PROXIMITY COMMERCE
ARCHITECTURE DESIGN
The evolution of multiple channels for traditional retailers has resulted in fragmented operations leading to a poor user experience.
Reply has coined a new term “Proximity Commerce” which better describes how retailers should approach Multichannel. The new term seeks to encapsulate where retail is heading and fit with how customers and technology are driving the agenda for retailers.

Proximity Commerce is when the customer has full control of when and where they make their purchasing decision either at home, online or on the go and whom they choose to involve. The retailer that enables this conversation will better understand their customers’ needs and build long-term relationships.

IT’S NOT ABOUT THE CHANNEL, IT’S ABOUT THE CONVERSATION
It’s no longer about the channel; it’s about the ‘conversation’ i.e. the dialogue that a customer has with a retailer and their personal network in the run up to a purchase.
As social media starts to become ubiquitous in retail, retailers must be mindful that the IQ of the crowd can in fact be greater than the most intelligent individual. The sales cycle has extended as customers start to get help from all sorts of third parties; friends via Social Media, parents via face time, reviews at our finger tips, possibly ‘mobile assistants’, and so on.

BEING MOBILE
The Mobile device is driving consumerisation and fuelling the conversation. There are over 2 billion mobile devices worldwide, the UK mobile marketing spend is already doubling year-on-year, a 1/4 of internet traffic related to Facebook, and 4G coming.

Digital and mobile (including social) is not a trend… it’s here to stay!
Customers don’t want to work hard to find product information, they want the interface to be both engaging and interactive and become their “personal butler”.
It’s the “silent conversation” that makes our lives easier!
Who is more informed – your staff or your customers?
Every customer has the “crowd” at their disposal at anytime and anywhere, so why not provide the same accessibility to your customer-facing staff …
Avoid having a “#Awkward conversation”!
The combination of social media, touch screen and mobile technologies has enabled this conversation, but this conversation must be relevant and retailers need to work hard to ensure it is.

EXPECTATIONS
The four common customer expectations that are not met:
A SIMPLE PROPOSITION
Retailers have inadvertently created complex and artificial boundaries through the nature of how their operation is set up within separate channels – mainly store and online – but this can often translate to the customer as nonsensical:
 “We don’t do deliveries to home from this store”
 “You can’t return that product here, we don’t run that line”
 “I’m not sure why the price is cheaper online”
 “Sorry but we don’t have that in stock in this store, I wouldn’t trust the stock on the website”.
Do our customers really care what channel they are using, what is they use the mobile in our store!

PERSONAL SERVICE
Proximity Commerce supports the new world of retail by enabling retailers to utilise the best of technology to recreate the level of personal customer interaction commonplace in the 1950s. Back then, customers’ personal tastes and sizing were known by their tailor and they received genuine personal service. Proxim-
ity Commerce can bring personalisation to today’s masses. Retailers can gather details on personal preferences, size, offers and recommendations to shorten yet enhance the purchasing experience. Retailers can now reach out to customers depending on location, offer services depending on the context and trigger the Zero Moment of Truth.

**ADDED BENEFITS OF BELONGING WITHOUT INTRUSION**

People like to be a member of something if it has a heightened status with their peers and offers extra benefits. Customers who become a member are more loyal and will have more meaningful conversations. Proximity Commerce helps retailers from overstepping the mark with the level of communication with the customer by providing ways and methods of reaching out to the customer at the right time. It’s not just about pushing promotions, why not let the store manager know that one of his loyal customers with a consistent high spend as just walked in the store. Greet that customer with a handshake.

**SERVICE ON THE CUSTOMERS’ TERMS**

Customers are beginning to drive the service they want, the provenance they expect, the products they like and how they want to engage. Customers don’t want a card on the mat saying ‘You were out’, they want same day delivery, deliver to my office, this year they want this colour and they don’t want the air-miles. Next year / season / month will be different, so we must build a relationship with our customers so we better understand what they do want.

**UNIQUELY REPLY**

So how do you convert Proximity Commerce into a closer relationship with your customers and increase sales? First we must recognise that the conversation we have with our customers will impact the entire supply chain: sourcing of products, how much stock is held, how stock is delivered, how we engage...!

Reply believes that to create a really compelling Proximity Commerce solution, retailers must lay the foundations of Proximity Commerce within their IT infrastructure, taking an end-to-end approach.

Having an architecture that understands data, enables integration and embraces change is the route to engaging the customer; to have a meaningful and lasting conversation.

We should first focus on the need to ensure that data flows consistently across the enterprise:

- **Customer data** - so we can build a trusted and long term relationships, we can provide the service the customers expect regardless of which channel they use and to know what the customer likes now and what they will want tomorrow.

- **Product data** - so we can provide a consist message about the products and service we provide, to the customer and to our colleagues in our stores and call centres.

- **Stock data** – so we understand how to best meet the promises we have made, ensure we can always meet our customers’ demands and plan ahead to maximise efficiency.

To ensure that this data is always presented consistently, be it on a customer’s mobile, a customer advisors terminal, a buyer about to select a supplier or a warehouse operator about to pick some stock, the different technologies and applications we use to deliver these services must communicate with one another. Integration Excellence is an absolute necessity if retailers are to make the conversation engaging and lasting. Integration is not just the passing of information from one application to another, it is ensuring the end to end service is operational and will meet the customer demand.

And finally, for Proximity Commerce solutions to remain engaging, we must innovate. Our design of mobile user interfaces, our solutions for Proximity Marketing and our live Mobile payment solutions might be innovative today, but it won’t be long until they are commonplace. Innovation is at the core of Reply, and we will bring that innovation to Proximity Commerce. To lay the foundations of Proximity Commerce and add the latest innovation to engage our customers, to have a meaningful and lasting conversation, we create an architecture that understands data, enables integration, and embraces change.

Reply is a multinational consulting company specialising in the design and implementation of solutions responding to a rapidly changing business environment, including regulation and new communication channels and digital media. From its offices across Europe, Reply supports clients across the major industries: retail; banking and insurance; telecommunications and media; manufacturing and services; and the public sector.

For further information: [www.replyltd.co.uk](http://www.replyltd.co.uk)