

Channel Innovation Awards

2012

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TouchPoints



9 Retailers Win 2012 Channel Innovation Awards



For the second year, *Retail TouchPoints* is proud to present the Channel Innovation Awards. This award program is designed to honor retailers who are achieving cross-channel success in today's challenging retail environment.

2012 Award winners will demonstrate achievements in some or all of the following areas:

- **Sales gains, particularly within emerging channels**
- **Meeting consumer demands with convenient cross-channel shopping opportunities**
- **Cross-channel marketing**
- **Customer recognition, including social media feedback**
- **Technology innovations**

This year's winners run the gamut of industry segments, from specialty apparel and bridal to big box, grocery and specialty soft goods. They are both U.S.- and internationally-based retail companies. Most of the winners are selling their products via both brick-and-mortar and e-Commerce web sites, in addition to mobile web sites and other channels.

Many of the winners' latest efforts are centered around mobile-oriented technology innovations, but all winners are successfully integrating the benefits of cross-channel marketing and services to their customers, with impressive results.

We know you will be as impressed with the 2012 CIA winners as we are!

Debbie Hauss
Editor-in-Chief
Retail TouchPoints



2012 Retail TouchPoints Channel Innovation Award Winners

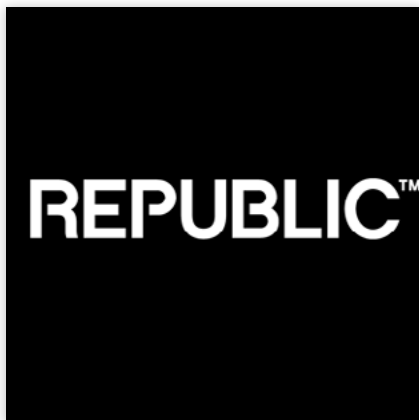


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Platinum Award: Republic



Company: Republic

Web site:
www.republic.co.uk

Number of stores: 103

Annual revenue: N/A

Republic Strengthens Multi-Channel Offerings

UK-based fashion retailer [Republic](#) has seen across-the-board results from an expanded multi-channel offering. During the past year, the retailer has launched a number of new multi-channel services, including **Click and Collect**. This service is designed to provide more flexible delivery options in addition to improving the continuity of service between the web and brick-and-mortar store. With Click and Collect, shoppers are able to select the Republic store of their choice as their delivery address with the purchase available for collection within three days of ordering. Customers are alerted by SMS text message when the product has arrived and is ready to be picked up.

Republic developed the Click and Collect service with its e-Commerce platform provider, [Venda](#). Since the launch in 2011, 10% of all online delivery purchases are made with the service, according to Republic.

Additionally, company data shows that 76% of Republic customers now shop both in-store and online. “The integrated multi-channel system has encouraged online customers to visit the store, driving footfall and increasing the chance for further cross and up sales and interaction,” according to Nick Rennardson, IT Director. The system also is able to validate in-store web returns and allocate them to the originating channel.



Mobile Optimized Platform Supports Smartphone Shopping

Additionally, Republic has implemented a rich, personalized mobile platform with IT partner [Torex](#). Torex integrated Torex MiRetail Hub with Torex Retail-J POS and Republic’s web and social platform. This has enabled the retailer to offer flexible collection/delivery options for online and in-store orders. Now Republic is able to recapture potentially lost sales when requested sizes or colors are not available in a store, by offering in-store ordering with delivery to a preferred store or the customer’s home.

“The value of the flexibility of the solution was realized during the transition between two e-Commerce platform vendors,” noted Rennardson, “as Torex MiRetail Hub provided the bridge between the solutions, allowing data from each to be used while still providing a seamless experience for the customer.”



Gold Award: Tesco



Company: Tesco

Web site:
www.tesco.com

Number of stores: 6,351

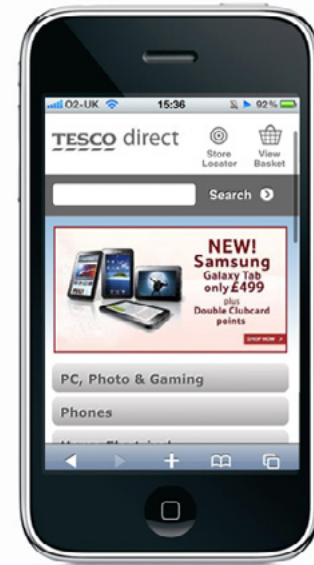
Annual revenue:
60.9B Euro (\$78.9B)

New Mobile Site Boosts Sales

Tesco Groceries has significantly improved sales and ROI on mobile efforts, following the implementation of a new mobile site, powered by Usablenet. Site users are able to browse products, order items for delivery, change delivery times or change items in real time. The site also provides a running total of items in a shopper's basket on the screen. In addition, the site offers an advanced product list page, shopping cart with notifications, and a pop-up mini cart.

Shoppers also can access the top 50 items they purchase most often in a site feature called "My Usuals." Customers who log in using their loyalty card password can view their entire purchase history. Tesco also provides special eCoupons for mobile site shoppers. The mobile checkout function features industry leading HTML5 capabilities.

Tesco also is substantially increasing its budget for online shopping, committing close to \$200 million in 2012/13, according to the company. To



date, Tesco allows customers to order via mobile and pick up in 70% of its UK stores and plans to increase that coverage to 85% within the year.

Further investing in cross-channel efforts, Tesco opened a virtual supermarket in a South Korea subway station. A wall-length billboard features a digital display that mimicks supermarket shelves. Shoppers scan QR codes to add items into their shopping cart, then the completed order is delivered to the customer's home within 24 hours.



Gold Award: S Group and Foodie.fm



Company:
S Group and Foodie.fm

Web site: foodie.fm

Number of stores:
22 regional cooperatives
with approximately
690 stores

Annual revenue:
10.5B Euro (\$13.6B)

Social Shopping Platform Supports Business Growth

In the last year, [S Group and Foodie.fm's](#) grocery market share in Finland has grown 1.2% to 45.2%, consistent with the company's overall growth since 1990, up from 16%. This growth is in part attributed to the launch of a new e-Commerce platform, [foodie.fm](#), developed by [Digital Foodie Ltd.](#)

Within two years from pilot to expansion, the foodie.fm user base has grown to cover 3.7% of the Finnish population. As many as 19% of the foodie.fm users report that visits to the site has resulted in increased visits to the S Group and Foodie.fm stores, according to Kalle Koutajoki, CEO of Digital Foodie.

S Group and Foodie.fm offer behaviorally personalized recipe and product recommendations to online shoppers, which are integrated into real-time assortments and home delivery services. The site provides full assortment and price transparency to 900 stores and provides a direct link between the retailer and consumers. The



platform is available on Facebook, iPad, iPhone, Android and Nokia applications.

S Group and Foodie.fm has marketed the platform in conjunction with Nokia and Digital Foodie via Facebook advertising, print advertising, B2B and B2C newsletters, as well as direct email campaigns and blogs.

Additionally, S Group and Foodie.fm have partnered with [SAS Institute](#), using SAS predictive analytics for driving store-based assortment handling and value chain management. Foodie.fm is fully integrated with S Group's real-time assortments across Finland. The online product assortment is synchronized daily with full price transparency. The site also offers detailed nutritional information for more than 15,000 products.



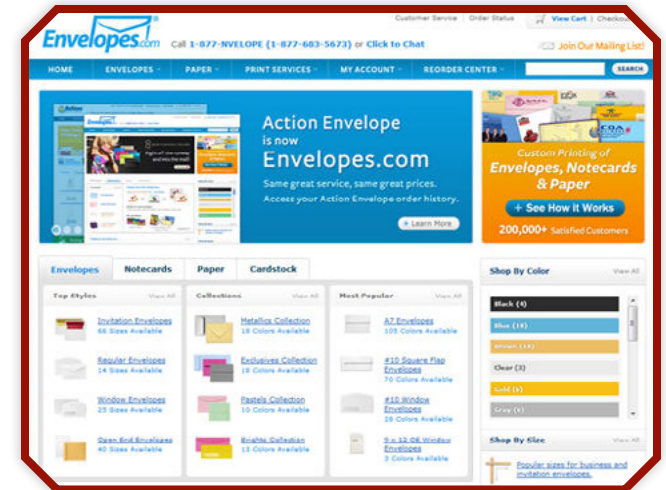
Silver Award: Envelopes.com



Simplified Online Shopping Delivers Sales Lift

By easing the online registration and account creation process, Envelopes.com has reported a 15.3% sales lift. Recently, the online retailers has implemented a new application that allows customers to purchase without registering. Typically e-Commerce sites require user to create an account or login before checking out, which can be cumbersome and cause cart abandonment. By simplifying the process, Envelopes.com is able to save lost sales.

Envelopes.com also uses the [Bronto Workflow Automation Canvas](#), in order to automate messages to subscribers. The Bronto solution is a drag-and-drop canvas designed to visually architect campaign workflow. A set of triggers initiates different actions. For example, a user can trigger a workflow when a contact is added, when a contact field is updated, or when someone texts in a keyword via SMS.



Using the Bronto system, Envelopes.com has developed a “Managed Preferences” function, which prioritizes customers’ favorite products. “Then we are better able to group our customers,” noted Laura Santos, Marketing Manager. The online retailer also has found success using Bronto in reorder email campaigns, Santos noted.

To promote its offerings, Envelopes.com takes advantage of social channels, such as an email signup promotion on Facebook. Most recently, the retailer is using [Pinterest](#) to promote creative ways to use envelopes and highlight event themes such as weddings and parties.

Company:
Envelopes.com

Web site:
www.envelopes.com

Number of stores: 0

Annual revenue: \$16.6M



Silver Award: David's Bridal

DAVID'S BRIDAL

WWW.DAVIDSBRIDAL.COM

Company:
David's Bridal

Web site:
www.davidsbridal.com

Number of stores:
more than 300

Annual revenue: N/A

Ecommerce Platform Transforms Traditional Store-Based Segment

The bridal business, by nature, is hands on. And while [David's Bridal](#) continues to drive the bulk of its sales through its 300 stores, recently the retailer has embraced its online channel to help improve overall sales. Following the implementation of a new e-Commerce platform from [CrossView](#), David's Bridal has seen a close to 40% increase in online sales. Order value has increased and conversions are up.

One way the bridal retailer has expanded its customer base is by eliminating the need for shoppers to register before completing online purchases. The retailer also is expanding its reach by adding consultative services to its web site through its Little White Book portal, built on an IBM WebSphere Commerce platform. Shoppers can now create and order invitations, select photography, flowers, honeymoon venues, jewelry and more.



Now more interactive, the web site offers avatar models that depict how the dresses, shoes and accessories will look on the bride and her bridal party. Accessing a shopper's My Favorites list facilitated by [Coremetrics](#) technology, sales associates can better assist customers with item choices and personalize marketing based on shopping patterns.

As a result, overall site traffic has increased 20% on average year-over-year for the past several years, the company reported. Pages per visit also are on the rise, up to 30 from 20-25 one year ago.



Bronze Award: Marks & Spencer

MARKS &
SPENCER

Company:
Marks & Spencer

Web site:
www.marksandspencer.com

Number of stores:
1,010

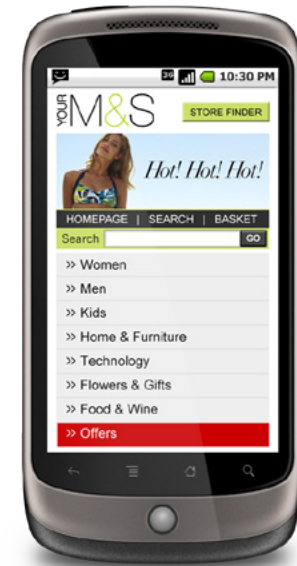
Annual revenue:
9.7B Euro (\$12.6B)

‘Browse & Order’ Feature Integrates Store And Mobile Site

Following the successful implementation of a new mobile site with technology partner [Usablenet](#), [Marks & Spencer](#) decided to expand its cross-channel customer experience. Using Usablenet’s Agile Web Services, the specialty apparel retailer is able to tie together a number of channels, allowing customer to browse in-store, view a wider selection of items online, watch videos, create outfits and purchase online – all from inside the store.

Marks & Spencer’s multi-channel shopping program is called Shop Your Way and features an order and delivery service which allows shoppers to order in-store, online, via smartphones or other devices, or by telephone, for delivery in the UK or internally, or to a particular store.

Marks & Spencer implemented a touch screen Browse & Order system, which allows shoppers to view all Marks & Spencer products from in-store screens and iPads. This system is part of an overall Style Online program, currently accessible in three Marks & Spencer stores. Style Online uses



digital technology to showcase the latest fashion trends offered by the retailer. Via 46-inch screens, customers can build outfits, watch catwalk videos and browse products.

Once the shopper inserts items into the virtual shopping cart, the system generates a code the customer can use to purchase directly from the store’s Browse & Order screen, or from an in-store iPad. Orders can then be delivered to a customer’s home or to a specific Marks & Spencer store.

To encourage additional cross-channel shopping, Marks & Spencer provides exclusive online promotions, encouraging customers to shop via more than one channel.



Bronze Award: Target



Company: Target

Web site:
www.target.com

Number of stores: 1,767

Annual revenue: \$67.4B

Interactive Campaigns Tap Multi-Channel Resources

With close to 1,800 stores in 49 states, [Target](#) is the third-largest U.S. retailer, according to 2011 statistics from [Stores.org](#). The big box retailer competes with most of the other top-10 retailers, including Wal-Mart, Kroger, Walgreen and Costco.

To remain on top, Target must continue to innovate. In addition to new store layouts and store formats, recently the Minneapolis-based retailer has initiated a number of interactive multi-channel marketing campaigns, in partnership with some of its suppliers, to help boost sales of specific products.



In one campaign, Target has created a multi-channel experience to promote and sell [Benjamin Moore paint and Circo](#) children's bedding collections. Online, the retailer shows photos of various combinations of bedding collections and paint, along with a sample page of Benjamin Moore paint colors.

For the mobile site, the retailer is offering QR codes on in-store signage. When the shopper clicks on the QR code using her mobile device, she is directed to the mobile site showing similar combinations of bedding and paint options.

Another multi-channel campaign was designed to promote a new [Nikon](#) camera. In ads, on target.com, in stores and via mobile, Nikon and Target provided user reviews, third-party reviews, videos and product information.

Bronze Award: Step2



Company: Step2

Web site:
www.step2.com

Number of stores:
1 company store
(products distributed
through more than 70
retailers worldwide)

Annual revenue: N/A

Videos Bring Large-Size Products To Life Online

Using video to help give customers a more comprehensive introduction to products, [Step2](#) increased conversion rates by 174%, compared to shoppers who did not view the videos. These statistics were gathered using advanced e-Commerce metrics provided by [Invodo](#), the partner that also produces the videos.

The videos are available for viewing across channels, including Facebook, QR codes for mobile devices, through direct email marketing and on the company's web site. Step2 is the largest U.S. manufacturer of preschool and toddler toys, selling its products through retailers such as Toys R Us and direct to consumer via Step2.com.

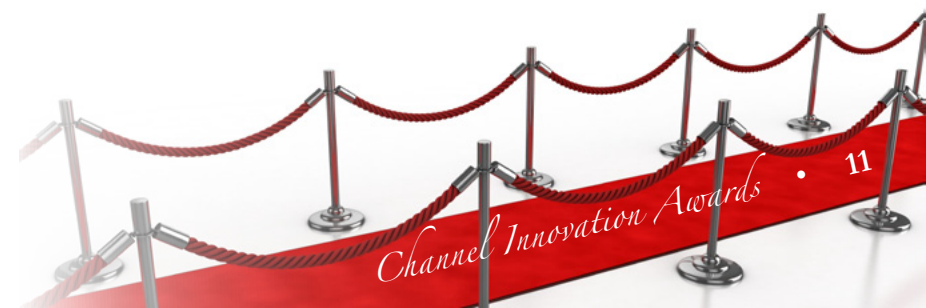
To promote the consumer adoption of the videos, Step2 developed a large poster for Toys R Us stores, featuring a QR code linking to product videos. When consumers click on the QR code,



they can view the items and watch videos showing children playing with the products. This allows consumers to make more informed purchase decisions about products that may be too large to display in-store.

Step2 uses video conversion tracking from Invodo to measure the impact of the videos on sales. Additionally, Step2 and Toys R Us have been able to track the impact of videos accessed via QR codes on in-store or web site sales.

To further promote the use of the videos, Step2 and Invodo have developed a program that allows the videos to be syndicated to retailers' web sites, both within the U.S. and abroad.



Honorable Mention Award: Ahold USA/Stop & Shop

**Company:**

Ahold/Stop & Shop

Web site:

www.stopandshop.com

Number of stores:

more than 380

Annual revenue: \$11.7B

Mobile Shopping Scanners Provide Convenience & Coupons

The SCAN IT! handheld product scanning system began with portable in-store units, but is becoming more convenient for today's shoppers with the introduction of a mobile application. Initiated successfully in three Stop & Shop stores, the mobile application currently is offered in 50 stores and is expected to be available in more than 350 locations by mid-2012. The mobile application was initially launched for iPhone 3GS or 4G units. A division of Ahold, Stop & Shop currently operates close to 400 stores in Connecticut, Massachusetts, New Hampshire, New Jersey, New York, and Rhode Island.

The scanners not only place items in a virtual shopping cart, they also tally prices, provide targeted location-based offers and deliver past purchase history. Each offer provided to a shopper is personalized based on that customer's individual purchase history, brand preferences, location in the store and aisle and the current contents of the virtual shopping cart.



These targeted offers are key to driving basket lift, according to the company, which estimates that shoppers can anticipate potential savings of \$250 to \$500 annually, based upon receiving 8 to 10 targeted coupons per shopping trip.



About Retail TouchPoints

Retail TouchPoints is an online publishing network for retail executives, with content focused on optimizing the customer experience across all channels. The Retail TouchPoints network is comprised of a weekly newsletter, category-specific blogs, special reports, web seminars, exclusive benchmark research, and a content-rich web site featuring daily news updates and multi-media interviews at www.retailtouchpoints.com. The Retail TouchPoints team also interacts with social media communities via Facebook, Twitter and LinkedIn.

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