EXPOSED

Retail Week
CONNECT

REPORTS

Personalisation exposed

Are you really as good as you think?

AT A GLANCE

Personalisation has been a buzzword in retail for the past few years, but does anyone actually know what it means? And how high up on a retailer's list of priorities does it currently sit?

In this exclusive report, in partnership with personalisation software specialist Monetate, we uncover exactly what retailers know about personalisation and machine learning, benchmarking new research results with statistics from 2016 to establish exactly what progress is being made.

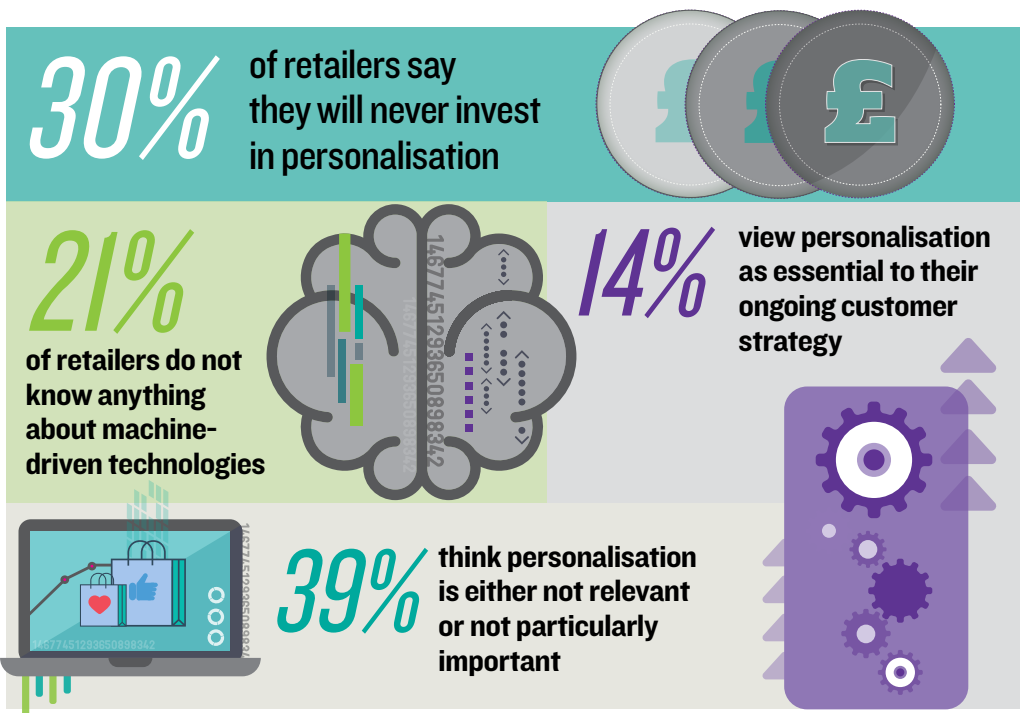We've spoken directly to UK retail leaders to discover the sector's understanding of the capabilities available to them, and whether they believe those capabilities can transform their customer experience. By taking advantage of machine learning technology, retailers can provide the fully personalised experience consumers crave, whether online or in store. But do they actually understand what those advantages are?

The findings from our industry research have shown that UK retailers still have a long way to go before they utilise this technology. Personalisation techniques have barely advanced in the past 12 months and the knowledge gap surrounding machine learning is still too wide.

By embracing machine learning, retailers will be able to better adapt to the demands of the consumer of the future, but it's up to them to take the first step.

WHAT DOES THIS REPORT REVEAL?

» What does personalisation really mean?

» How personalisation is still not a priority for retailers

» The true potential of artificial intelligence

» The benefits of adopting machine-driven technology

30% of retailers say they will never invest in personalisation

21% of retailers do not know anything about machine-driven technologies

14% view personalisation as essential to their ongoing customer strategy

39% think personalisation is either not relevant or not particularly important

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"Personalisation is using everything that you know and ought to know about your customer and their relationship with your brand to drive a meaningful experience with that customer in each moment, and everywhere the brand and customer meet and touch"

David Brussin, founder and executive chairman, Monetate

RETAIL WEEK
FOREWORD

ISOBEL CHILLMAN
CREATIVE STRATEGIST, RETAIL WEEK CONNECT

As the retail buzzword of 2016, you could presume that the entire sector knew the meaning of personalisation implicitly. But what some retailers regard as 'personalisation' is simply 'segmentation' – identifying a group of personas and aligning them with the content that will best resonate.

On its own, segmentation is static. True personalisation is dynamic; a real-time additional layer on top of segmentation, reflecting context, channel or device and all other known attributes, recorded through any form of contact between retailer and customer.

By speaking directly to the industry, we've sought the opinion of retail executives on how artificial intelligence and machine learning will transform their businesses' ability to offer a personalised customer experience at scale. We also identify the key limitations stopping organisations from taking advantage of machine-learning solutions.

And the results have been fairly damning.

Comparing our research with survey results from 2016, the sector doesn't seem to have advanced in either its understanding of machine learning or the level of priority personalisation has within retail businesses.

But why not? We're all aware consumers are demanding a personalised experience, whether in store or online, and artificial intelligence is the only way that can be delivered on a large scale. 'Dear Sarah…' no longer cuts the mustard.

Artificial intelligence is used in every part of our day-to-day lives, from Alexa at home to Siri on your phone. So if we're happy to welcome artificial intelligence into our personal lives, why aren't we happy to welcome it into our businesses? Whether it's lack of understanding or lack of budget, there's a number of barriers preventing retailers from utilising the technology and in turn offering customers the best service.

So when it comes to personalisation, the key question all retailers need to ask themselves is this: are you really as good as you think? Because the answer's probably no.

> "If we're happy to welcome artificial intelligence into our personal lives, why aren't we happy to welcome it into our businesses?

RETAIL WEEK CONNECT: PERSONALISATION EXPOSED

PARTNER
VIEWPOINT

SIMON FARTHING
DIRECTOR OF GLOBAL STRATEGY AND INSIGHTS, MONETATE

There is some confusion in the retail industry as to what the term personalisation means – many retailers think they are already doing it, but they're not. Half of companies surveyed admit they only conduct basic A/b/n testing – the first step on the personalisation ladder – with very few personalising experiences across multiple website pages, let alone across channels and devices.

What's even more concerning is that the adoption of personalisation has barely advanced in the past 12 months. Customers already expect a tailored experience, and retailers that fall behind are leaving money on the table.

This may be because of fear of complexity or a lack of understanding, but personalisation doesn't need to be complex to have a positive effect on the bottom line. Just the opposite, in fact. By starting simply and using data from individual shoppers, retailers can shape data insights into strategy that's supported by actionable tactics. The technology may seem daunting, but those who start small in this respect, while focusing on the right advice from industry experts, may be the most effective at transforming data into strategy.

Take Jack Wills as an example. Personalisation has helped the retailer win more business from new customers, while basket abandonment rates have tumbled.

By working with Monetate, the fashion brand delivered a 12% conversion increase for new customers and an 8% increase in add-to-basket. With success stories such as this, it is surprising that a large percentage of retailers are still not embracing the benefits personalisation can bring.

The underlying issue is simple: if the industry isn't already getting to grips with the basics, how can it harness the true benefits of personalisation? The future almost certainly lies in artificial intelligence. Machine learning solutions, such as the Monetate Intelligent Personalisation Engine, represent the next generation of personalisation solutions, offering the scalability retailers need to provide a true one-to-one experience to customers.

> **If the industry isn't already getting to grips with the basics, how can it harness the true benefits of personalisation?**

INTRODUCTION

SEGMENTATION VS PERSONALISATION

Personalisation in retail means different things to different companies, but new, in-depth research by Retail Week and Monetate shows there are still huge improvements that can be made to provide consumers with the one-to-one, tailored service they expect.

Based on presentations at industry events and PLC trading announcements containing insightful discussions on personalisation, it would seem many retailers are on the way to success in this field.

However, it has become clear through recent research that many retailers tend to confuse personalisation with segmentation, where general traits are identified from their data, which is then aligned with content they think will best resonate with potential customers.

On its own, segmentation is static. True personalisation is dynamic, and can provide a real-time additional layer of intelligence and relevance on top of segmentation, reflecting context, channel or device, and all other known customer attributes.

Advances in artificial intelligence (AI) and machine learning have transformed retailers' ability to offer personalised customer experiences, at scale. But just how much progress has the industry made over the past 12 months in realising this potential?

True personalisation is dynamic, and can provide a real-time additional layer of intelligence and relevance on top of segmentation

CHAPTER ONE
WHAT IS PERSONALISATION?

- **Personalisation is still not a priority for retailers**
- **Techniques have barely advanced in the past 12 months**
- **Retailers should consider new technology options**

David Brussin, founder and executive chairman of Monetate, says: "If the [business] mandate is 'we need to compete on experience', personalisation is the strategy to do that.

"Personalisation is using everything that you know and ought to know about your customer and their relationship with your brand to drive a meaningful experience with that customer in each moment, and everywhere the brand and customer meet and touch."

According to this year's personalisation study, just over half of retailers believe they are at level 1 of the hierarchy of personalisation (see Figure 1). This means AB or multivariate testing (MVT) is being used to optimise content to deliver the best results, but the experience is the same for all visitors in any given region.

Some 31% consider themselves level 2 (known as segmentation), while just 16% believe they are at level 3 (AB testing/optimisation), implementing machine learning and using all available customer relationship management, store card or point-of-sale data in real time to determine which experience will be the best and most relevant.

These splits have not moved on too far from last year, although there are some new user cases that have emerged.

Some 14% of retailers said their in-store or call centre activity can be based on online behaviour, while 7% are re-targeting ads based on consumers' web behaviour. These are just two examples of personalisation that were not cited 12 months ago.

In general, the techniques being offered have barely moved on from last year. In 2016, product recommendations on websites (63%), emails with personalised lifestyle or product content (63%) and personalised content or offers based on store-card data (57%) were the most frequent types of personalisation used, and this year's study shows these techniques were once again the most popular.
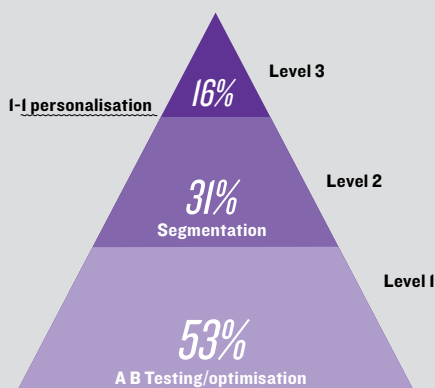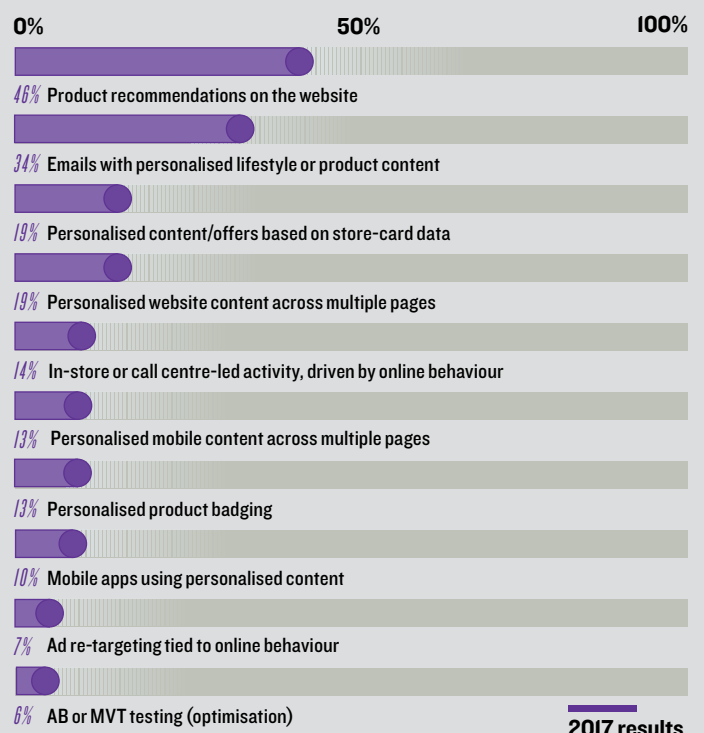
FIGURE 1: PERSONALISATION PYRAMID

Level		%
Level 3	1-1 personalisation	16%
Level 2	Segmentation	31%
Level 1	A B Testing/optimisation	53%

FIGURE 2: TYPES OF PERSONALISATION CURRENTLY OFFERED

0%   50%   100%

- 46% Product recommendations on the website
- 34% Emails with personalised lifestyle or product content
- 19% Personalised content/offers based on store-card data
- 19% Personalised website content across multiple pages
- 14% In-store or call centre-led activity, driven by online behaviour
- 13% Personalised mobile content across multiple pages
- 13% Personalised product badging
- 10% Mobile apps using personalised content
- 7% Ad re-targeting tied to online behaviour
- 6% AB or MVT testing (optimisation)

2017 results

Personalisation still not a priority

During a period of significant business change and digital transformation, retailers are clearly focusing on the significant task of organisational restructuring and company modernisation. The wider goals of improving profitability and operational efficiency seem to usurp improving personalisation in the list of priorities.

Some 39% of retailers regard personalisation as not particularly important or relevant to their customer strategy, but are they missing the point? Getting to know consumers better and serving them in a tailored fashion can have wide-reaching benefits, improving bottom line and business performance – as shown by some of today's most innovative retailers.

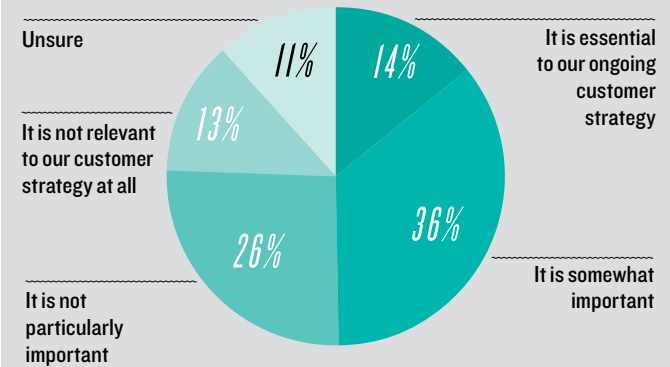Asos chief executive Nick Beighton attributes much of the company's recent growth to its personalisation approach. "We will continue to evolve and innovate our digital platform – including personalising our customers' experience across our sites – improving navigation and order tracking," he says.

Asos' plans include the launch of new payment methods, websites, delivery propositions and site languages, as well as upgrades to its 'My Account' section of the website and a refresh of its mobile app. Beighton explains that the retailer has a dedicated personalisation team, who are "exploring how machine learning and AI can help drive [personalisation] further".

39%
of retailers say they have no budget for personalisation or human resource to implement it

FIG 3: CURRENT PRIORITY OF PERSONALISATION IN BUSINESS

- Unsure — 11%
- It is essential to our ongoing customer strategy — 14%
- It is somewhat important — 36%
- It is not particularly important — 26%
- It is not relevant to our customer strategy at all — 13%

Dixons Carphone chief executive Seb James is another senior executive to embrace machine learning, as was highlighted in his British Retail Consortium (BRC) lecture as far back as 2014. "What customers express in terms of their likes and dislikes, they discuss quite openly on social media websites," he said. "The true skill today is processing that data, inventing tools to manage that data and, above all, placing and contextualising that data."

However, this forward-thinking attitude from the retail C-suite remains rare. From the research in this report, there are a number of reasons holding retailers back from following the likes of Asos and Dixons Carphone in their understanding and use of personalisation.

Some 39% of survey respondents say they have no budget for personalisation, and the same figure say they have no human resource to implement these systems. In 2016, the biggest barrier to success was retailers' inflexible content management and ecommerce systems, but this is now much less of a concern today.

The results point to retailers having the capability from a technological perspective, but the lack of employees and specific expertise to ensure it can be rolled out across their business in a relevant way. Dixons Carphone's James has long spoken about the need for more PHD-qualified and data science staff to join the retail industry, and it appears this skills gap is holding back the industry in its use of personalisation and machine learning technology.

With personalisation – just like with the wider potential of using big data for commercial success in retail – there appears to be a DRIP situation forming. The industry is 'data rich, insight poor', and this is arguably one of the major reasons why personalisation strategies have only evolved slowly from 12 months ago.

Competitor benchmarking

As figure five shows, the fashion sector is a frontrunner to personalise its offering to potential customers. While department store chains are aware of the benefits of machine-based personalisation, many are quite some way from utilising its full potential.

The DIY/home sector lags behind in its

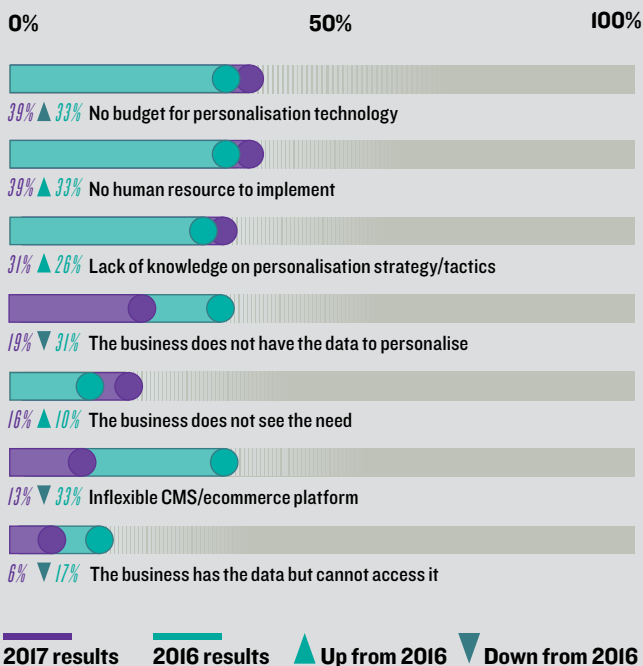### FIGURE 4: LIMITATIONS OF CURRENT PERSONALISATION

0%   50%   100%

- 39% ▲ 33% No budget for personalisation technology
- 39% ▲ 33% No human resource to implement
- 31% ▲ 26% Lack of knowledge on personalisation strategy/tactics
- 19% ▼ 31% The business does not have the data to personalise
- 16% ▲ 10% The business does not see the need
- 13% ▼ 33% Inflexible CMS/ecommerce platform
- 6% ▼ 17% The business has the data but cannot access it

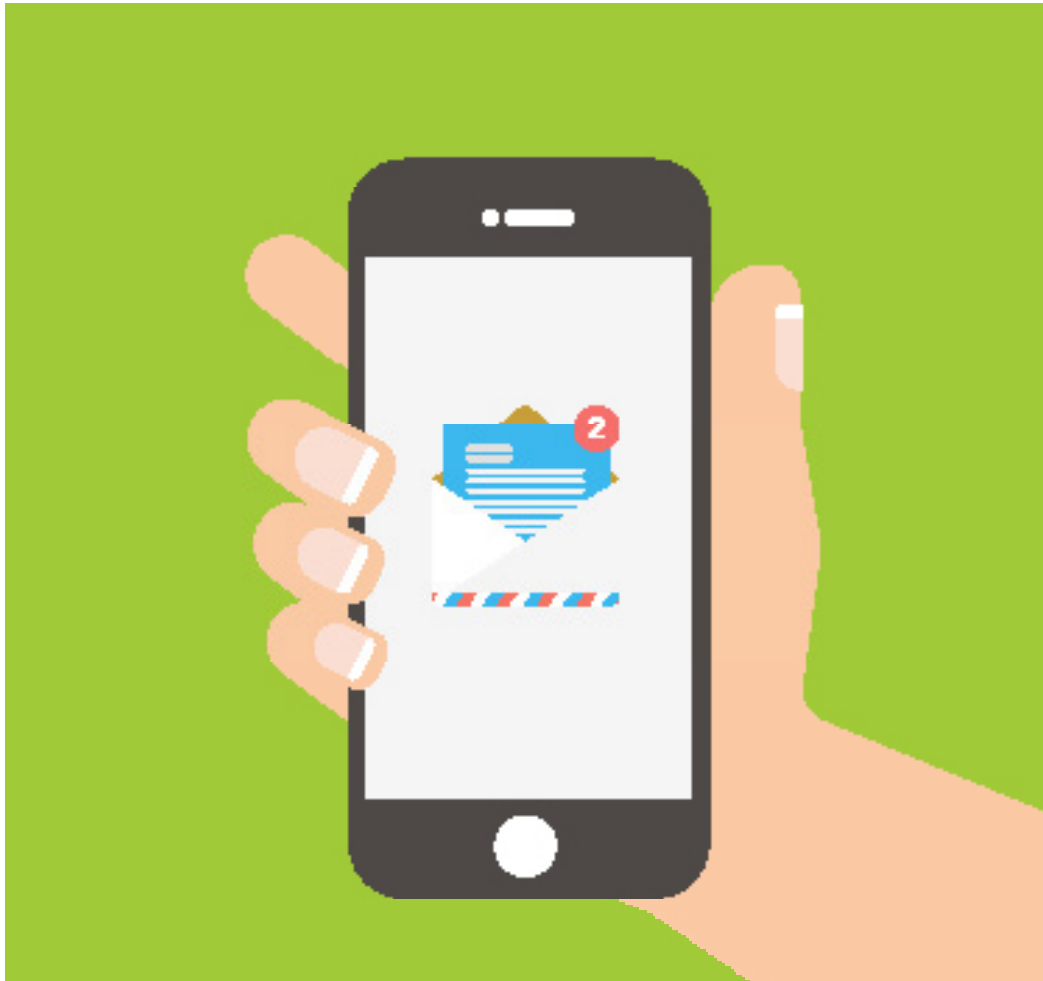2017 results   2016 results   ▲ Up from 2016   ▼ Down from 2016

FIGURE 5: BENCHMARKING ACROSS DIFFERENT SECTORS

DEPARTMENT STORES

	Website addresses shopper by their name	Retailer has a loyalty scheme (in store or online)	Website recommends items based on what others have bought	Website recommends items based on a shopper's personal browsing and buying history	Online re-targeting – browsed products appear on other websites	Personalised promotions on email
Debenhams	YES	YES	NO	YES	NO	YES
Fenwick	N/A	YES	N/A	N/A	N/A	YES
Fortnum & Mason	YES	NO	NO	YES	NO	YES
Harrods	YES	YES	NO	YES	NO	YES
Harvey Nichols	YES	YES	NO	YES	NO	YES
House of Fraser	NO	YES	YES	YES	NO	YES
John Lewis	YES	YES	YES	YES	NO	YES
Liberty	YES	YES	NO	YES	NO	YES
Marks & Spencer	YES	YES	YES	YES	NO	YES
Selfridges	YES	YES	NO	YES	NO	YES

HOME AND DIY

Argos	YES	YES	YES	YES	NO	YES
B&Q	YES	YES	NO	NO	YES	YES
Bathstore.com	NO	YES	YES	NO	NO	YES
DFS	YES	NO	NO	NO	NO	YES
Dreams	YES	NO	YES	YES	NO	YES
Homebase Bunnings	YES	YES	YES	YES	NO	YES
Ikea	YES	YES	NO	YES	NO	YES
Screwfix	NO	YES	NO	YES	NO	YES
The White Company	YES	YES	NO	YES	YES	YES
Wickes	YES	NO	NO	YES	NO	YES

FASHION

Asos	YES	YES	NO	YES	NO	YES
Boden	YES	YES	NO	YES	NO	YES
Burberry	YES	NO	NO	NO	NO	YES
Gap	YES	YES	NO	YES	NO	YES
Jack Wills	YES	YES	NO	YES	NO	YES
MandM Direct	YES	YES	NO	YES	NO	NO
N Brown	YES	YES	YES	YES	NO	NO
New Look	YES	YES	NO	YES	NO	YES
River Island	YES	YES	NO	YES	NO	YES
Superdry	NO	YES	NO	YES	NO	YES

understanding, deployment and future plans for using the technology to improve the customer experience. Lucinda Duncalfe, president and chief executive of Monetate, says: "Since the advent of online shopping, fashion retailers have faced a particularly competitive landscape.

"Personalisation strategies arm retailers, especially those in the fashion industry, with the ability to observe, understand and interact with customers, which helps retailers deliver a great and highly relevant customer experience – a cornerstone of gaining, keeping and growing customer loyalty."

She adds: "Because of this, fashion tends to lead the way in adopting and deploying personalisation technology, and we have seen a lot of early adopters of successful personalisation from fashion retailers in the UK who are using personalisation for both online and in-store customer optimisation."

16%
of retailers say they are going to invest in personalisation in the next six months

The technique of targeting shoppers

Some recent sales trends have suggested that retailers cannot afford to stand still and expect their ecommerce revenue to experience the same rate of growth that it has over the past decade. Figures from the BRC and KPMG show recent online sales increases have slowed down.

Paul Martin, KPMG's head of retail, suggests it is time for retailers to consider new options and assess the technology available to them to improve customer service and increase online sales again.

"It is vital online retailers master the art of customer centricity and personalisation," he says.

"Ensuring the right products are available at the right time, and that surplus stock is not sold at significantly reduced prices, is becoming even more important. Success will come from an ability to target the online shoppers who spend more and return less."

"Since the advent of online shopping, fashion retailers have faced a particularly competitive landscape"

Lucinda Duncalfe, president and chief executive, Monetate

CHAPTER TWO
UNDERSTANDING MACHINE LEARNING

■ There is a huge knowledge gap surrounding machine learning

■ IT functions are leading adoption

■ Customer loyalty is seen as the most important outcome

Retailers can't have failed to hear about the latest developments in machine learning and AI over the past 12 months, with all the big tech suppliers ramping up their expertise in this field.

Facebook chief executive Mark Zuckerberg summed up the current AI drive prevalent across the business world in April 2016, saying: "The biggest thing that we're focused on with artificial intelligence is building computer services that have better perception than people."
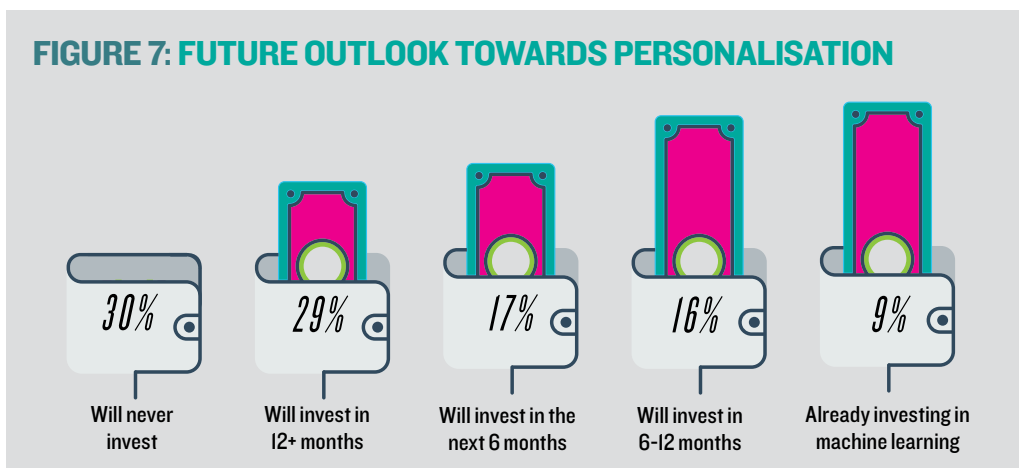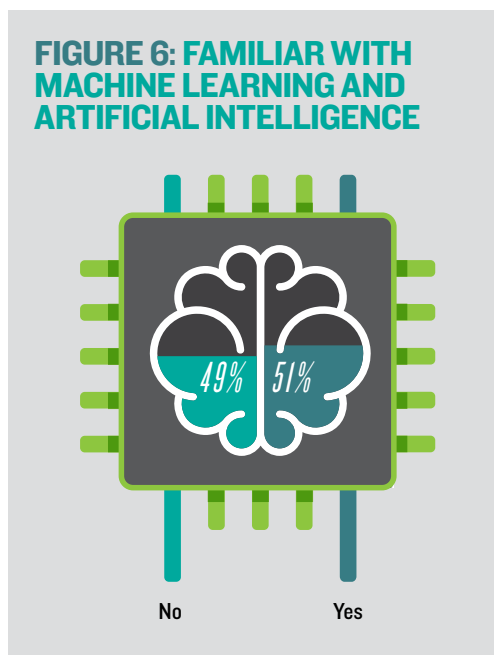
He predicted that in the next five to 10 years, computer systems will be better than people at basic human senses, like seeing, hearing and language. Against that backdrop, all industries should be keeping abreast of AI's rapidly growing capabilities.

The survey by Retail Week and Monetate shows that 9% of retailers are already investing in machine learning-based personalisation, while 17% are in the process of starting their investments and 16% are set to begin this journey in the coming year. It is encouraging to see a fair number of retailers looking towards this transformative technology, but the majority appear reticent to go down this path.

Some 29% of respondents do not expect to start personalisation investment until at least 2018, while 30% say they will never invest. There is a 50/50 split between those that are familiar with machine learning and AI and those that are not, illustrating why the industry is still divided in its take-up.

Mind the knowledge gap

There is certainly a gap in knowledge when it comes to machine learning, with 33% of respondents somewhat knowledgeable about it, and 26% saying

FIGURE 6: FAMILIAR WITH MACHINE LEARNING AND ARTIFICIAL INTELLIGENCE

49%   51%

No   Yes

FIGURE 7: FUTURE OUTLOOK TOWARDS PERSONALISATION

30% Will never invest

29% Will invest in 12+ months

17% Will invest in the next 6 months

16% Will invest in 6-12 months

9% Already investing in machine learning

they are not particularly knowledgeable. Some 10% indicate they only know the basics and 21% admit they do not know anything about it.

The contradiction between retailers' lack of knowledge and the fact that nearly half of respondents think the technology "will help somewhat", emphasises the confusing state in which the sector finds itself.

The research suggests retailers know there is something out there to help them, but they do not quite know what it is yet and what exactly the benefits will be.

It is clear the retail industry is still in the early stages when it comes to implementing machine learning – or to put it another way, they are in the exploratory stage.

IT and ecommerce director at UK grocery chain Booths Andrew Rafferty certainly supports this notion. He says that the definitions and boundaries of what constitutes machine learning and AI – as opposed to technology that is effectively "just clever

> ## The contradiction between retailers' lack of knowledge and the fact that nearly half of all respondents think the technology 'will help somewhat', emphasises the confusing state in which the sector finds itself

FIGURE 8: BARRIERS TO MACHINE LEARNING

	0%	50%	100%

Cost/budgetary priorities — 11%, 11%, 51%

Proof of value — 17%, 23%, 27%

Lack of leadership/support for innovation — 9%, 17%, 31%

Lack of internal skills creating inability to implement — 9%, 21%, 51%

Effect of disruption — 4%, 10%, 19%

Time to make changes and adjust — 4%, 9%, 16%

Rank 1   Rank 2   Rank 3

FIGURE 9: ORGANISATIONS' KNOWLEDGE OF AI OR MACHINE-DRIVEN TECHNOLOGIES

We don't know anything — 21%

Extremely knowledgeable — 10%

We only know the basics — 10%

Somewhat knowledgeable — 33%

Not particularly knowledgeable — 26%
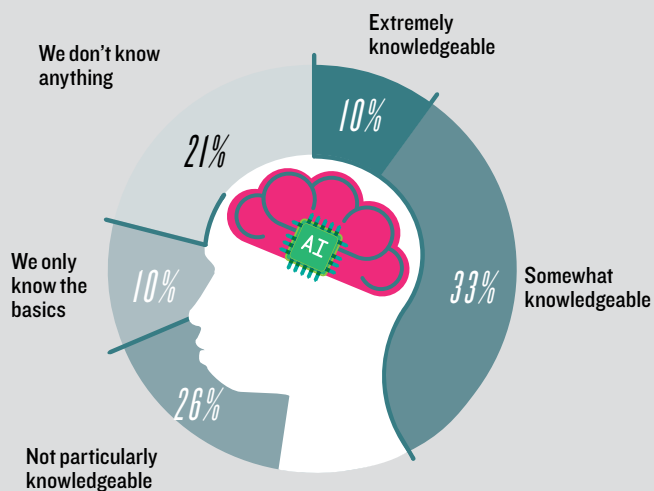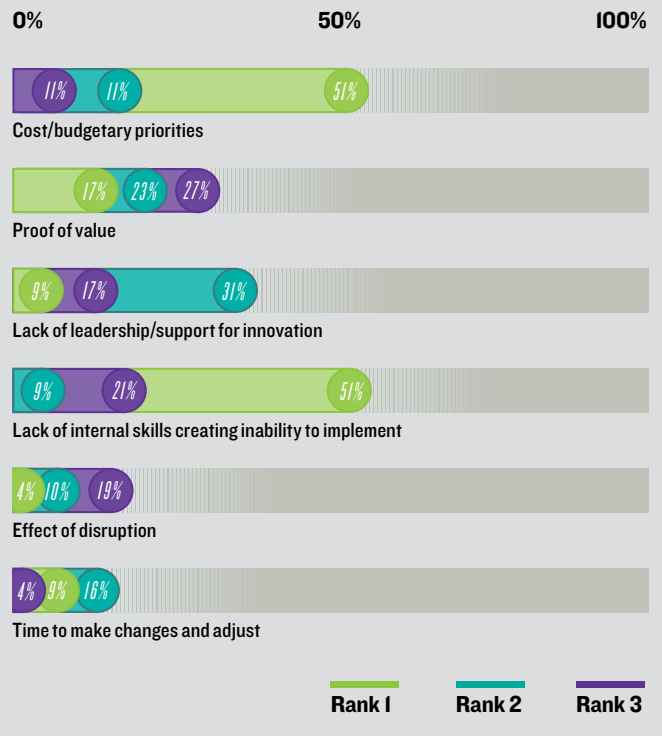
algorithms and programming" – are often unclear. The survey indicates that cost and proof of value are the two main obstacles preventing retailers from investing in machine learning, suggesting it is going to take a major high street player to report a successful case study to kick-start a raft of further investment from first followers and late adopters.

Duncalfe says: "Machine learning in personalisation is still at an early stage, and while it is natural for retailers to see how other brands have seen added value from solutions that deploy machine learning, we believe that it is the future of retail, and success will come to those that embrace this."

A number of UK brands have signed up to Monetate's early adopter programme, with the tech company reporting initial success with its new Intelligent Personalisation Engine machine learning product.

N Brown-owned fashion brand JD Williams reportedly decreased its bounce rate by 3.3% in just one week by deploying Monetate's machine learning capabilities, which determine the best homepage experience for each of its visitors.

Talking about an evolution

Where the industry has certainly evolved over the past 12 months is in its ownership of the personalisation strategy. In previous surveys in 2015 and 2016, over three quarters of respondents said that the marketing and/or ecommerce departments

have held responsibility for personalisation within their organisation.

This year, as personalisation has found itself linked more to the benefits of implementing machine learning technology, responsibility for it within retail has fallen primarily to the IT department. Some 31% of retailers say the IT team is responsible for machine learning strategy, compared with 27% and 14% who say marketing and ecommerce respectively.

A conversation about the development of AI and the automation potential it offers is typically followed by question marks over the impact it will have on human jobs – especially when you consider Zuckerberg's comments from the spring of 2016 and the rapid advances in machine learning that have happened since.

It is a controversial area, but it seems retailers are largely comfortable that the evolution of this technology does not mean the end of the marketer – with 43% saying they do not see machine learning as a threat to traditional marketing or commerce roles.

Monetate's Brussin says there are a number of myths around the impact of AI that are proving hugely damaging to its advancement.

"[AI]'s not going to happen in the foreseeable future," he says. "Machines are not going to create experiences out of whole cloth. AI can allow marketers to scale in ways they can't otherwise. It effectively allows marketers to do things that were beyond their reach before."

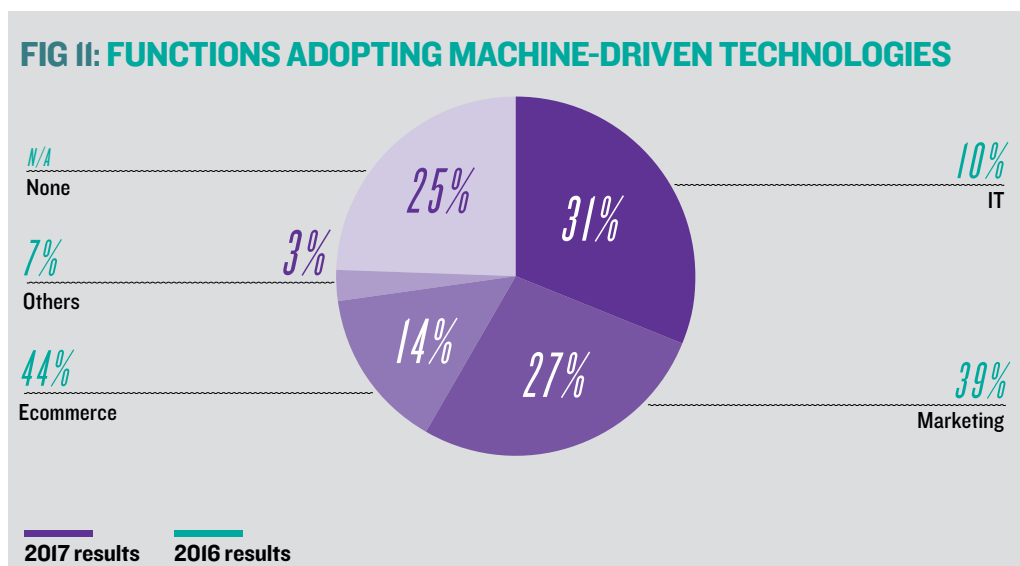## "AI can allow marketers to scale in ways they can't otherwise"

David Brussin, founder and executive chairman, Monetate

FIGURE 10: DO YOU SEE MACHINE LEARNING AS A THREAT TO TRADITIONAL MARKETING OR COMMERCE ROLES?

Yes — 26%
No — 43%
Neutral — 31%
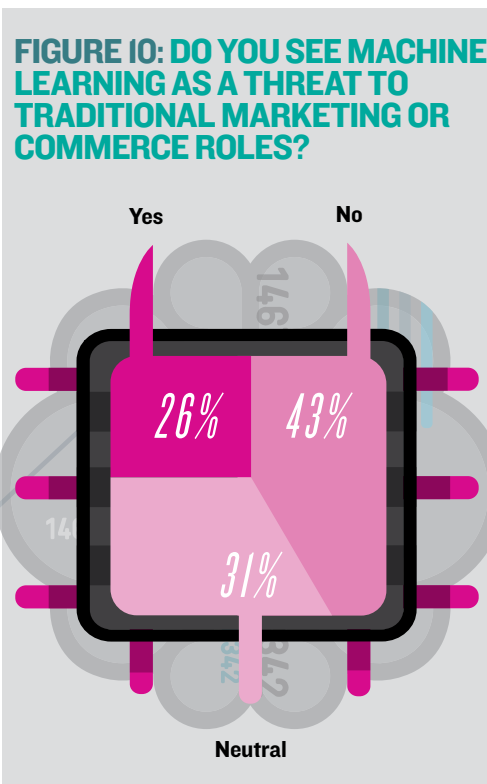
A quarter of respondents do feel the threat though, and this uncertainty about the far-reaching consequences of new technologies could be a reason for its slow adoption at this stage.

It seems senior executives are assessing potential outcomes and the long-term impact it will have on the fundamental structure of their companies.

Brussin uses *Iron Man* and the Marvel Comics franchise as an analogy in this scenario, describing

FIG 11: FUNCTIONS ADOPTING MACHINE-DRIVEN TECHNOLOGIES

None — N/A
Others — 7%
Ecommerce — 44%
25%
3%
14%
27%
31%
IT — 10%
Marketing — 39%

2017 results   **2016 results**

"It is the human and tech being able to achieve things that neither could do on their own – not about a robot that can do it all"

David Brussin, founder and executive chairman, Monetate

43%
of retailers say they do not see machine learning as a threat to traditional marketing roles

AI as a "bionic" power. It is a development, he says, that allows organisations to do more with the same human resources.

"It is the human and tech being able to achieve things that neither could do on their own – not about a robot that can do it all," he notes.

"If the customer mandate says 'you need to figure out how to provide a better experience for me than you provide today', it is hard to figure out how to do that with the same resources."
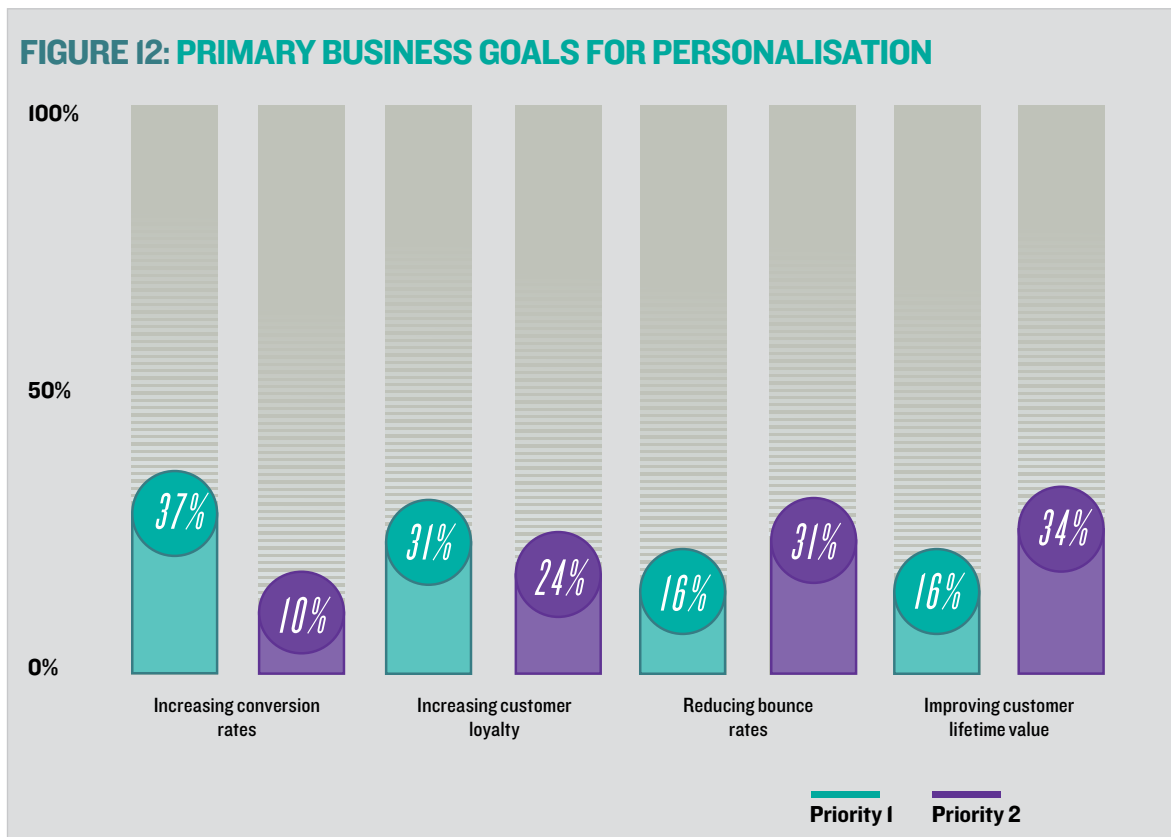
The benefits of personalisation

In 2016, retail executives cited conversion rate as the most important KPI to track the success of personalisation – with 71% of those surveyed saying this was either the most, or the second-most crucial measurement. In 2017, most retailers said the expected return on machine learning investment was to improve customer acquisition and retention, and to increase customer lifetime value.

This slight switch in priority indicates retailers are moving towards more of a nurturing relationship with their customers. They do not just see them as a quick sales opportunity but, instead, understand the benefits of forging and developing communication channels with customers over longer and more rewarding periods of time.

If that truly is the case, then it bodes well for further adoption of personalisation technologies and AI capability in the next 12 months.

FIGURE 12: PRIMARY BUSINESS GOALS FOR PERSONALISATION

Bar chart with Priority 1 and Priority 2 values:
- Increasing conversion rates: 37% (Priority 1), 10% (Priority 2)
- Increasing customer loyalty: 31% (Priority 1), 24% (Priority 2)
- Reducing bounce rates: 16% (Priority 1), 31% (Priority 2)
- Improving customer lifetime value: 16% (Priority 1), 34% (Priority 2)

Priority 1   Priority 2

CHAPTER THREE
THE FUTURE OF PERSONALISATION

■ **British Retail Consortium predicts "fewer but better jobs"**

■ **Retailers see a growing shift towards online shopping**

■ **Embracing machine learning will help retailers better adapt to the future**

The research is clear: for some time now there has been plenty of talk about personalisation and machine learning in retail, but not much action. Now, companies operating in the sector must move forward and implement this technology if they are to edge closer to the one-to-one retailing consumers are after.

According to retailers questioned for the report, machine learning can help provide a "better experience" and a "better targeted service/supply", as well as help generate "faster and more efficient customer service".

Despite some uncertainty about the end result of adopting machine learning, many respondents emphasised the improvements to the overall customer experience – a key goal for most retail organisations looking to increase customer loyalty.

As with all technology investment, some retailers are much further ahead than others in realising what personalisation can do for their business.

While some are exploring general omnichannel tools and data analytics to do the job, or waiting for sales to improve before considering an investment, others appear more advanced in their thinking.
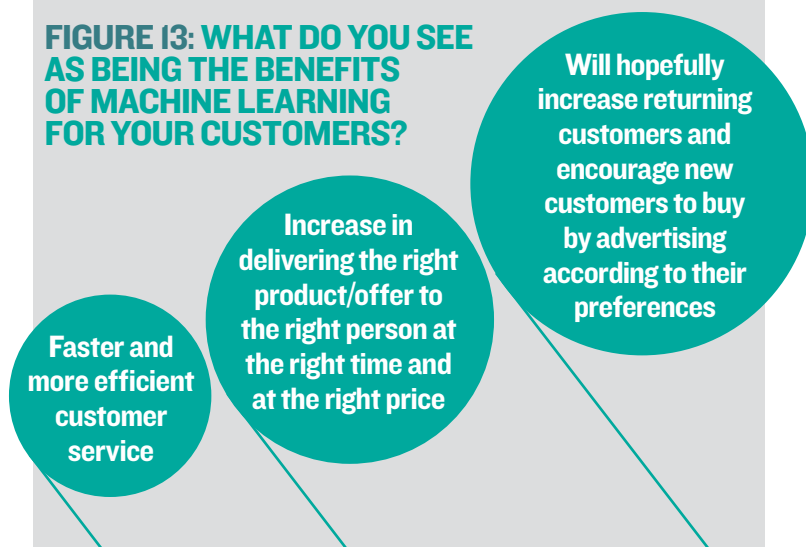
One retailer is taking "a comprehensive approach that combines the strengths of multiple AI technologies with real-time individual behavioural analysis to characterise changing behaviour". The results will enable the retailer to "realise the true potential of AI and machine learning to deliver on the enormous potential of personalisation".

The next stage of technology

As we approach the end of a landmark decade in which technology has advanced beyond all recognition, many thoughts are turning to what retail will look like in 2020. The BRC has produced a series of reports investigating what the future of the industry will be, considering the impact of technology and various new cost pressures placed upon the sector.

The BRC predicts "fewer but better jobs" and a greater push towards improving productivity in stores, allowing technology to do many of the back-end jobs that will free up people to do more

FIGURE 13: WHAT DO YOU SEE AS BEING THE BENEFITS OF MACHINE LEARNING FOR YOUR CUSTOMERS?

Faster and more efficient customer service

Increase in delivering the right product/offer to the right person at the right time and at the right price

Will hopefully increase returning customers and encourage new customers to buy by advertising according to their preferences

rewarding roles. Although the uncertainty can be a concern, there is positivity within the sector that this change in focus will benefit the industry.

Those answering the survey predicted a growing shift towards online shopping, but an improved overall experience for shoppers. Adjectives such as "better", "easier" and "quicker" were used, as were "efficient, effective and reliable" when asked how the 2020 retail landscape will be for consumers.

"Not too different from today, but companies that embrace machine learning will be better set to adapt to retail patterns of the future," adds one retailer, while others were more adamant retailing is going to get more experiential.

One respondent says: "In 2020, bricks-and-mortar stores will need to think even more about their relevance. The good news is that technology offers countless opportunities to give a tremendous boost to the shopping experience."

Whatever the future of retail looks like, personalised experiences and machine learning are set to play an ever-increasing role. But in 2017, retailers are very much at the early stage of using this technology.

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