



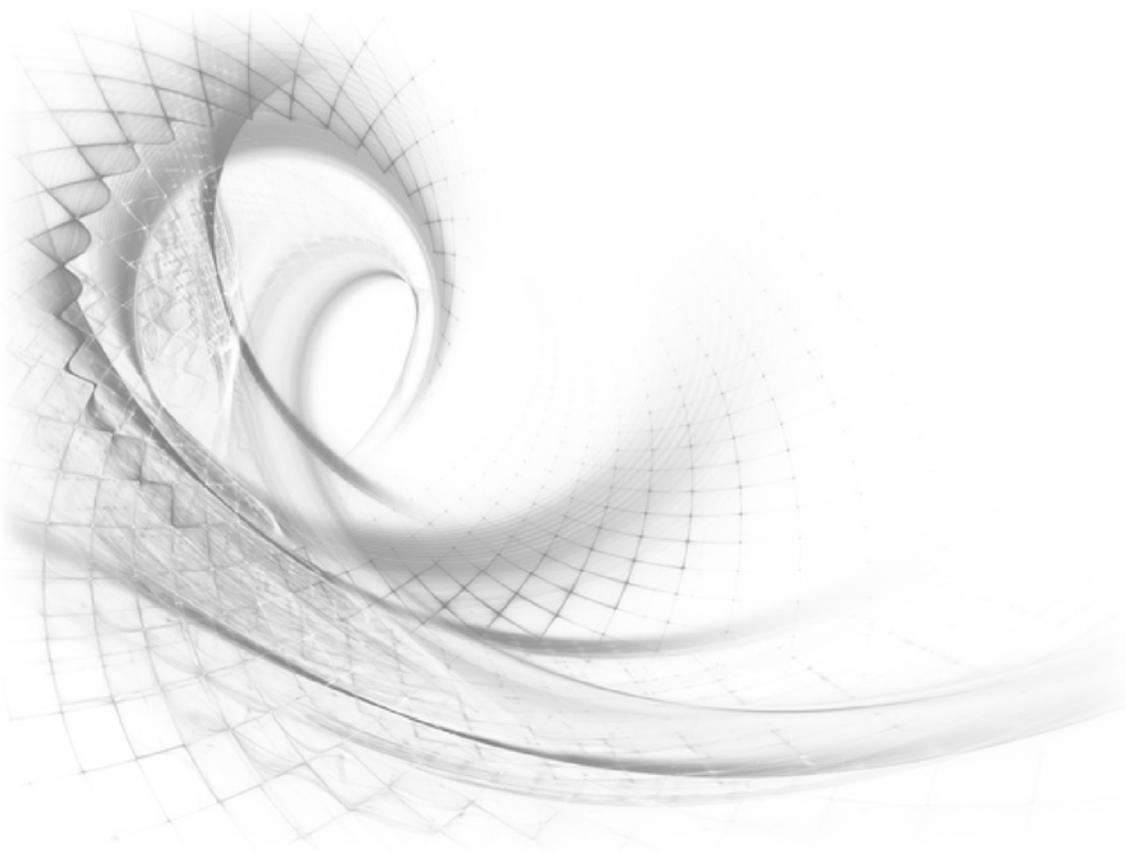
## **RETAIL AND TECHNOLOGY:**

Who's in Charge Here?



“IT IS NOT THE STRONGEST, OF THE SPECIES THAT SURVIVES, NOR THE MOST INTELLIGENT, BUT THE ONE MOST ADAPTIVE TO CHANGE.”

Charles Darwin's observation about the animal kingdom back in 1868 is a pitch-perfect assessment of today's business environment. We must adapt or die.



# RETAIL AND TECHNOLOGY:

## Who's in Charge Here?

In our last post, we talked about the need to frame transformation strategy around your customer; understanding who they are, how your offering distinguishes you from your competitors and how you will create lasting relationships. So, you have answered the questions thus completing your exercise of strategy development and market identification. You're good to go?

Maybe not.

The path too many brands and retailers go down first is an ill-fated effort to fit their digital transformation exercise into the existing infrastructure; with process and culture left largely unaltered. This in effect says "Yes, we're going to be different; but not change." The contradiction inherent in this messaging diminishes the chances for success right out of the gate.

Instead, brands and retailers first need to develop an approach that recognizes transformation begins internally before you ever engage a customer. Digital Transformation is about changing how you interact with a customer, moving from pushing information to having a conversation. The Chief Digital Officer must play a pivotal role here – evangelizing, educating and guiding the organization. The Chief Marketing Officer's primary responsibility is to articulate how the brand or retailer will have that customer conversation. Too many brands and retailers fail to understand and foster this role delineation.

The CDO ensures the organization infrastructure, tools and training are all aligned and mutually reinforcing in a culture where collaboration is central to both strategic and tactical planning. This requires deliberate change management efforts to shift away from established patterns and adopt new behaviors and technologies.

An inflection point that illustrates this is the CRM solution, how it is employed and the associated marketing programs that draw on this as a primary information source. Customer Relationship Management software was developed as, and is still viewed, as the primary repository of information about the customer. It does nothing to promote a customer conversation. But instead is often the source of customer irritation as inboxes are flooded with promotional offers,

based on past purchases, that are deleted, unread. The communication remains largely one-way, impersonal, and as such not a promising start to any conversation. Internally, updating the database becomes a dispiriting end in and of itself with resources dedicated to monitoring completeness and chasing data rather than the resources engaging in true customer exchanges.

Here is where the CDO and CMO collaboratively drive transformational changes. Starting with the customer and working back through the organization. Relationship management cannot be synonymous with database management. As more sales move from a purely transactional model to a more consultative approach every element of customer relationships need to respond in new ways. Retailers and brands need to reimagine how they interact with their customers, how they can partner with them to preserve long-term relationships that are sufficiently dynamic to sustain their strength and value through time. This is the first step. It also begins the internal conversation between leaders of organizations. A well-crafted comprehensive digital strategy requires consideration of and input from all corners of the organization.

From here, the CDO is pivotal in ensuring the operational and technical infrastructures throughout the organization are aligned to support Marketing's vision.

The technology strategy, the operational processes, and organization then enjoy a common point of reference from which to build. In our next article we'll talk about some options and pitfalls of infrastructure transformation.

So, we'll finish this post as we did the first; with some questions. You've defined your customer. Now what do you want to know about them? What do you want to say to them? What do you want them to tell you? What do you need to understand about your competitors? New markets? Trends? How will you want to breakdown the data? What information do you want the data to yield? How will the data be collected? By whom? How often? Answers to these begins the transformation of your digital infrastructure.