Simon Hathaway Podcast

[00:00:00] **Andy Murray:** Physical retail today is becoming increasingly digitized with apps and screens that aim to make shopping either more. Or more inspirational to help understand the changes happening in this space. I sat down with Simon Hathaway, who's the group managing director of EMF for Al Form. In case you've never heard of Al Formm, they're a global innovation agency that focus on the physical space.

[00:00:24] They work with global brands and retailers to bring to life innovation that enhances the customer experience. Now, I've known Simon for over 20 years from the early days of shopper marketing, and I've always enjoyed hearing his perspective on the industry and catch up on what he is seeing develop. I sat down with Simon just after his trip to Euro Shop 2023.

[00:00:45] Where he and out form had on display several innovative in-store digital solutions. Simon also fielded a few questions from students in professor Molly ER's marketing class. So I hope you enjoy the conversation as much as I did. Hello, Simon. You and I have been working in this in-store space for a couple of decades.

[00:01:06] At least. And yeah. You've got a lot of interesting and great perspectives. I'd love to start perhaps by having you describe how you see the current environment attitude toward the physical retail space.

[00:01:19] **Simon Hathaway:** think it's interesting right now because there's a lot of brands and retailers particularly post pandemic, suddenly realizing the impact that they.

[00:01:28] In store and the importance of stores. So we're always seeing a bit of a revival. And quite a few of the big retailers spending some proper big money on, some fairly, very special stores. Obviously there is a mixed bag there in terms of where they spend that money. And you've got this piece really around colors, obviously some of the big cities which are where it's really starting to happen.

[00:01:49] We've got some real exciting. You still salt into

[00:01:52] **Andy Murray:** a pay up? It's interesting. I've seen, there's really two types of executions in store that we tend to see over time. One is the

experiments that perhaps happen in a flagship store, prototype store, and those projects that actually scale.

[00:02:07] That are designed to scale and we go through these cycles where it's almost like an always on, on the experimental route and you'll see some cool stuff. Although I think through the pandemic of course there wasn't much of that. But where are you seeing things that are starting to pick up steam to scale?

[00:02:24] And also have you seen a resurgence that's a pretty sizable uptick in interest for more experi. . We're

[00:02:30] **Simon Hathaway:** seeing a lot of people looking at experimental ideas. Nearly everybody's got somebody with the role around, or a team that's in the future store, store of the future, what anyone would call it.

[00:02:40] There's always somebody doing that which is great for business like us but obviously the real values when you take those opportunities and scale them. We have things, for example, in the uk like Martin Spencers have the 10 X store program where they've got 10 store. They're trying to put 10 times the amount of new technology into those stores to really transform it.

[00:02:58] And they're also very happy to fail in that process because that means they're actually pushing it. But of course the real opportunity is not just those one-offs, it is the scale. And I think you've see, started to see certain technologies. And now really scaling. And particularly as you look at things around the need for single customer view and unified commerce solutions, there's a lot of money going into that and retail media.

[00:03:21] The other piece of course is the evolution of the screen in store. We've got a two ends. One is the technology around how you can drive and change experience. If you look at some of the stuff that's going on with. L E d for example. It's amazing what you can do. And at the other end, you've got everybody in store on their own device.

[00:03:38] Our own research shows that across every sort of category, and it varies by obviously by category, by vertical, but 70% of people are online in store. So you've got this massive piece where, you know, in the past we talked about Instore versus online, but now we've got a situation where people are in store online.

[00:03:55] How people approach that, what they do. That's become a really a big scalable question I think for many retailers and brands.

[00:04:03] **Andy Murray:** We, when you look at the in-store and the online at the same time as you, you pointed out I've got a bit of a hypothesis and that it's probably wrong, but I'd love to get your thoughts on it.

[00:04:13] And that is people don't generally want to be on their phone. In the in-store environment shopping. And if they do that, they're probably trying to overcome some sort of friction that they've encountered. They don't know where to find something or it was outta stock, so they gotta find a different price or they need more information.

[00:04:31] So they're looking up, different elements of that, which isn't really a reason to pull your phone out from a positive standpoint of an experience. But if you were really intentional to your in-store screen strategy, , you might eliminate that need and have a more enhanced shopping experience versus saying we want shoppers to pull out their phones and design experiences around that.

[00:04:54] So what's your point of view

[00:04:55] **Simon Hathaway:** on that? I think your point is right, people, we ask the big question to all of our clients, why are people coming in store? when there's so much information online. Yeah, and it's, my biggest frustration is if, somebody will put a QR code up, which has been, every now expects content behind a QR code post pandemic, and then what happens?

[00:05:12] They take, you say, we'll just take it to the website. It's they could have done that at home. So what is the point? So, I think what you're getting at is that when people, then you need to have contextually relevant communication in store and all too often we see stuff which has not necessarily been thought through in the right way and that does frustrate people.

[00:05:31] It's interesting, right? So we've got, our stuff shows that 70% people in store are checking are using mobile devices. Obviously the biggest thing is checking. Interestingly, it goes up to 81% for luxury, which I suspect is cuz it's so expensive. They're desperate to check for price and make sure they're getting the right deal.

[00:05:49] But there are also some categories where I'd think, and you have to look it on a category kai category basis, where you're gonna get more complex requirements and therefore you have to do the right level of insight work to understand what they need in the store. And so you take a, a new category like smart home.

[00:06:04] Smart home is fairly before most, retailers don't know where to put it. Is it gonna be good, better, smart and doorbells, or is it a smart home category? It's a challenge. So what do people need to know in stored sometimes in that context? Yeah, it's definitely worth having some sort of, Ability for somebody to bring that mobile out because there's gonna be so much complex communication they might need to get to and you never quite know the full context.

[00:06:28] But the important bit for me, for us is that we see people wanting to use theirs device. You look at things like gaming and errors like that, where you can have an augmented experience, they definitely want to get into that. You've just gotta make sure it's relevant to that moment in time. You're not just using, the same old content that you might have had in other parts of your medium mix, which is yeah.

[00:06:48] That's all we know. It's a bit they're gonna be, there's not better deliver on the expectation.

[00:06:52] **Andy Murray:** Yeah. It's really interesting when you look at in-store environments in Europe UK in some cases and then look at it compared to what we see in the us it feels like Europe is probably four or five years ahead.

[00:07:04] In thinking about this topic and how to use those technologies, at least I've tried to track startups and the technology providers and, a lot of those folks are doing it in Europe first. And yet the US seems to have taken a position more of, you know what we think screens are gonna be the screen in your hand.

[00:07:22] And I was a proponent of that for so much time. And then, don't put that capital in stores on screens. It's just a wasted. Experience and wasted use of capital. But I think that's, I think that could be wrong from what I'm saying. No, I

[00:07:36] **Simon Hathaway:** think what you, I think the thing is we have to understand how we're using the screens and you are 100% right when it comes to grocery.

[00:07:43] If you look at what happened in the pandemic you look at what's happening to loyalty cards right now in, in Europe. So I look into my local Tescos, I go in store I have to scan in. I have club cards, specific prices that are accessible through my app. All my vouchers are on my app, so it's automatically getting me to have my mobile phone open when I'm in store, right?

[00:08:06] Because the whole of that naughty program is built by that. Any advertising, any brand specific stuff, just it very easy for them to take a location based strategy to that. And at the same hub as well, my entire family shopping list is on my mobile device. God forbid I'm in aisle three and I have, and my wife has updated it while she's at home when I'm doing the shopping, right. so I have to have my phone. The big frustration for me, Nothing on the cart to hold my mobile's phone, so I'm so for me, the grocery people are absolutely driving that agenda and I think it's the right way to go. It can be connected directly to their POS systems. And as you look at people like AmazonFresh coming in, all of those things are gonna need that.

[00:08:45] We use our mobile device in store. But you then got other areas where screens are interesting. So obviously just visually in terms of environment, if you just look at l e d technology, right? You look at what just walked down O Octa Street here. I can look at the massive, fabulous new h and m store.

[00:09:03] They've got a three floor n e Dal, which. A blank canvas that can totally transform their experience. It means that their store isn't a living canvas. We always used to go out and we used to talk over a lot, right? We go to stores to find what's new, and now there are new experiences in the store because the graphics are changing.

[00:09:20] There's a new campaign, there's a new collab. It's a full experience. them, with h m, we're putting in mobile screens that the merchandisers can put around the store and look new locations, they can connect into their content. Some stores like Martin Spencers were pumping Instagram feeds in.

[00:09:35] So you've got all of that stuff that starts to create a very different experience in store. You then got another layer, which for me is also super exciting, which is the retail utility that we now expect in physical stores. So beyond just sales, and back in the day we used to talk about time, money, and frustration being the budgets.

[00:09:56] I still use that because in retail utility, , it's super important. How many times have you bought something online, taken it to a store, and they said, sorry, you've got to return it through the fi the mail chat. And we're like, what? That's just so frustrating, right? So you have this level of re of new retail utility that people need to find.

[00:10:15] So increasing on things like screens, we are finding ways to make them Exactly. If there was a what online. So you can see what sizes are

available, what are the colors available. And if it's not a open store, you can scan it, buy it through the website there, and then the store gets accreditation for the sale.

[00:10:32] So that level of retail utility, which is arguably invisible to a customer, but if you think about it, massive reduces a store operations and nobody's gonna check sizes because it's there on a screen. All of those things are starting to come through, and as customers their expectations of retail.

[00:10:50] Kind of reset with every click and every visit. What you get from you come to expect online, you're also expecting to see in store. And that's where I think we happen to be caught up often. Yeah. In

[00:11:02] **Andy Murray:** some utility. Said. I also think there's an expectation of physical retail that goes beyond the online expectation, and that is in the space of discovery.

[00:11:10] It is really difficult to discover new things and really explore that through the online experience. And if you get into the retail media space and start talking about, all of the promoted ads, and it's driven by a search, which is intention based, behaviors. But when you go in a store, I expect something a bit different.

[00:11:30] I expect to be able to discover new things more easily. And if a store thinks about discovery, As a real important shopper need to deliver upon I think they do start to look at how they can use screens and bring excitement better communicate what's new on a new item in a new category. Those things are brilliant opportunities for screens.

[00:11:50] **Simon Hathaway:** exactly. And you, can you look at it, We've done some still and we've done some stuff for Intel with in fact you might be able to see it's in Costco cost the US not what you would expect to see in Costco. But we've wrapped a computer table in any deeds and then we've used the latest 3D animation techniques to make those just completely, you think about, when you see on the social channels kind of lines jumping out of walls in in China, we are doing that in store, right?

[00:12:15] So that. Transformational stuff. It's been posted by store manager on LinkedIn. I've never seen that before in my life. It's amazing. And that sort of stuff really gets people excited in store again. And it's the concert canvas. We can update it all the time. So we're running promotional campaign through there.

[00:12:35] There's no more corrugate going through. We've got living spaces that can be transformed and that for me is. Really where the excitement comes. I've just come back from Paris and you walk through gang Lafayette and you can start to see the amount of different ways that are just really stimulating retail environments.

[00:12:55] Again, quite different to what we've put Exceeding the policy, which has become quite boring. Yeah. Yeah.

[00:13:00] **Andy Murray:** A hundred percent. My experience has been Simon, that one of the challenges in getting to scale is making the business case internally to finance. So that happen.

[00:13:09] Yeah. And you almost have to tie anything you wanna do with these kind of capital investments to a cost savings, hours reduction things that are very tangible. But yet at the same time, the customer experience improvements are really hard to get clear metrics behind to show how it pays out.

[00:13:28] So how are you seeing your clients think about that? Are they just switching the KPIs to something else, or ditching KPIs altogether? How are they thinking through the justification for the investment?

[00:13:40] **Simon Hathaway:** I mean there's the, obviously as a case by case example, if you take these kind of, they're not, they're very small screens, but they're almost tablets, which NF n Id enabled to do stock control which is that retail utility piece that's really down to reducing the amount of store time that's used up by eing stock.

[00:13:59] So there is a very clear metric that they're already checking there. Does that mean I can reduce the number of people I've on the shop floor at any one time? There's some interesting, you may have seen go Instore technology, which is used online, where you can actually visit a, a store associate in a store.

[00:14:14] We are also using that in other stores to visit so that you could, you can reduce the number of store associates across a whole network. And so I'm gonna go to one store, but I can't justify having somebody there. If we day of the weeks on a Monday, that stall we service by a real person at another store through go store technology and that kind of thing again.

[00:14:33] And you can see a very quick win on that. I think why it gets more challenging is where you get into kind of the large screen situations cuz they're expensive and a lot of that falls into CapEx when you're doing store refits. And

that obviously comes into a whole. Different ball game. But what we've been trying to do, and it, this is where it gets challenged cuz it falls into different budgets, is when you've got a remote CMS system and that, and end of the day, I think in the future, everything that can be in stored that isn't did is currently paper in stored will be digital in the future.

[00:15:04] Now that's the, probably the ambition, but that means that remote updates, so you haven't got any corrugate swap out, you haven't got any wastage all. Processes that you had originally to do those things have got, now obviously the issue there is I'm putting a CapEx piece in and I'm replacing, what was the marketing budget cost?

[00:15:25] So there's a whole another piece of navigation around that in the same way that we have to say who's gonna run that content solution? When you've had loads of operatives in the retail, trade marketing channels, and suddenly you need something to manage the CFS system in a central location.

[00:15:40] there's a lot of organizational stuff, which is quite, it is quite difficult to navigate, but we're learning very quickly. And I think the big piece for me behind that, particularly as we look at it is also businesses drive towards more sustainable solutions. And whilst we haven't got their completely yet as particularly I'm starting to see one or two procurement departments put the sustainable objective.

[00:16:03] Almost alongside cost savings. We start to see the sort of the, it always click that maybe there are some digital solutions which are gonna take out kind of legacy ways of working that can deliver on both return on investment, but also like return on environment. Maybe that's the right phrase, but that's where we're, that's what we're

[00:16:20] **Andy Murray:** Starting to see as well.

[00:16:21] Yeah, I'm starting to see that as well too. And, the labor costs and labor rates being what they are and where they're probably gonna go. It's starting to make more sense to look at electronic shelf labels and mask things that you're not, printing paper and the labor cost to change out pricing and do that.

[00:16:36] And the cost of that technology's dropped. I know Walmart's got a several, big prototypes that are, rolling out storewide electronic shelf labels. Yeah. Which I think is great for the future as you start to connect those digital

touchpoints Yeah. Together it's gonna be more exponentially powerful than having them a standalone almost.

[00:16:53] Internet of things.

[00:16:54] **Simon Hathaway:** And that, that is when it gets too exciting. I Most of the big smart, the smartest retailers I'm sure will market the same, have got digital twins of their stores. And if you can run that data through your pricing and, your electronic shelf labeling and also through, all of that can go to the digital twin and you can start to simulate what, and, predict how things are gonna behave, how the pie's gonna work again, that's where it gets super exciting when you can connect all that data.

[00:17:20] **Andy Murray:** are you seeing more retailers come to you and out formm your company to think through screens in the context of connecting to their retail media networks?

[00:17:30] **Simon Hathaway:** We, so we are looking at a lot of stuff where it is connected to unified Commerce solutions, but we very rarely see them. I know there's obviously a big conversation around retail media networks.

[00:17:42] How can I get advertising here? But most of the people we talk to, Are in the brands had putting their own screen solutions in all their retailers transforming their physical environment. I think because we are perhaps closer to the sort of invested innovations or side of things, we see more brands and retailers coming to us, looking at new stores, not necessarily connecting with retail media networks.

[00:18:04] From a sales perspective, I think there are increasingly, there are a number of brands that are talking to us about commercialization opportunities. And saying, okay, how could we use some of these technologies to drive greater revenues in store? So in, for example, merchandising li merchandise of all light walls could become hero touchpoints for people to launch products from and they want to of buy into those sorts of areas.

[00:18:28] But yeah, that we are not seeing them particularly driving into retail media networks. I think a lot of that has been driven particularly by grocery, to be honest. I don't see it too often in the other retail. And I would imagine, I see that evolving more and more on the mobile device.

[00:18:44] **Andy Murray:** What technology do you think is gonna drive the speed of rollout of think in thinking on screens in physical retail?

[00:18:53] Do you think it's augmented reality? What gets you the most excited about where this future

[00:18:59] **Simon Hathaway:** is headed? Oh, there's, there is so much stuff that I think is this really exciting. I The technology is rapidly approaching there's more, it could be the more and more that could be done.

[00:19:08] And I think when you look, went to sort of Euro shock a few weeks ago, just amazing to see the amount of different things that can now be doubled screens. There's all obviously a lot of stuff around interaction and how you build relat. With a screen with a customer. The opportunity and user experience that for me is super exciting.

[00:19:25] But I think what I'm starting to see is this massive role of content in store level that we never really thought about before. Everything was flat. We now got this point of motion. We always would say that people navigate like Carlin Shen area of how we can bring motion to almost every single part of the store.

[00:19:43] And that is, gets really exciting. So more and more of what I see as being exciting is the creative opportunity in a store because there is suddenly new ways of telling stories of really helping us grow out. That particularly as we look at animation and some of the 3D effects we've got, we are starting to see and.

[00:20:02] If I look at my favorite thing, of course, it's something we've just started this launch at Euro is like the digital mannequin. So we have created a live size mannequin. It's a honographic image. You fill it by, Denny can fill it the same time when you do your content for e-commerce. But it enables a customer in store to physically, to connect with their own mobile device.

[00:20:22] With the mannequin, they can change the mannequin. Have a mannequin that looks more like that and then they can go through all the clothing and choose the man, choose the clothing that they want put on the mannequin. So completely engaging in a store. Really interesting concept. It's got opportunity to multiple things, endless shelves, but obvious a content onto the back of that.

[00:20:41] But things for like online exclusives that man that can now be done in store. Really exciting. I would

[00:20:46] **Andy Murray:** love to have our audience see some of those demos I saw. I follow your LinkedIn and saw what you did at Euro shop. That blew me away. This mannequin and the, and what you were doing there. You're on your feet, don't get demo, but do you have a link that you might be able to share with us that we could put in the show notes of that would of course allow our listeners to go and look at that because it's really incredible.

[00:21:07] **Simon Hathaway:** Yeah, I absolutely, I think it's when you think the mannequin itself so think's been around for 150 years and it's the first time we, somebody's properly digitize it and you can take control of it. It's quite a significant innovation.

[00:21:20] **Andy Murray:** You talked all about a content and how the creative is gonna rapidly transform that experience.

[00:21:24] Talk to me a little bit about the creative ecosystem that is developing or must develop, in order to service that, because that's a whole level of demand that's been traditionally not there.

[00:21:36] **Simon Hathaway:** And I think this is one of the really interesting things, right? We've suddenly, A vision, storytelling in store with motion, that has perhaps not been something that most of the client marketing departments and also their agencies have really been set up to do.

[00:21:51] the skills are varying than in the agency networks, but it's that perhaps not necessarily be with their focus. And often the creatives in that haven't really got necessarily the contextual relevance of why, what might need to be set in store. So there is that whole piece about visual storytelling, but I think a lot of that is around moment around animation.

[00:22:09] So we are building up a lot of. Capability in animation. I've got like 25 people now in Tel Aviv just doing animation for retail. So you've got that one end where people need to really start thinking how have they got the right people in place to do that sort of work? Because most of the big agency networks are not really structured, right?

[00:22:27] You just wanna look at retail media networks and the media people are buying that. All right, so the original shopper agencies been left out of the loop on that one. So there's a lot of stuff in that area where I think there's huge opportunity. The other big area, of course, is user experience.

[00:22:42] And how we partner retail strategists with user experience designers because the totally sprint where through interactivity on a screen through your mobile device has to be thought through. But it also has to be relevant to the shopping mission. So again, a lot of the whilst we've got, a lot of good, talented in e-commerce.

[00:23:02] E-commerce in store is quite a tough one. And, we've started to build out opportunities where we need, highly complex after we talked about smartphone, where we might connect to a mobile app so somebody can start to browse a bit more of a relevant information on their mobile device, but also connect that to the retailer website so that if there is a sale, it still goes through the retailer's pos cuz obviously what they're really worried about in store is it's going.

[00:23:25] Elsewhere. So you need a whole lot of technology. People who can manage not only design the right space and the right in thought something's gonna have shopping. You then need a whole gather of people who are gonna look at their The BOL device. You get your whole gate runs, have the backend technology to connect with you with the PS system, and that starts to get quite a construct ecosystem of people and talent that you need in play.

[00:23:49] We've ended up with I have a digital department. I have a technology part department, and the technology department really about people put plugs on things because it's all, it's all lights and sensors, all this sort of stuff. And then you've got the digital department who are really about driving the interaction and understanding the The way that we, that people connect in install.

[00:24:06] So it's a different skillset that's starting to merge. It's a very exciting skillset but it's a different skillset that's starting to emerge.

[00:24:14] **Andy Murray:** Yeah, I also think there's gonna be a need for thinking about it as a retailer especially a multi-branded retailer that ha in, in your physical environment.

[00:24:22] A lot of these screen opportunities and experiments. One brand perhaps, or a category or department will take that on. And because it really is fit for purpose for that particular brand. If you go about your wine and alcohol isles or spirits, there's, th those tend to lean in more. But what happens is, and if you're not careful, this could really be a problem, is there's no customer experience strategy for the store in terms.

[00:24:48] How do these individual creative expressions and experiments come together so that the customer realizes they are in an h and m store or in a a store's point of view that store's point of view is coming through across the creative and the customer experience trumps the user experience of a specific application.

[00:25:08] So I, I haven't yet seen that level of thinking develop yet, or I haven't hear heard people talk about that.

[00:25:14] **Simon Hathaway:** You mentioned H and n, though I think they've got a really good strategy right now. I think they've moved to I dunno how you call it, but it's always like a blank canvas where the clones are the hero, but they're also using a combination of screens to bring that to light, bring windows and into the store itself.

[00:25:31] And then these mobile, we actually call them quad pods, that you can then move around by collection to try and connect the whole story. And that gives 'em the flexibility to do that. So I think they're. They're doing quite a nice job of that, but it is obviously pretty much all their own branded gear.

[00:25:47] You're also touching on a point, and I think if I, just having been to Sephora on sh in the last few days of a kind of house of brands versus a branded house, and I think you go into the sh salis now, I think they're closing this store, but, they've still got this runway and then you're going in and they're is lined with, high level nds.

[00:26:07] Create a really cool vibe as you're walking in and you've got all the promotion sections and then you're into the kind of proper shop floor and they're enabling each of the brands to live within a very clear structured format. So it still feels like you're very much into for, but each, the brands then behaves as it wants to behave within that framework.

[00:26:27] And they, I think they've found a, a quite elegant way of doing that. But there is this point, because you are right. If you are a house of brands, you could have a very challenging set of messages flying around as brands start to get increasingly competitive with each other at shelf. And I think then it, one of the things we used to talk about in e-commerce, and I think it's perhaps maybe something we could talk about here as well, is that, we used to talk about being category captains, right?

[00:26:56] That was always the language. And then as you started to see, people particularly bringing content online, we used to talk about helping it online,

coming a content captain. And I wouldn't be surprised to see that. We'll start to see that content captaincy starting to be a theme that we need to see, particularly in gross, where we've got a lot of people competing.

[00:27:14] That will probably be something we need to think about in the. .

[00:27:17] **Andy Murray:** Yeah. I've never thought about that. That's a really interesting thought. And I could ab absolutely see that as you started to paint that picture of what that role would do and why that's important. Yeah. Simon, I'd be remiss if I didn't ask you what kind of problems does out formm solve for their customers or clients?

[00:27:33] And so that give you a chance to give a little shout out to what your company. .

[00:27:37] **Simon Hathaway:** Okay. We are a we're an agency that makes, so we generally get the really difficult projects that, often the agencies come where they come and they show something, there's a client and they go, Hey, I've got this amazing idea.

[00:27:50] And then the client goes how you gonna make it? And they have no idea. That's generally where we come in because we can blend insight technology and creativity. To deal with some impressive solutions in store. So there's a lot of great people out there can do insight and creativity, but they don't necessarily understand the technology.

[00:28:10] And because we've done that, we we have scaled the business through the kind of manufacturing site as well. So we can actually make most of these things. And to your earlier point about global scale, we can do that. So things like the global rollout, PlayStation five. The intel tables very, great examples of where we can bring great value to clients and deliver at a global scale.

[00:28:33] **Andy Murray:** Outstanding. Sounds like a fun place to work as well if you get to make stuff and Yeah. Do cool things. So Simon, if you don't mind, I'd love to bring up a couple of student questions. We work with the University of Arkansas of course, and Molly Raper does a great job of having her students sometimes provide us some questions if they know we have a guest coming up and we get time to work that out.

[00:28:52] So a couple of students had a few questions and I'd like to run them by you. Sydnee Wilson, who is majoring in entrepreneurship and innovation.

She asked the question Simon, do you think as shoppers digitize their in-store experience? I think it means as retailers digitize the in-store experience and a result would a result be they limit their shopping time in stores, that gets more efficient.

[00:29:15] Is there a potential of a store losing sales because of that efficiency?

[00:29:20] **Simon Hathaway:** That, that's a fantastic question. And there's lots of things that are legally job to mind. I I think um, There's a lot to be said for people when they've been on doing great grocery shopping online, where they buy, thats because they're more planned and you don't pick up other things.

[00:29:34] There's also, I think, some early research from Car four in Frogs that showed when people did the Dry Street thing, so click and collect. They went to some of the other stores in the shopping center instead and spent more money in, which given that was a location, I think the car flew over, kind worked.

[00:29:48] So it's an interesting question. If we if we're gonna give. Shoppers, the ability to control and manage is the way they do online, then I would suggest the answer is yes. But I think what actually happens, particularly in grocery is that people coming and searching for what's new. So if you can still do new really well, you can find exciting ways and it's about inspiration, you should be fine.

[00:30:10] I just look at what we've done with, Mark Spencer here in the UK with a kind of menu finder at the front of the store is a menu finder to inspire you on your journey. It's not efficient necessarily. It's bringing you the opportunity to learn new things and to have a better dinner. I dunno.

[00:30:25] So things like that think, I think are potentially more and more exciting. Saving time. The convenience, at the end of the day, that is all stuff that we will value because we'll create more time, but I, if we get it right, it shouldn't reduce sales.

[00:30:39] **Andy Murray:** Agree with that, Simon? That's awesome. How about an a question from Rachel Pin.

[00:30:43] She is a marketing major in Molly's class, and she asked the question, what innovative steps should retailers consider during this transition of shoppers going back into physical stores? Will customer service be less important to consumers over time as the online and contactless shopping continue to trend?

[00:31:04] **Simon Hathaway:** I think and another great question. I think the thing for me, and I if you are a marketeer, there's been, we've had a lot of time as marketeers talking about experience and we had so many, we sometimes are like, wow, experience has gonna be amazing. I think that's rubbish actually.

[00:31:18] I think we're now in this kind of expectation economy where every kind of click and every visit resets our expectations of what retails should be. And for me, the, if you look at it, we've got massively shifting journeys. We've got UBI by now, but we've got all those things going on. So the one thing which I think gonna be massively important is gonna be retail utility.

[00:31:39] And I think that every single retailer, at least to really plot out exactly what that means in their unified commerce journey. So if I'm a, if I've got, I need to have click and collect, I need be able to return stuff, all those sort of. Organization issues that are behind there. How do I do stock control that optimizes the solution?

[00:31:58] Because those are the things that are increasingly gonna frustrate customers. And for me, we've already, in the last conversation, we talked about the time budget. People have also got a financial budget. There's a massive moment right now with the expectation economy, if you like, that the frustration budget's being turbocharged.

[00:32:18] You know how frustrated you are when something doesn't work as it affect you to be right. And that's just gonna get worse and worse as new entrants, new people bring new ways of doing things and making things convenient and delivering value. And that for me is where it's at.

[00:32:35] **Andy Murray:** Yeah, I would agree with that.

[00:32:37] You look at what would move the needle in our customer promoter scores, when we were at asset, I was at asset and that would be eliminating the dissatisfiers and most of those diss. Had to do with the retail utility aspects. Yeah. And the corresponding technologies that could enable change there were really important.

[00:32:53] Because that would move the needle more than the surprise and delights. That might get you more nines and tens. Yeah.

[00:32:59] **Simon Hathaway:** Tell me that. And some people want to come in and, and have, be guided, rather stored by a wonderful associate. Some people just don't wanna talk to anybody. Yeah. And you can see that. I think it's and so

it's a good question. I think how that plays out in the future's gonna be really interesting. The big question that I ask everybody, ask all our clients is the, and I guess it comes back to that understanding what the me the future store staff will do is to say, why are people coming in store when there's so much information online?

[00:33:24] Because that really is. For me, the start of the journey and as a business, when you look at what's available, we are giving unboxing videos to our creatives and saying they would've watched this before they get to the store to buy a new phone. So why are you telling 'em the same thing?

[00:33:43] And then you also though, you look at somehow, us into the thing at the moment and we've. Yeah, there's a few gangs of people. Now if you look up there's this, we probably, cuz our fantastic intel table was on it, but there was some great stuff where we've got kind of TikTok videos from store associates that met, which are trending.

[00:33:58] There's a, an amazing wrap from curries in the UK and you've probably seen some of the stuff that Footlocker do as well. So the opportunity with sort of store staff if to. transform your sexual engagement as well and make then the stars is, it's also an amazing opportunity. Yeah.

[00:34:14] Yeah.

[00:34:15] **Andy Murray:** Often they're your biggest advocates and they are absolute advocates because they know the what's best and great products and can be trusted in that space yeah. Exactly.

[00:34:23] **Simon Hathaway:** Yeah.

[00:34:24] **Andy Murray:** Any question, Simon, about the in-store environment where it's headed that I haven't asked you that you'd like to talk about to make sure our audience hears?

[00:34:32] Oh,

[00:34:33] **Simon Hathaway:** I, I think. I think I think you've asked me a lot of questions. Add I don't, I think there's probably a few areas about, and that we probably just need to understand around how we use some of the old things now and like navigation and education, all those sort of things. I think those things probably stand true.

[00:34:50] And I would just put it out there that I think, and you'd hear it in the questions that your students are asking is that it feels like me to me, that there's this golden moment of a new. Generation, if you like, of shopper insights that we haven't seen probably for 20 years, because suddenly we've got people coming back into stores in a way that they always used to, but they're suddenly empowered with the mobile device.

[00:35:14] There's a whole lot of new technologies around, and we are starting to learn about how. How they work in those spaces and how people behave. And that for me makes it a really exciting space to be a bit like it was 20 years ago. Yeah.

[00:35:28] **Andy Murray:** Yeah. Exciting times. And you look back 20 years ago when shopper marketing was just really kicking off.

[00:35:33] It seemed every six months, eight months, there was a new tactic and the tactic before didn't work and you were constantly exploring an experiment and that could make it quite terrifying if you're trying to scale a business. But it could also make it That's. As you, you and I both know, but it can also make it quite fun.

[00:35:48] So I, I agree with that. That's exactly great. Simon, it's been a pleasure talking to you. You're staying sharp as ever in this space and looks like you're having a lot of fun. And I hope that people really do check out, out for me and what you're doing in-store, especially if you wanna see the future.

[00:36:02] Cuz it, the future is here. It's just not evenly distributed. And I think you've got a good portion of it sitting in stores in Europe that are you can really see. Where this technology's headed. And get pretty excited if you're in the retail and CPG space. So thank you so much. Really enjoyed it.

[00:36:18] **Simon Hathaway:** It's been an absolute pleasure. And if any of your students would like our kind of curated content, they can uh, jump on the website, sign up for the newsletter we'll send you every week. It's what we think is the best in future retail from all over the world.

[00:36:30] **Andy Murray:** Outstanding. I'll sign up for that as well. I didn't know that.

[00:36:33] Thank you for that. Yeah, very did. Excellent. Thank you Simon.

[00:36:40] **Simon Hathaway:** That's it for this episode of It's a Customer's World. If you found this helpful and entertaining, I would be so grateful if you could share our show with your friends, and I'd be super happy if you subscribe, so you can be updated as we publish

[00:36:52] **Andy Murray:** new episodes.

[00:36:54] And if you

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