co</p>	<p>eCommerce Masterclass Part 2 Ian Hammersley, CEO, SmarteBusiness</p> <ol style="list-style-type: none"> 3. Add to Basket, Basket to Checkout, Checkout to Order KPIs and how to improve 4. Average Order Value Robustness
15.20-15.50	<p>Mastering the Art of Storytelling Matt Fey, Creative Director, J Schmid USA</p> <p>Today's consumer is looking to align themselves with brands they believe in. So how do we make that connection? Brands that share their story—letting people know what they believe in, where their products are made, what inspired their founders, how much quality matters to them—these are the brands that are winning today. And storytelling is their secret. The fact is, storytelling works in marketing. Period. Great brands have been using this technique for decades. And today it's even more important since consumers want to know who you are, what your brand values are, and what makes you special BEFORE they consider buying from you. In this session, you'll learn the storytelling techniques that great brands use to connect emotionally with their customers.</p>	<p>eCommerce Masterclass Part 3 Ian Hammersley, CEO, SmarteBusiness</p> <ol style="list-style-type: none"> 5. Traffic Growth 6. Life time Customer Value

	THEATRE 1	THEATRE 2
16.00-16.30	<p>Live interview with Daniel O'Neill, Owner, ProCook & Claire Hart, Direct Commerce Magazine</p> <p>ProCook has enjoyed incredible growth over the past few years, opening new stores and achieving record online sales. In this live interview, ProCook owner Daniel O'Neill will share his story and tell us what the future holds.</p>	<p>A refreshingly generous approach to Q4 campaign-planning – Charitable giving and new customer acquisition.</p> <p>Stephanie Foxley, Digital Lead, STRYKK & Jack Vernon, Client Delivery Manager, Infinity Nation</p> <p>Bursting into the online non-alcoholic spirits scene in 2020 with All The Spirit, None of The Alcohol™, STRYKK have grappled some serious swings in consumer demand over the last 18 months.</p> <p>Learn how STRYKK & Infinity Nation's partnership has blended direct response eCommerce channels with newer programmatic brand response technology and how this cocktail of channels is being used to capitalise on the brand's imminent partnership with Movember and into the festive season.</p>

16.35-17.00 NETWORKING

NETWORKING

Correct as of 13th October 2021

Places for all DCA members are **FREE**

Contact us to check your membership status and to register

Non members are welcome to attend, single places are £65 each or £145 for an unlimited number
Call 0208 092 5227 or contact us to register

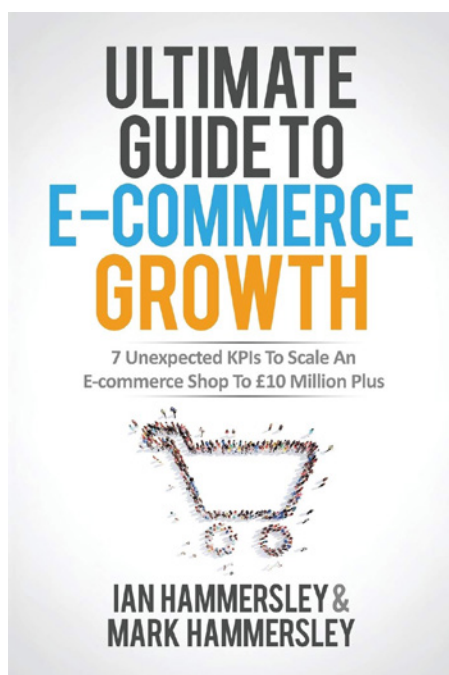
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ULTIMATE GUIDE TO SCALABLE ECOMMERCE PART 7



BY IAN & MARK HAMMERSLEY

VIEW ONLINE



DIG INTO YOUR STATISTICS

While you might work hard to keep all of your customers on regular buying cycles, some will turn into lapsed customers. Digging into your statistics will help you understand which ones have become lapsed—which means they haven't purchased from you in 12–18 months and the probability of them buying from you in the future is low. With this information, you can create an offer that will help you increase the spend potential of this type of buyer. By giving these lapsed customers an offer you wouldn't give your current customers, or those who would readily purchase from you at a higher rate and with your current model, you can increase your revenue across the board. Information like this keeps you from having to make a trade-off, like offering a discount to everyone just to motivate a small section of your buying audience.

TRACK AGAINST MARKETING CHANNELS

Tracking each marketing channel helps you understand where your best customers are coming from and which channel is increasing your lifetime customer value. Are customers coming in from SEO

or from AdWords? If they're coming in from AdWords, you can even dive in and find which campaign is having the most success. With this information, you can recruit more customers with high lifetime customer values. For instance, instead of your normal return on spend for each area, you might lower your return on spend for those channels that are increasing the LTCV so that you can recruit more customers that will come back throughout the year and buy more of your products.

ScentTrail allowed us to track LTCV via marketing channels. It also allows us to see what effect the initial marketing offer had on LTCV. For example, if we're looking at 10% OFF vs. 20% OFF, what would be the effect on the LTCV? We know as we've tested it across multiple clients. The answer is not nearly as much as you would expect.

It's important to note that many of our clients have a problem with discounting, simply because they don't want their website to be known as a discount store. To make sure this doesn't happen, we recommend making each

discount look as if it's the only one being offered. This way, visitors believe they are getting the best price—and everyone else has to pay full price. Some websites also avoid discounting because they believe it will affect their LTCV negatively; many think that customers will only purchase products when they are discounted. This is not the case.

The trick is finding the middle ground which is being able to discount but doing it covertly and never looking like a discount site. For example, one website that sells contact lenses changes the pricing it offers in the Google Shopping channel to undercut competition and it does this dynamically. However, if you were to visit the contact lens store via the home page you would see a different price, i.e. this store is discounting where it needs to, in order to get the sale, but charging a higher price where there is less friction. We have also used similar strategies when a manufacturer has a large wholesale business and wants to start a direct channel. To get the direct model off the ground you need to have good offers to beat the wholesale market, but as soon as you do the wholesale channel freaks out. So you have to proceed with caution and only show the discounts to traffic that is most likely not your wholesalers coming to check on your pricing.

The critical thing here is to not look like a discounter, to make the visitor believe that most people are paying full price and that they are one of the few getting a deal. This middle ground

is one of the most profitable strategies you can run in your e-commerce store.

Lifetime customer value is an excellent figure to watch year on year, and a KPI that will help you grow your business. Use these tips to track it and increase it.

GET FEEDBACK FROM YOUR CUSTOMERS

Ask Them When They Are High. It's frustrating to see thousands of people visit your site never to return. It's even more annoying when you have paid for them to come and have a look. We desperately need to know why they are not buying. What can I do differently?

But if you ask them, they won't tell you. Why should they? It's not their job to improve your website, and they are busy finding a product that fits their needs. So how do we find out what to improve? We ask them when they are high.

Just after buying something, we get a 'buyers high,' a shot of dopamine that makes us feel good. This is when to ask customers how we can improve the site. Not only do they feel good, but they have finished their main task and are okay answering questions. But surely the people who have just bought don't need anything fixed on the site? After all, they are the buyers.

Yes, but the lowest hanging fruit any e-commerce site has is the 'almost buyers,' the people that get most of the way to the checkout but then bail.

These almost buyers will be very

similar in mindset to the actual buyers. Thus, what annoys the buyers will annoy the almost buyers.

We have a feedback question running now on one of our biggest sites and the information coming in is priceless.

USE A THANK-YOU CAMPAIGN

People like to feel appreciated, this is clear. With e-commerce we tend to thank people after they buy on the order success page and in the order confirmation email. However, given that everyone does this customers don't see it as they expect it.

To convey our gratitude for their order we must go one step further and set a remarketing thank-you campaign. Why? Two reasons.

One, we want people to have a good experience and buy from us again and if we communicate our genuine thanks for them being a customer they will notice.

Two, if we do it in the right way we can generate great social proof and the customer's communities will see them buying for our store.

So how do we set up a thank-you remarketing campaign? You want to be doing this where recent customers can easily comment, so good platforms are Facebook, Instagram and Twitter.

Create three- to five-day remarketing lists based on visitors that have bought. Set up adverts that thank the customer for their order and invite people to comment on the

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advert thread: i.e. ‘Let us know about your experience on our website.’

Of course, you can control the comments, but you should get lots of social proof building on the advert which should help remove any buyer’s remorse and aid them to buy more in the future.

We find that this advert sometimes has return on spend of over 20 times. Why?

Why would people who have just bought, buy again? Well, often this is one of the best times to sell more as customers are in the honeymoon phase and open to adding another item.

COMMUNICATE OFTEN

At university Mark used to live with six other lads. It was the

usual student chaos, but with an unusually tidy kitchen. Quite often he would come into the kitchen and find it dirty and clean it. Do the dishes, sweep the floor, etc. Sometimes he would do a big clean.

Occasionally, they would argue about people not pulling their weight around the house and the finger would be pointed at Mark.

In his mind he found this unfair, but he realised that when he cleaned the kitchen or did any chores nobody was around to see it. Consequently, he learnt to never clean the kitchen unless people were watching, or he made sure to tell people when they got home.

This simple lesson is apparent at running our agency business

too. If ever we lose a client, often it’s because we have been doing a lot of work behind the scenes and not communicating what we are doing. We feel like we are working hard, but the client is only experiencing a delay.

In fact, the projects where we go massively over budget and end up spending our own money are the very projects that clients get the most fed up with. Not only can the client not see the work, but they don’t understand the complexity of the issues that have ‘blown up the project.’ We end up looking slow and stupid. The solution is to script and automate regular communication to show that ‘we are cleaning the kitchen and working very hard on it.’ A clean kitchen is no good if the housemates have moved



USE PACING IN EMAILS

We have written and sent millions of email newsletters and learnt a few tricks of the trade. Pacing was a huge win for us, and we have since learnt more about this from NLP, hypnosis and various sales trainings.

Pacing works everywhere. Just the other day Mark was looking for somewhere to sit in a lunch hall, and a person came up alongside him, matched his walking speed, walked with him and asked, 'Are you looking for somewhere to sit?' It was so in tune with what he was currently focusing on that he didn't even acknowledge that he didn't know this person.

Why do we want to use pacing? Because once we pace a prospect, they are easier to lead to what action we want them to take. Weather presenters use pacing; they always tell us what the weather is like today. That seems odd, doesn't it? We could just look out the window! They tell us the current weather so that we can agree with them. If we agree with them on the current weather, we are more likely to believe them when they make a prediction. If we mention three things that are true, when we talk about a fourth it's more believable.

The best shop assistants don't ask the same dumb question to every person that walks in the store. Instead, they look to see what the person is doing and then ask them a question around that subject.

Shopper: Walks in and starts looking at camping stoves

Shop Assistant: 'Do

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out waiting for it, i.e. customers leave.

For an e-commerce store the above is equally important. If you want to increase the likelihood of a customer buying again you need to communicate often, especially if there is a problem with the order. Someone may order an item and if you find it's out of stock or damaged, your team might be working hard to find a replacement, paying extra for delivery to get it there on time and working late to make sure it's dispatched. A whole lot of work, but unless the customer knows this they just experience a late order and are motivated to deliver a bad review which has knock-on effects.

With late orders and difficult deliveries we need to systemise

personal communication points so that we communicate well. No customer is going to say, 'I ordered a present for my niece's wedding and the online store just kept emailing me and phoning me too many times to tell me it was going to be delivered on time.'

The trouble is when we get busy and the proverbial hits the fan, this is the exact time when we don't communicate. We hole up and get our heads down to get the job done. Thus, it's important to have a system that triggers the communication points when things go wrong so that customers get called, get emailed and understand what's happening. With any system you need a set of checks, to make sure that what you want to happen, happens.

you like cooking whilst camping? What camping food do you like?’

This is so much better than ‘Can I help you today?’

For e-commerce emails we spend a lot of time researching where our buyer would be mentally when we send the email. What’s in the news, how’s the weather making them feel, what special events are on. We build an email calendar with events and topics that are popular during that month. Our most successful campaigns have included:

- An offer for London Fashion Week for a discount clothing retailer. They had nothing to do with London Fashion Week but tying the email to something already in their mind due to the TV news worked.
- An offer for Father’s Day where we told the recipient that their sons and daughters were not going to get them anything they actually wanted and so they may as well treat themselves.

If we tap into where the buyer is our emails have a much greater response. How can we take it further? Can we be like a weather presenter and tell them something that they know is true?

Yes, why not try these techniques:

- Dynamically add in a positive review they have written about a past purchase: i.e. Last time you shopped with us you bought xyz product, here’s what you said about it ‘...’ If they have scored the

product purchase high and they see their own comments about how great it is, then it’s much more likely that they will want to buy again.

- Personalise the email, not just the first name but other details like the country they live in, for example, ‘How’s the weather in <insert county> at the moment? Perhaps these offers might cheer you up.’
- Tell them the products that they already own and ask them to add to their wardrobe or collection.
- Show them what they recently looked at on the store.

If we bring personalised information about the recipient into the email that they can agree with AND combine it with what’s already in their mind (Father’s Day, Olympics, etc.), then we can pace with them and lead them to action.

GIVE YOUR CUSTOMERS SOMETHING TO TALK ABOUT

Dad always insisted that we had a sit-down dinner together. We think he thought it was important because he never had that with his parents. As a fourth-generation baker, his parents were always too tired or working to have enough time to create a sit-down meal with everyone present. Even though my father was a baker too, we had that sit-down meal. We are glad we did, because we got a business education at that table every night.

My mum and dad ran several

bakeries across Staffordshire and the evening meal became the forum to talk shop. They would talk about the Alton Towers contract, the JCB deliveries, new product lines, staff issues, recipe ideas—we listened to everything. It was a small business and the supermarkets were expanding rapidly and bakeries were shutting down everywhere. But my parents’ businesses thrived. They had no marketing budget, no website and no sales team. However, they did do marketing. The marketing they did was all about empowering customers to become their sales team.

For example, we would listen to them talking about customer complaints and how they dealt with them. Instead of trying to get the person out the door as quickly as possible they made sure that the person who complained left with a smile on their face. Why?

Because they knew that people talk about a business a lot more when something bad has happened to them. People love to vent and complain. So, they made sure that when someone came in and complained they left with a bunch of free cakes, a tour of the bakery and an amazing story to tell.

This way, the person could start the story with ‘You know, I had a burnt cake from Hammersley’s Bakery’ but then the story would end with ‘but they gave me four free pork pies and I went on a tour round the bakery and it was amazing, they really have a great setup there.’ Everyone loves

free food, especially when it's delicious.

What they focused on with their marketing was giving customers interesting stories to tell about Hammersley's Bakery. Good stories travel, and they are the best type of marketing because it's free. They also made sure that people who could talk the most, had the best stories to tell. These were the 'influencers' that could transform a business, the people that others would follow. Back then this was the town mayor, the head of 'The Round Table,' and local business leaders, and boy, did they love my dad's pies! So, think about your own customers; what stories are you giving them to tell? Are you giving them enough of a narrative for them to say, 'You'll never guess what happened when I bought X from Y shop!' So, add some surprise to their orders, something unexpected, something novel—and ultimately something that people will want to talk about.

A good example of how this kind of marketing can scale is Zappos. Jeff Bezos (the owner of Amazon) got so worried about Zappos that he had to buy them. The book *Delivering Happiness* by Tony Hsieh talks about the growth of the online shoe business Zappos. The overall message is about customer service and going the extra mile. In fact, they have a name for it: 'random acts of WOWness.'

Over the years the number one driver of growth at Zappos has been repeat customers and word of mouth. Their thinking

has been to take most of the money they would have spent on advertising and spend it instead on customer service. If the customer is wowed then they will talk about it to their friends and family.

It starts with their purchasing, delivery and return policies. They offer free shipping and free returns for starters; they also offer a 365-day return policy (how about that to make you sweat).

A lot of websites hide their phone number as they want people to order online, but at Zappos it's big and prominent on any page. (It's a big mistake to hide your phone number.) Companies spend millions on social media doing brand building. However, that 10–15 minutes you have a customer's undivided attention on the phone is the biggest branding opportunity that you have. Customers remember the phone call with your company for a long time. The call centres should not be seen as a cost to minimise but instead as a key driver of lifetime customer value. Some customers might call for their first order and then order online knowing they are dealing with a company that cares.

Zappos believes that lifetime customer value is a moving target and if they can increase the positive emotional connections with Zappos this metric will grow.

An example of Zappos' approach to increasing lifetime value is to give free upgrades to overnight

shipping to the most loyal repeat customers. Many call centres are measured by the KPI average handle time, which focuses on how many phone calls a person can make a day. This means that there is incentive to get customers off the phone as quickly as possible. Zappos does not measure call times and does not upsell on phone calls.

What's also crazy is that when a customer calls asking for some shoes that they don't have in stock the sales rep is trained to look for three competitors' websites that offer the product. So, they lose that sale but build rapport with the customer for the next purchase.

THINK OUTSIDE THE BOX

If we really want to grow our revenue, sometimes we have to think outside of the norm and to do this I'd like to introduce you to another classic marketing book. There really are only four or five marketing books ever written that are worthy of being called a classic. The Robert Collier Letter Book is one of them.

Written in 1931, you might ask what this book can help us with now. It's crazy to think that we can learn about selling on an e-commerce site from a man who lived in a totally different world. But this is a book about one man's success at selling stuff via direct response letters. These are the letters that worked, and he explains why. We think the genius of the book is his focus on the mechanism of the sale. A lot of the time his letters promised offers such as

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‘respond to this letter, get the product for 30 days and then pay only if you like it.’

If we break it down, for a sale to happen we need:

- The customer to choose to receive the product.
- The customer to choose the delivery method.
- The customer to pay for the product.
- The customer to decide to keep the product.

Each step for the customer has a different value. The amount of persuasion that needs to happen to move them to the desired outcome is also different for each step.

By moving the payment to after the person has tried the product or the service makes it much more likely that the customer proceeds with step 1.

This is hard to do if you are selling an expensive product but there are scenarios where this might be possible.

- When you are selling a product that is low value to produce but high value to the customer. This could be an education product or course. Or potentially some branded sunglasses that are extremely cheap to make but have a high price tag.
- If you are selling B2B and have existing customers that you want to extend credit to.
- Really good B2C customers that are big buyers for you and always pay.

This might blow your mind and you will quickly think that some people might not end up paying. Yes, that will be the case BUT what if the extra profit from this method more than paid for those people that did not end up paying? This is counter intuitive because our fear of loss is strong. We often get so obsessed with those customers that might rob us that we don't care that we can double our profit per customer.

We are not saying this is the right method for all e-commerce sites, it's not, but I like to open up the assumptions around the business model because often lying here is a gold mine.

Moving onto point 2 above: ‘The customer to choose the delivery method.’ At first look this seems obvious but where there is a decision for the customer there are potentials for conversion rate gains. How much you charge for the product and how much you charge for delivery will have a huge impact on the profitability per visitor. You must choose how much to charge for delivery and how much to charge for the product.

We all have seen those free book offers on Facebook where you just must pay for shipping. Of course, the shipping cost covers the cost of the book too. But in the mind of the buyer the focus is on the shipping. The book is being offered free. There are also products being sold like this on Facebook: ‘free ring, just pay shipping.’ The fact that these work means that we should experiment with how much we

charge for the product and how much for shipping.

The above covers point 3, so this leaves 4: ‘the customer to decide to keep the product.’ This is a big one, especially in areas like women's clothing where returns can hit 40%!

What are you doing to reduce the returns rate? Probably very little. But it's a huge area to work on. Post-purchase split tests on the following can have big dividends:

- Follow up with 50% of the customers with an email telling them how to use the product, a video on how to care for it, etc. Does this raise or lower the returns rate?
- Give 50% a free surprise gift with delivery. Does the gift pay for itself in the reduction of returns?
- Follow up with 50% with a personal email from the company director asking them specifically how they are getting on with the product. Does this increase or lower the returns rate?
- Follow up to 50% asking them to review the product before it has arrived. Ask the other 50% to review the product after it has arrived. How does the timing of the review affect returns?

What we are pointing out with all the above is that the sale is not a done deal. It's made up of various elements that value can be shifted from and to. Also, you don't get paid until the customer decides to keep the product. We often have a fire and forget

attitude to the order confirmation page. In the words of Arnold Schwarzenegger, ‘I’ll be back,’ is what we need the customers to say every time they buy.

WHAT IF CHARLIE MUNGER WANTED TO LOWER YOUR LIFETIME CUSTOMER VALUE?

Charlie Munger, Warren Buffett’s partner, wrote a great book called *Poor Charlie’s Almanack*. It’s a big book and totally fascinating to me.

It’s certainly no novel and you must dive off into the other books he recommends to get a true idea of what he is talking about. But given he is one of the richest men in the world we would not expect to understand it first try.

One of his overriding themes is to study different disciplines widely and bring what works from one into another. He also has a mantra which is ‘invert, always invert.’ By this he means turn a problem on its head. For example, if you were trying to work out which stocks to invest in, he might ask ‘which stocks should we definitely not invest in’ first.

In terms of e-commerce optimisation, inverting might be useful to answer to gain insight. So if we want to ‘decrease lifetime customer values’ what would we do? Here are some suggestions:

- We would hide the information about delivery cost and delivery time down in the footer, making it hard for people find.
- We would move the basket icon to a different place compared to normal sites so that people must think to find it.

- Make the checkout hard to use on mobile.
- If customers are happy with the service, don’t let them review the product so that other people don’t find out how good the service is, otherwise they might buy too.
- Put out-of-stock products at the top of the category pages so that customers think the site is low on stock and leave.
- Make the site really slow to load.
- Only put one image of the product so that people cannot see detailed views. Keep it vague so they buy from someone else.
- When you send out a huge mailing to the email list, make sure the site falls over under the huge increase of traffic. If the site is down this will stop people buying—good!
- Let your SSL certificate expire so that when people try and buy they get a ‘this website is not safe’ warning—this will help put them off.
- Put all the Add to Basket and Proceed to Checkout buttons below the fold. This will sneakily hide them from buyers.
- When someone does manage to buy something, make sure you take a long time to deliver it and provide very little communication. Otherwise they might buy again—bad.
- If you sell products that other people sell, make sure your products are higher priced, offer no extra incentive to buy from you and have higher

delivery costs. This one is a winner.

- Hire a dodgy SEO company and get banned from Google.

That was quite fun, and we could go on and on. However, the scary thing is that we have seen all the above happen and many are still quite common.

HOW TO RAISE THIS KPI—LIFETIME CUSTOMER VALUE

- Experiment with customer’s first order—give 50% of customers a free gift or an upgrade in delivery. Calculate the event on repeat purchase rate—the goal is to find something you can add for X to receive 2X in LTCV value boost.
- Create a post-purchase thank-you campaign, i.e. remarket to customers who have just bought on Facebook with a thank-you post, thanking everyone for their order. These types of advert receive lots of comments and social proof which builds on the customers’ loyalty to the brand.
- Implement a loyalty scheme and use points in marketing, points expiry emails, etc.—double points weekend.
- Offer upgrades to products already owned, i.e. offer buyers of a certain jacket a replacement jacket in the same size at a decent discount and phrase it as an upgrade.
- Use statistics to work out the link between customer review score and lifetime customer value. We often find that 4 / 5

CONTINUES OVERLEAF >

reviewers buy significantly less than 5 / 5 reviewers—so have a system in place for 4/5 review customer orders to increase their experience with the brand.

- Implement buyer questions to involve buyers of certain products to respond to visitors' questions about the product they own. Asking them to answer questions often makes them state positively their experience anchoring the store with a quality experience.
- Create a premium buyers' club for top buyers, notice them and make a fuss of them, send them thank-yous, e.g. cinema vouchers if they clear a certain spend in 12 months.
- Follow up with purchasers three months after purchase in a non-sales email, just text from a person at customer services checking on how they are getting on with their product. Show you are invested in their experience long after the fact.
- Find your sweet spot for the second purchase, often it's sooner than you think—usually within 30 days; during this time the buyer is hyper responsive and you can send more marketing emails with a lower change of unsubscribe. Use this chance to get the second sale.
- Create a specific online series of videos on how to get the best out of xyz products. Choose the bestsellers and

make sure that people have the best experience; map it out, for example, clothing video on 'How To Care For The Avalino Suit.'

- Ask customers to complete surveys and ask them to state what they like about the brand; this psychologically induces them to increase their preference for the brand—this is good to do to lapsed customers to reignite the memories or even rewrite them.
- Build a Facebook group for products' owners to meet and talk about the products, build a community.
- Uncover exactly what products people buy when they have the highest LTCV, push these products more in marketing knowing they have a good chance of building long-term customers.

RECAP: LIFETIME CUSTOMER VALUE

Tracking lifetime customer value involves a number of different steps, including considering the type of customers you have, the coupons they use, their overall satisfaction and their delivery choices.

KPI: LIFETIME CUSTOMER VALUE—THE TOTAL REVENUE DIVIDED BY THE TOTAL NUMBER OF CUSTOMERS.

Put it to use:

- LTCV helps you track the products that lead to the highest lifetime value.
- Providing discount coupons, in the right setting, helps increase lifetime value.

- Use ScentTrail to track the type of customers you recruit and which products work best to recruit them.
- Upload customer email lists in Google AdWords so you can continually show your ad or products to customers on the list.
- Track this KPI regularly and watch it year after year to see how it changes.

Answer the following:

- What customers are you recruiting? Does your business naturally lead to high repeat purchase rates?
- What delivery options do your customers choose most often? What delivery rates do repeat customers opt for?
- Has your average review rating increased or decreased since your business began? This can tell you immediately whether your customers are happy with you and your products.
- How do you track the effect of marketing channels? After reading this chapter, what do you think the benefits of using ScentTrail to track LTCV marketing channels would be?
- Would you be willing to offer a lapsed customer a special rate if it meant increasing your LTCV overall? What type of special offer do you think would encourage a lapsed customer to come back to your website and make a purchase?

don't miss the next issue... GROWTH OF SIX-MONTH CUSTOMER RECRUITMENT YEAR ON YEAR

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THE FUTURE OF WORKING



BY JANE REVELL-HIGGINS PUBLISHER & ACTING EDITOR, DIRECT COMMERCE MAGAZINE

VIEW ONLINE

Much has been covered about those employed to work in government offices doing their level best to avoid returning to those offices to work, despite acknowledging that service levels to their 'customers (& ultimate paymasters), the general public' are suffering badly as a result eg: DVLA, HMRC, DWP, Passport Office, etc. Clearly these organisations with their thousands of workers who are not able to do their jobs effectively from home, need to bring all workers back into the office, if they are ever to tackle the immense backlogs that have been building up.

The same applies to other public facing service providers as anyone reading this who has tried reaching their bank, insurer, local authority, utility company etc. will be only too aware of. Simply reaching a human being can take hours and even then, issues are not always able to be resolved and calls prove unable to be transferred to someone in authority, explained over the cacophony of 'little Jonnie' screaming, the TV blaring, the dog barking, the doorbell ringing. What was just about understandable & forgivable during the first months of lockdown, when the whole world was under siege, is simply not good enough now. When trusted & paid to WORK from home, it is surely on the basis that you give your work your full attention just as you would were you in the office? If the requirements of your role patently cannot be fulfilled effectively from home, then you should expect and be willing to return to work from the office.

There are always two sides to the coin, or actually three if you count the edge.

Some workers are desperate to return to the office (WFO). They find WFH to be lonely and very difficult. They miss the banter, the opportunity to feel fully involved, to learn from colleagues, and to be somewhere other than home.

Some enjoy WFH but also relish the opportunity to get back into the office regularly (Hybrid). They acknowledge that the success of their role depends upon team work, delegation and training, in-person discussion & collaboration with peers from their own and other departments.

Some can be at their most effective WFH. They have the discipline and the environment in which to shut themselves away from domestic distractions to focus fully on their work and the ability to make a positive contribution and an impact from a distance.

The discussion as to whether a business can now lawfully demand where and how their employees work is in full flow. Employment contract terms and conditions are under review.

The message by and large is that we cannot expect to have it all ways. That WFH delivers many benefits to some employees, yet causes others



immense difficulty. Not everyone has a spare room or quiet space to work in. Not everyone can work effectively under their own steam. Not everyone likes being separated from their colleagues. Not everyone is suited to working without supervision. Not everyone will like being the one person WFO whilst everyone else in the team demands to WFH. The trickiest aspect is going to be measuring effectiveness across all functions, individual performance against targets, and arriving at the best blend of staffing – WFO, Hybrid, WFH across all levels for each business.

For the employee, with the WFH option for some or all of the time, there is the benefit of saving on overall commuting costs and the freeing of the time that would have been used to commute. But it doesn't or shouldn't mean that personal tasks

interrupt the working day, whether that is trying to shoehorn in childcare responsibilities, or routinely focusing on other domestic matters or, even, a secondary income stream. Just as there are many diligent people WFH, there are also individuals who have abused the trust placed in them. HR teams certainly have their work cut out for them over the coming year.

In the meantime, many companies and organisations are poised to remove the London weighting allowance, season ticket loans and other commuting-linked benefits from those who WFH whilst also finding the best way to allow more employees to permanently work flexibly. Where talent is in short supply it is also expected that there will be far greater adoption of remote working.



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VIEW AGENDA & BOOK

WHY A FOCUS ON TECH RATHER THAN ON CUSTOMER VALUE IS HOLDING RETAIL BACK



BY STEPHEN SUMNER,
RETAIL GROWTH CONSULTANT

VIEW ONLINE

If you work in marketing you convince yourself that everyone is looking at your brand and company, yet the reality couldn't be further from the truth. This is because pre-Covid, people were bombarded with brand messages (adverts) at the rate of circa 4k -10k per day across multiple devices.

Real-time bidding (RTB) is the ad tech equivalent of Wall Street — where advertisers and publishers are matched up to buy and sell ad impressions, respectively. An “ad opportunity” is created when a web page is loaded (e.g. when a user, or Bot visits the page). That opportunity is put up for auction by sending a bid request to an ad exchange. Multiple buyers bid on that opportunity and the winner of that auction gets the right to serve an ad into that ad slot on the seller’s webpage. All of this takes place in a matter of milliseconds; and an estimated 10 trillion such auctions happen every week (equivalent of 10 – 20 million per second). When a bid is won, a call is made to the buyers’ ad server to serve the ad into the ad slot.

What's happened is that we've all started to disengage with the corporate (advertising) digital overload message. Basically the level of trust has been diluted which in turn means we no longer relate to, or trust what you're saying is true.

In the physical world of retail we see a similar move to invest in the next shiny tech object. Many times this just ends up with the 'game changing' tech idea sitting on the company balance sheet and not really moving the growth dial forward. The problem is that all the focus is on tech rather than on customer value. Many retailers have leaped to embrace tech-enabled, flashy innovations like smart mirrors, Bluetooth beacons, and in-store kiosks to create differentiation.

But without a proper grounding in customer needs or determining how these investments will create and sustain value at scale, retailers sometimes end up with what amount to shiny objects that drain capital expenditures.

Marketing transformation has more to do with a better understanding around how your potential customers are wanting to access information about your product and company in a way



that doesn't include risking your cold spammy phone calls and eMails, it's certainly not just about 'software' that will probably change very little, just like that last 'software' initiative your company embarked upon.

Many retailers race to advance omnichannel initiatives without doing the critical thinking to identify the starting point and the specific capabilities needed to succeed at each step.

Pressure to keep pace with competitors or eagerness to put a compelling idea into action can prompt some companies to plunge in headfirst. But without clearly sequencing the “crawl, walk, run” approach and investing in the right fundamentals, retailers often end up with fragmented investments that destroy value.

Today's socially savvy prospects and customers are

checking out your 'social proof', not your website.

With your buyer looking for a solution to their problem, you need to supply them with relevant content, engage with them, and get 'listening' - you need to give them a solid reason to choose you over your nearest competitor.

The content needs to be informational and in the form of stories that are helpful rather than sales driven.

This model extends the brand experience, providing consumers with an ever-growing platform of content, offers, and community-based interactions.

Instead of turning to a retailer for occasional interactions, consumers make omnichannel ecosystems part of their lifestyle. It's an always-on relationship that can pay ample dividends.

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BATTLE LINES DRAWN: AMAZON PRIMED TO MAKE ITS MOVES ON BRICKS AND MORTAR RETAILERS



BY CRAIG SUMMERS, UK MANAGING
DIRECTOR, MANHATTAN ASSOCIATES

VIEW ONLINE

In a development that few retail analysts would have predicted twelve months ago, Amazon is planning to open several large bricks and mortar retail sites akin to department stores across North America. If the 'pilot' proves a success, this could herald the start of a global land-grab that would likely see Amazon disrupt the physical retail space, in much the same way as it did in the eCommerce space nearly a decade ago.

While many industry commentators have derided and long-predicted the eventual death of high streets and physical, in-store shopping, this news flies in the face of popular opinion and will give many retailers (big and small) hope for the future. If the king of eCommerce, Jeff Bezos, clearly sees value and a future in physical retail stores, there must be something in it right?

While the news may be welcomed as a boost for traditional high-street business models, it also raises a number of pressing questions for retailers, many of which have literally just weathered the challenges of the pandemic, only to find themselves confronted by a new, no less (potentially) transformational storm on the horizon.

Until now, established bricks and mortar retailers primary defence against the eCommerce leviathan that is Amazon – has been their local store presence. With this latest aggressive move from Amazon however, once that 'moat' starts to be

breached, defending the 'castle' becomes much more challenging.

Let's be clear, Amazon is very good at what it does and by bringing a digital first approach to bricks and mortar retailing we can expect the digital behemoth will certainly bring new, creative and technology-centric options for the consumer.

In addition to the purchase of Whole Foods and its partnership with Kohls, this latest move into physical retail space validates what we've been saying all along, that physical stores are a vital element of a consumer-centric OMNI channel shopping experience and even Amazon seems to have recognised this now.

The foremost defence retailers had is about to be penetrated. To survive this next phase in Amazon's evolution they should prepare their systems and processes for a new marketplace that will be dominated by those brands that are able to deliver seamless, personalised shopping



experiences simultaneously across physical and digital channels.

The sheer weight of technological experience and its willingness to innovate and disrupt makes Amazon a force to be reckoned with in every sense, but in every challenge lies opportunity and the way we see it, the Amazon announcement is an opportunity for all retailers (big and small) to double-down and go 'all in' on omnichannel.

To survive and thrive, stores will need the technology to ensure that the right products are available (regardless of where in the store network they are) to give consumers the complete unified commerce experience.

For example, if a consumer walks into a store, they need to know that they are getting the best price possible (regardless of the channel they started their journey on) and that a product is available to either purchase on the shelf, or that it can be paid for in the store and delivered to their front door.

Establishing the right technology infrastructure, including everything from omnichannel and Point of Sale systems, to order management and warehouse solutions, will give brands the flexibility, agility and scalability they need to face-off against this new disruption heading their way.

Sticking to traditional models has already led to the demise of many

high streets, retail stalwarts over the last two decades, so it's very much a case of needing to adapt and prioritise to customer expectations, now.

While Amazon's entrance to the physical market may serve as a shot in the arm for physical retail and confidence in the high-street overall, it also underlines the pressing urgency to reinforce omnichannel strategies and the need to deliver true omnichannel capabilities right now.

If retailers miss this window of opportunity to act, then they risk the daunting task of head-to-head with Amazon on a one-on-one basis and there are few brands, regardless of reputation or size that will relish that challenge.

PRE-PACK ADMINISTRATIONS IN A POST-PANDEMIC WORLD



BY PAUL REEVES, MANAGING DIRECTOR,
RESTRUCTURING ADVISORY, KROLL

VIEW ONLINE

Ever since the administration process became the key business rescue process over two decades ago, the pre-pack administration has suffered a tarnished reputation. Recently introduced legislation has imposed tighter controls over the process, particularly where the pre-pack sale is to a connected party. So, is the pre-pack destined for the rescue rubbish heap or will it prove to have a key role in restructuring many UK businesses as we emerge from the pandemic?

WHAT IS A PRE-PACK ADMINISTRATION?

Unlike a trading administration, a pre-pack is a process whereby a sale of the assets of an insolvent business has been agreed prior to the commencement of administration. On the appointment of an Administrator, the pre-agreed deal is completed. The sale is often agreed without the business being advertised. This is in order to protect the goodwill of the business, minimize administration expenses and preserve key relationships with customers and employees, which otherwise may be damaged. In order to minimise potential disruption, the pre-pack is often to a purchaser that is linked or involved with the insolvent business and who has a keen interest in its survival. These linked parties are often best placed to take the business forward and represent the best option to obtain maximum value for the entity's assets. As a consequence, it is often the most lucrative outcome for creditors.

THE NEW LEGISLATION

Recently introduced legislation has changed the process for selling a business, via a pre-pack, to connected parties. Certain

conditions must now be satisfied before an administrator can dispose of company assets to a connected party during the first eight weeks of a company entering administration. So, what are these conditions that need to be satisfied? Administrators are faced with two options. They either seek the prior approval of creditors who can sanction the proposed pre-pack deal or enlist a report from an independent evaluator that must conclude that the proposed deal is in the best interest of creditors.

CREDITOR APPROVAL

Seeking the approval of creditors prior to concluding a pre-pack sale of the assets of a business appears to have positive merits. It provides complete transparency and prevents finger-pointing further down the line. However, the seeking of creditor approval could slow the process down to the point where the benefits of a swift transaction are lost. Furthermore, administrators could be put into a difficult position if approval is not forthcoming, and they are potentially left trading a business with all the resultant risks that could follow.



ENGAGING AN INDEPENDENT EVALUATOR

Practically, this is likely to be the route that is going to be followed in most pre-pack scenarios. Prior to a connected party transaction taking place, an administrator will engage with a person who has relevant experience and knowledge, together with appropriate professional indemnity cover. This evaluator has the task of assessing the proposed transaction and must be ultimately satisfied that the consideration offered for the business assets and the grounds for the disposal are reasonable given the circumstances. Whilst the Administrator is not bound by the concluding opinion of the evaluator, the administrator will need to provide a report to creditors and the Registrar of Companies setting out their rationale for proceeding with the disposal. It will be a brave Administrator who proceeds with a pre-pack transaction where

it conflicts with the evaluator's opinion, even though the opinion is not binding. It cannot be binding as the Administrator has their own duties and obligations which includes acting in the best interests of creditors as a whole.

PRE-PACK ADMINISTRATIONS MOVING FORWARD

It is easy to understand why there is new legislation that seeks to provide increased transparency around pre-pack deals. Creditors have often felt that they have been forced into a situation where a business sale has occurred without their input. Whilst the new legislation doesn't necessarily provide creditors with the increased input that they may desire, it should at least provide the comfort that transactions have been scrutinised, at some level, prior to completion. The past 18 months have been a challenging time for many businesses as they

"Seeking the approval of creditors prior to concluding a pre-pack sale of the assets of a business appears to have positive merits."

have battled against the dreadful trading impacts of COVID-19. There is a crucial role for pre-pack administrations in helping the UK recover from the dramatic impact of the pandemic, and it would be a shame if these new legislative changes prove to be a hindrance to the process. Hopefully, that will not be the case, but the jury is out.

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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.

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