

— 2019 —

EMBRACE AN

Agile

MINDSET TO MAXIMIZE
HOLIDAY RESULTS

retail
TouchPoints®

AGILITY, DEFINED:

The ability to move quickly and easily.
The ability to think and understand quickly.

“

Many organizations focus on the technology aspect without including processes and the organizational structure as part of an agile approach.



Ken Morris,
Principal at Boston
Retail Partners

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The holiday countdown is starting earlier and earlier for retailers. In fact, the clock is already ticking.

After all, with only **26 days** between Thanksgiving and Christmas Day, every moment counts. But as cutting-edge brands take creative risks to capture attention, your business must work harder to optimize holiday revenue potential.

But what's a retailer to do when there are so many factors to consider when developing their holiday strategies? Customer behaviors and preferences are evolving at a lightning-fast pace, and the economic outlook is changing just as quickly. Not to mention that consumers' holiday shopping priorities, and ultimately their purchasing behaviors, change as the season progresses.

That's why even though retailers have largely established their core holiday strategies, they must adopt a more **agile approach** to ensure their marketing campaigns, in-store experiences and last-mile strategies continue to meet evolving consumer needs and expectations.

During the holiday season especially, retailers must embrace agility to “quickly pivot their focus,” according to Bill Duffy, Research Director at **Gartner L2**. “Consumer behavior changes rapidly during the holiday season, from celebration to gifting. Additionally, the season has key peaks on almost a daily basis.”

Articles published as early as 2014 pointed to the need for retailers to be more agile in their processes, focusing on topics such as cross-functional collaboration and breaking down data silos. Still, executives are struggling to wrap their heads around agility as a business practice and mindset.

“One of the biggest challenges [of agility] is that it encompasses people, processes and technology,” noted Ken Morris, Principal at **Boston Retail Partners**. “Many organizations focus on the technology aspect without including processes and the organizational structure as part of an agile approach.”

WHAT'S CAUSING AGILITY INSECURITY?

Agility is something that sounds great in theory but is difficult (or impossible) for many retailers to execute. While specific pain points will vary based on the organization, its processes and culture, there are several challenges that extend across most of the industry:



1. THE WRONG MINDSET

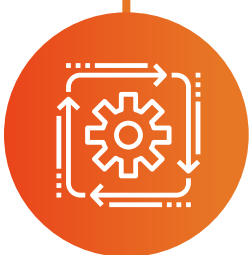
More established brands have a difficult time embracing agility because of their legacy structures and mindsets, according to Laura Davis-Taylor, Co-Founder of **High Street Collective**, which partners with retailers to build ROI-based “Unique Experience Signatures” in their stores. “Wall Street doesn’t reward it, departments aren’t set up to support it and, far too often, leadership doesn’t nurture or incentivize it,” she noted.

Conversely, online pure-play brands are born with an agile mindset, using data and insights to respond swiftly to new opportunities — even risky ones. “They push versus protect,” Davis-Taylor noted. “They challenge versus resist change and they celebrate failure, for they know that it’s the yin to the yang of brand-defining innovation.”



2. ORGANIZATIONAL MISALIGNMENT

According to Davis-Taylor, poor internal alignment and a lack of cross-functional planning and execution is “the biggest challenge affecting all retail efforts.” Retailers can address these foundational issues by implementing a Chief Experience Officer (CXO) or Chief Customer Officer (CCO) role — someone who is laser-focused on the customer, CX excellence and “boundary-blurring innovation that nurtures irrational loyalty.”



3. LACK OF DATA “SYNCHRONY”

Retailers have no shortage of data at their disposal. However, they’re still hindered by disparate and outdated systems that are preventing them from unlocking a real-time, holistic view of the organization. Boston Retail Partners calls this holistic view “retail synchrony.” According to Morris, it allows retailers to “more effectively manage and synchronize data throughout the enterprise by having visibility into customer, product, price, inventory and order information across all channels.”

On the surface, addressing these challenges seems like a significant undertaking, especially as you begin to feel the pressure of the holidays and end-of-year performance assessments looming. However, there are practical actions your organization can take to harness the power of agility before, during and after the holiday season.

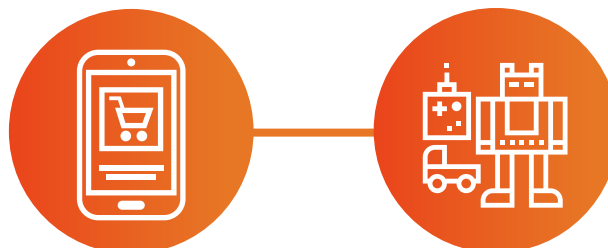
AGILITY IN ACTION: WALMART



During the 2018 holiday season, **Walmart** built urgency by announcing a series of exclusive toy launches on Instagram. Using shoppable posts through the network, the retailer was able to create a clearer connection between inspiration and conversion, and switched out promoted products as they went out of stock.

When a partnership with The Pioneer Woman made an exclusive Barbie kitchen playset fly off the digital shelves, Walmart replaced outbound links on the shoppable post with an in-stock Barbie cooking playset add-on, to preempt customer visits to the out-of-stock product page. In the comments section, the retailer addressed complaints about the sellouts, reminding customers to click the “Get In-Stock Alert” on the product page to receive notifications when the item was restocked.

This initiative took team coordination and collaboration, but it helped Walmart successfully drive awareness and conversions, and kept customers satisfied — even when products were out of stock.



Story told by Bill Duffy
of Gartner L2 and
edited for print.



TIPS AND TACTICS FOR AN AGILE HOLIDAY

Are you ready to create an omnichannel experience that delights holiday shoppers? Retail experts and analysts reveal quick-hit ways to embrace agility and create magical moments as shoppers browse for their friends, family and themselves!



EMPOWER YOUR PEOPLE WITH A PLAN:

Retailers historically have looked at holiday as “one and done,” noted Davis-Taylor. She challenges retailers to “plan plenty of time, resources and executive support to have some agile product and plans. If you give yourself enough time and challenge your team with this strategic imperative, and give them space to experiment, learn and report, there’s only an upside.”



LET DATA BE YOUR GUIDE:

“Retail today is all about the ‘math,’” Morris advised. “Gathering data, analyzing it and understanding what, when and how the analytics say to reach out to your customers and how to offer personalization.” Core teams that drive the customer experience — think store operations, e-Commerce, marketing and customer service — can develop a more comprehensive plan by aligning on goals and determining what to track to guide their strategy. Then, they should establish a plan for sharing and analyzing data from their respective functions. With a more unified view of customer behaviors, these teams can come together to brainstorm ideas and determine ways to improve the experience across all channels.



LOOK FOR LOW-EFFORT, HIGH-IMPACT DIGITAL OPPORTUNITIES:

Retailers can refine and augment their marketing and engagement initiatives during the holidays by focusing on low-effort, high-impact tactics. For example, Duffy of Gartner L2 pointed to email as a powerful tool to easily test different messaging and creative strategies as the season progresses. It is especially valuable to drive last-minute purchases and in-store visits, he advised. “In 2018 the share of holiday season emails driving consumers to stores increased by 15 percentage points, and retailers sent 59% of their drive-to-store emails for December in the four days before Christmas. He added: “These campaigns focused largely on notifying digitally-engaged shoppers that last-minute shopping was still possible in stores. On Christmas Eve, **Target** sent a campaign to nearly 80% of its lists, calling out its ability to fulfill online orders in-store.”



EMBRACE SOCIAL COMMERCE:

Social commerce has truly come of age. It's a powerful way for brands to integrate their digital and physical properties, and it gives team members the power to test and learn different tactics — from visuals to messaging and even calls to action. With **30% of online shoppers** saying they would likely make a purchase from a social network like Pinterest or Instagram this year, it's a clear opportunity for retailers to make the holiday shopping journey more enriching and enjoyable.



FOCUS ON FULFILLMENT:

Flexible fulfillment has been a key competitive differentiator for retailers such as **Amazon** and **Target**. That's why agile fulfillment is “critical” for brick-and mortar retailers, according to Duffy. “As pressure is exerted to deliver in-stocks on trending items, leveraging the full spectrum of available inventory gives retailers the ability to meet consumers' need — especially when they're in last-minute shopping mode.”

STELLAR HOLIDAY EXPERIENCES ARE ONE CLICK AWAY



This is only the first step in your journey toward holiday success, and *Retail TouchPoints* has a wealth of insights and best practices to share from a cast of experts and thought leaders. Subscribe to our Holiday Hub to receive real-time updates when new content is available.

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