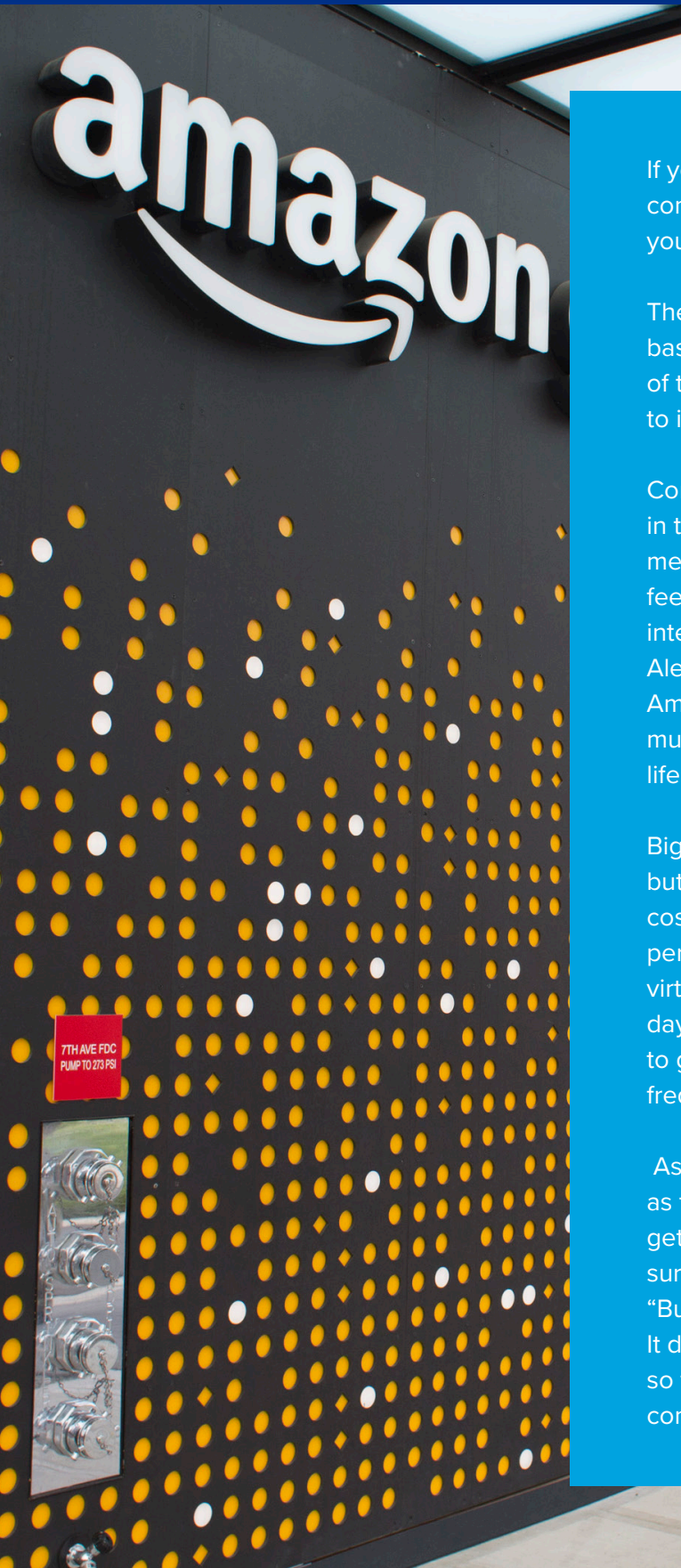




# How the High Street Can Remain Competitive in an Amazon World





If you're betting on the race to become the biggest company in the world, you could do worse than putting your money on Amazon.

The growth in the last decade of what was once a U.S.-based bookseller has been stunning. It has become one of those companies that shapes society as much as it sells to it.

Consider Amazon's reach. They have raised the bar in terms of customer expectations with their Prime membership promising two-day delivery at no additional fee (aside from the annual membership). With much of the internet being hosted by Amazon Web Services (AWS), Alexa making its way into more and more homes and Amazon producing movies, other video and distributing music, Amazon is ingraining itself more and more into daily life each day.

Bigger might be better from a convenience perspective, but Amazon's dominance has certainly not been without cost on the economy at large. While from a consumer perspective, it is certainly liberating to be able to get virtually anything you could ever want delivered in two days, this uber convenience kills consumers' motivation to get out of the house and into the stores they used to frequently visit.

As retailers can end up getting the short end of the stick as this trend continues, now is the time for merchants to get creative in tailoring their customer experience to make sure their past, current and future customers don't just hit "Buy Now" and wait two days for their purchase to show up. It doesn't look like Amazon is slowing down anytime soon, so the question remains, how can the High Street remain competitive in an Amazon world?

## Put the Customer First

If you investigate the source of Amazon's success, it is largely based around putting the customer first and an obsession with making sure the customer is having the best experience possible. While Amazon is doing this on a very large scale, it is much more difficult for them to compete on the "ground level." Even though Amazon may make it possible for someone in south London, from the comfort of their own home, to get a product made in the United States in just 48 hours, retailers are much better poised to provide a tailored shopping experience instead of just an easy transaction.

As a retailer, your ability to make your retail location somewhere people actually want to be, instead of just somewhere for them to pick up something they need, will allow you to provide an experience that is very difficult to recreate on the internet. And, in fact, some of the best experiences can be enhanced with the help of the internet and new technologies available to retailers.





## How Can Retailers Make This Change?

In today's competitive market, retailers need to think about their space less like a store that handles transactions and more like an environment that cultivates an experience. By adding things such as comfortable sitting areas, relaxing music and locally curated events, you can encourage customers to come into your store for more than just "picking up" whatever it is they need. When customers view a visit to the store as more of an event than an errand, they are more likely to stay longer, engage with your brand more and become a more valuable customer over the long term. As David Buckingham, CEO of Escrebo, recently told us in an interview:

"Nike's Central London store has made a big effort in moving into what we might call 'Shoppertainment' with a big focus not necessarily on product-related things, but having high profile sports stars making appearances and giving talks.

Giving a reason to come into the store and providing an experience, that's what I think retailers are going to have to do."

Natalie Berg, founder of London-based NBK Retail, said there was no doubt High Street retailers have realized that "product alone isn't really enough and they really need to provide an experience."

"They're recognizing that for all its perks, shopping on Amazon is quite a functional, utilitarian experience," she told us, referring to today's shopper. "I think there is an opportunity for High Street retailers to inject some personality, some soul, into their stores."

Berg pointed to retailers like John Lewis, who she said has democratized the personal shopper — and who is very serious about the experience it provides.



“John Lewis, for example is a fantastic example of a retailer that has really embraced the idea of retail as a service,” she said. “They’re now sending their staff to theater training so that they can provide better customer service.”

The thespian foray is meant to “build associates’ confidence and improve their interactions with customers,” the Daily Mail explained.

While not every retailer is ready to transform their staff into trained actors, the idea of improving customer experience can be applied to many different types of retail and at any level. By attracting customers with more than just the products you have in stock, shoppers are more likely to want to spend more time in your retail location engaging with your brand. Here are a few examples of just how retailers of different types could do this:

- A grocer could host a cooking class or invite a dietitian to visit to encourage customers to come in and engage with the products and environment in a new way.
- A beer and liquor store could host tastings or informational seminars to educate consumers about how various products make their way onto the shelves, allowing customers to try items they may have not tried otherwise.
- A cosmetics store could provide in-house consultations to allow customers to get just what they are looking for, without having to guess their way through an online product description, increasing confidence in their purchase.
- Complimentary in-house stylist advice can draw customers into your clothing store and encourage them to ultimately purchase more with a professional opinion.
- A jewelry store could allow workshops that allow customers to build a completely unique product in the store and leave with it the same day, providing a fun, product-based experience.
- A brand looking to create more of a casual and leisurely shopping experience could offer coffee and tea in house. This not only brings in new customers just looking for their favorite hot beverage, it will also encourage people to stick around longer and engage with your brand more in person.





# Using Technology to the Retailer's Advantage

While building an experience that Amazon can't provide is one way to take on the retail giant, turning to technology to try to keep up with Amazon is another.

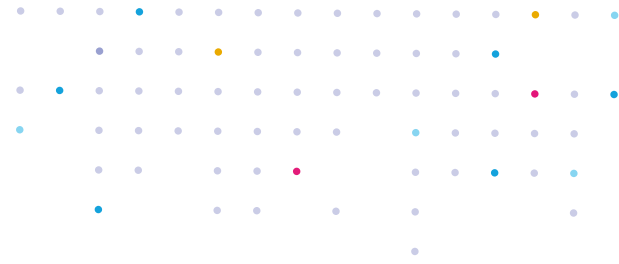
The world of technology is rapidly changing and the technologies around the retail experience are no exception. When we spoke with Chris Fields, an analyst with Retail Connections, at NRF's Big Show 2019, he said technology can give retailers an Amazon-like edge in some areas.

"There are a lot of very, very clever technologies out there that retailers can equip themselves with to compete with Amazon. A good example would be that everyone worries about the Amazon Go technology and what a difference that might make, but the truth is there are a number of companies out there that actually can install similar technology into a retail store right now, so there is a good example of (how retailers can level) the playing field with Amazon."

The Amazon Go technology might make a lot of sense for certain types of retailers. These retailers are more likely to be in industries that do not require much help from staff in the store, such as a grocery or a convenience store. For other types of retailers that may be more "high touch," there are still certainly technologies out there that can improve the shopping experience for customers, making them want to come back again and again.

Retailers are even exploring ways to outdo Amazon's delivery.





“Some supermarkets, like Waitrose, have even trialed in-fridge delivery,” said retail consultant Berg. “They’ll deliver your groceries directly into your fridge. You know, beating Amazon to the chase.”

For more high-touch retailers, it might make sense to implement technologies such as “register-less” checkouts, in which customers are able to checkout directly with a sales person on the floor using a tablet or other handheld device, reducing checkout time and improving customer service. Another interesting area of technology that could be a great way for retailers to differentiate themselves would be virtual reality. While we are still in the early days of VR, by staying on the forefront of this technology, certain retailers could differentiate themselves from Amazon and other retail competitors.

While you may not be ready to dive head first into the age of virtual-reality retail, just starting with offering free Wi-Fi in stores can be a great way to allow your customers more transparency and give them a better experience. While the internet has made it easier than ever to for customers to find what they are looking for, it has also made it easier than ever to compare offerings between retailers. By allowing your customers to do this in-store over complimentary Wi-Fi, you will allow them to make a more informed buying decision right on the spot.

This not only will increase your in-store conversion rate, assuming you have a competitive offering, it will also instill a level of trust in your customers – even if they just use the free Wi-Fi to browse on Instagram.

# What About Ecommerce?

There is no denying that ecommerce is changing the retail industry and not incorporating this new world into your business model could be a large mistake. According to the Office for National Statistics:

“Online sales as a proportion of all retailing continued to grow year-on-year at 17.3 percent in April 2018, in comparison with 16.1 percent in April 2017; with food and clothing stores achieving record online proportions.”

## What's the story in online sales?

Summary of internet statistics: April 2018

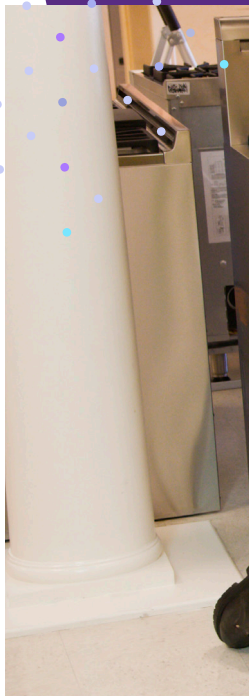
Value seasonally adjusted, percentages rates, Great Britain

Category	Year-on-year Growth	Month-on-month growth	Online sales as a proportion of retailing	Index categories and their percentage weights
All Retailing <sup>1</sup>	11.7	-0.4	17.3	100
All Food	12.4	5.3	5.6	13.9
All Non-food	17.2	-1.0	13.6	34.9
Department Stores	25.2	-3.8	16.6	8.1
Textile, clothing and footwear stores	24.4	2.8	17.1	12.3
Household Goods Stores	8.1	-8.2	11.2	6.3
Other Stores	6.7	2.5	10.0	8.2
Non-store Retailing	7.9	-1.4	79.0	51.2

Source: Office for National Statistics

The time for debating whether you should incorporate ecommerce into your business model was settled more than a decade ago. Now the question is how to do it well — exceptionally well, given the competition.

Embracing a true omnichannel strategy, in which you leverage all the available outlets, can allow retailers who have historically been more traditional to compete on multiple playing fields, which is becoming more and more necessary each day.







By leveraging your current retail location as part of an omnichannel strategy, you could provide an even better online experience for your customers. Exactly how you do this will be specific to the types of items you sell and your current brick-and-mortar reach, but here are a few things to think about:

- Using brick-and-mortar stores primarily as showroom and fitting locations, while directing customers to order online. This can allow customers to have much more confidence in their purchase, which will result in fewer returns and allow you to be much leaner on inventory stock at your retail locations, saving in storage costs.
- Using brick-and-mortar locations as pick-up and drop-off centers if a customer wants to pick up something the same day or make a return/exchange without having to deal with postage.
- Considering promotions unique to your stores. This could be a great way to showcase all your new items online, while using your brick-and-mortar locations to get rid of last season's stock and bring customers into your store to allow them to engage with your brand.

When thinking about the world of ecommerce, it's important to remember there is more than just your own brand's website. Customers are shopping more and more on less traditional shopping channels such as Google and Facebook. By getting involved in these channels sooner rather than later, you can solidify yourself on these growing sales channels. Embracing these other online channels can also help boost your online presence which will work as a flywheel to boost your own store.

# The Role of Social Media

Once your business has more than one point of contact for a customer, such as a physical retail location along with an ecommerce store, the experience shifts from a channel interaction to more of a brand interaction. This means that it is more important now than ever for brands to think of themselves as just that – brands. By thinking of yourself as a brand, instead of just another shop on the High Street, it is much easier to put yourself in the shoes of your customer and find more ways to engage with them.

When it comes to engaging with customers who are not in your physical location, social media can be your best friend or your worst enemy. By having a great social media strategy, you can build relationships with current and potential customers before they step foot in your physical location or purchase something from your online store.

Conversely, if you have no, or a sub-par, social media presence, customers may lose interest before they even see what it is you have to offer from a product perspective. To put it simply, the goal of your social media strategy should be to provide value to your customers and prospective customers. While this could mean posting a recipe that your new blender can tackle with no trouble, it can also mean simply letting your customers know that the blender is in stock and on sale. An important thing to keep in mind is the balance of these posts and make sure you are providing value aside from just advertising the products you have for sale.







## Reevaluate Your Real Estate

What may have made sense for retailers in a pre-Amazon world in terms of how many stores to have, where to have them, how big they should be and what function they should serve, might not make sense in an Amazon world.

By reevaluating your real estate strategy, you can position yourself to best compete in the new world with ecommerce as a major player. For some retailers, this could mean more physical locations and less square footage per location, as each location needs less inventory but needs to be accessible by more people.

For other retailers, this could mean the same number of stores with less staff per store, as customers are able to leverage technology installed in the store for a more seamless transaction. The exact answer will vary by retailer, however it is likely what was the most optimal setup in the past may not be the most optimal in the future.

## Putting it all Together

Even though the retail landscape is changing rapidly, that does not have to be bad news for retailers on the High Street. In fact, Samuel Dean, founder and CEO of Pricesearcher, recently stated that the opposite is true:

“In my opinion, it gives them an additional advantage, because they have the store networks. If retailers can join up their online and offline presences, they can use the assets from both. They can offer click-and-collect, they can offer online shopping, customers can come in-store and experience the products for themselves – there are so many more options. This, for them, is an opportunity. The question retailers need to ask is: How much of that opportunity are they taking up?”

By embracing this new world of retail, you can evolve from being “just another retailer on the High Street” to being a great example of how physical shops can adapt to the world around them to remain relevant and thrive.

## About Signifyd

Signifyd enables merchants to grow with confidence by providing an end-to-end commerce protection platform. Powered by the Signifyd Commerce Network of more than 10,000 merchants selling to more than 250 million consumers worldwide, its advanced machine learning engine is able to protect merchants from fraud, consumer abuse and revenue loss caused by barriers and friction in the buying experience. Signifyd counts among its customers a number of companies on the Fortune 1000 and Internet Retailer Top 500 lists. Signifyd is headquartered in San Jose, CA., with locations in Barcelona, Belfast, Denver, New York and London.



### US HEADQUARTERS

2540 North First Street, 3rd Floor  
San Jose, CA 95131  
U.S.A.

### EMEA HEADQUARTERS

10 Margaret Street, London, W1W 8RL  
+44 (0) 203 542 4060

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### WEB

[www.signifyd.com](http://www.signifyd.com)

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