



SELLING HAS A NEW NORMAL: 5 WAYS BRANDS CAN BE SUCCESSFUL IN THE NEW RETAIL SPACE OF 2021

Chemin de Bellerive 23
PO Box 915
CH-1001 Lausanne
Switzerland

Tel: +41 21 618 01 11
Fax: +41 21 618 07 07
info@imd.org
www.imd.org

From building intimacy via technology to taking an interest in the customer's hobbies and values, 2020 has taken new retail a little off course, in response to a sudden shift in consumer habits. And brands must go into 2021 ready to build on these changes. But how?

Stéphane Girod, Professor of Strategy and Organizational Innovation at IMD, spoke to Emmanuel Fonteneau, Capgemini Invent's Vice President of Global Consumer and Shopper Engagement and Christian Laurent, President of Global Travel Retail and Emerging Markets at Clarins to get a handle on best online retail practices going into 2021.

Putting the entire customer journey ahead of just the sale

SG: We are moving beyond e-commerce towards new retail – the use of data and technology to help customers buy seamlessly across channels, anywhere and at any time. In 2021, it will become clear that whilst e-commerce and omni-channel are still part of the new retail idea, they are too limited. What best practices have you observed in companies that are already excelling in integrating the moment of purchase into the whole consumer journey?

EF: They manage all the elements of the online shopper journey, to keep costs under control. This means they carefully monitor pre-purchase, delivery and post-purchase cost drivers and ask questions such as: 'What is the optimal A&P allocation between all touchpoints?' and 'What flexible shipping options can help keep shipping costs down, including returns?' Even hidden costs such as content creation will be under scrutiny in 2021.

Taking a global brand strategy local

SG: We've seen consumers reconnecting with their local communities. How are brands tapping into this trend, which is highly likely to continue next year?

EF: I can't think of a better example than Nike. It tested a new concept that debuted earlier this year in Guangzhou in China called "Nike Rise" where visitors can use their Nike app once inside and sign up for local soccer matches and running clubs. In mid-November, [Nike also introduced a new online and offline concept called Nike Unite](#) to create new in-and-out-of-store experiences and serve and celebrate the people in each local community.

Expect failure in 2021 if you want to innovate

SG: Brands should expect to fall over and pick themselves back up again as they tackle new retail's new dimensions in 2021. Would you agree?

EF: Yes. Innovation is fundamental and if things are not failing, you are not innovating enough. Creating an integrated online/offline experience is a long and difficult process, with no shortcut. Retailers in China are demonstrating that there are numerous opportunities for those willing to fail fast and learn faster.

Determining which decisions are urgent

SG: But brands do need to resist “strategizing with urgency” and strike a balance between decisions that need to be made fast and those that need to be made more cautiously, wouldn’t you say?

CL: Absolutely. The current pressure on sales means it is easy to rush and create agreements with pure e-commerce players and even your own retail partners’ e-commerce people. However, jumping on these opportunities can prove to be a trap because it is like doing digital without holding the data. There is no digital strategy without a data strategy.

Interacting with customers is as important as ever, but now it’s tech-enabled

SG: A key aspect of agility is building intimacy with the customer, in order to be able to adapt to customer changes. How are you seeing brands go about this?

CL: Turning sales staff into social media influencers is a big part of it. Clarins has been quick to reallocate sales staff from closed department stores to live streaming where they meet customers via online appointments. In fact, this has required a really quick reskilling of this workforce for them to become influencers. We encourage them to liaise with their local customers, or customers they know, and be active influencers of the Clarins brand on social media.

SG: The digital content that brands create encourages consumers to purchase products if they feel a connection that goes beyond the offerings themselves and aligns with their values. I know Clarins is working on a subscription model intended to boost customer loyalty in the post-purchasing phase of the journey. How else do you recommend getting a loyal customer base via value connection?

CL: Indeed, digital is not just about sales but also about strengthening the why of the brand in consumers’ eyes. Clarins, for instance, is making sure it continues to invest in the creation of purposeful content around the brand’s sustainable values of an appreciation of ‘the natural’, the protection of nature and the know-how that comes from being a specialist brand born in the spa environment.