Multichannel Customer Experience Challenges to Overcome

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Desigual world in two minutes
Our mission: ‘At least one Desigual garment in every wardrobe’.
Atypical garments
to celebrate life

We design unique items for our Woman, Man, Kids, Accessories, Shoes, Living, Sport and Beauty collections, that we distribute via 17 different channels, in 500 of our own and franchise stores, 7,500 multi-brand spaces, 2,800 corner concessions, 20 own online stores, 11,000 point of sales new categories…
Our brand

We like to define ourselves as pirates of conventionalisms, we are non-conformists and daring. Our brand is somewhere to come and love, stay, shout and feel that La Vida es Chula! And our challenge is to share this with the whole world.
Communication

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Brand health research

Brand awareness
- Spain: 94%
- Italy: 83%
- France: 77%

Purchase consideration
- Spain: 38%
- Italy: 40%
- France: 31%

Favourite brand
- Spain: 19%
- Italy: 16%
- France: 12%
Target customer

Actual - age between 30 & 50
Aspirational – age between 25 & 45

What do we know about her?

About her clothing:
- She likes to experiment with different looks and styles
- She changes her wardrobe frequently
- She is chasing to feel ‘pretty’

About her lifestyle:
- She takes care of herself, inside & outside
- She practices some kind of sport
- She likes technology
- She enjoys going out with her friends but also dedicates time to her couple & family
- She appreciates frankness & honesty
Competitors overview

3 types of winning strategy with a clear specialization emerge

Excellence in execution is key

1. Full brand experience
   - Winners are experts in creating the full brand experience and loyal customer communities
   - Core capability: brand execution

2. Fast fashion
   - Winners excel in reaction to market trends with short cycle times and high degree of fashionability
   - Core capability: fast and flexible supply chain

3. Value
   - Winners professionalize in offering trendy clothes at low price points
   - Core capability: excellent value proposition at low price points
17 Channels

- Design
- Supply chain

Specialised channels:
- Shoes
- Sport
- Living
- Beauty

Wholesale:
- Travel Retail
- E-tailers
- D-Shop

Department stores:
- Indirect
- Direct

Retail:
- Season
- Outlet
- Franchise

Online:
- Desigual.com
- Flash/Outlet
Desigual Store`s concepts
Neon

**Concept:** The idea behind this style is to create a more luxurious store, with finer materials of a higher quality. This emphasises order and structure.
Market

**Concept:** This style of store is inspired by La Boqueria market in Barcelona, the defining features are the stalls where the product is displayed.
La Vida es Chula

**Concept:** The décor of this style recreates the interior of a home.
Concept: We take La Vida es Chula to the beach!
Urban White

Concept: A new concept in which the main element is white, which creates a fresh, welcoming environment that surrounds you and invites you to come in. Only used for the Woman and Accessories collections.
Outlet

Objective of this channel is not only to dispose product`s excess, it also offers some new “low cost” items. It includes stores, where we sell items from previous seasons, but also “chollo day” actions and flash sales.
Department stores

DS (Department Stores) contain several points of sale or small shops inside.
“Big” Wholesale

In this channel, a Wholesale client (this includes Online wholesale customers, called e-tailers) buys the Desigual product to sell it in their own store together with other brands.

“Core”

D-Shops

Travel Retail

E-tailers

Specialised channels
Wow corner DS (Spain)
Hotels & Resorts (Rep. Dom)
E-commerce

The Desigual online store has been open since the end of 2010.
 CHANNEL CONTROL

BRAND ESSENCE

Specialised channels

Wholesale

Department stores

Retail

Online

Shoes

Sport

Living

Beauty

Travel Retail

E-tailers

D-Shop

Indirect

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CHANNEL
ROLE
SELL IN
SELL OUT
BRANDS OPERATING MULTIPLE DISTRIBUTION CHANNELS ARE THE NORM RATHER THAN THE EXCEPTION
Wholesale Department stores Retail

Online E-tailers D-Shop

Travel Retail Direct

Indirect

Specialised channels

Wholesale

Department stores

Retail

Online

CHANNEL IMPORTANCE

SELL IN

SELL OUT

• Cash flow
• Margins
• Information
• Geographical Reach

• Brand
• Cash
• Power

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CHANNEL IMPORTANCE

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Desigual.com

Flash/Outlet
PROJECT

Analyze Desigual’s customer experience offering in each possible channel and identify whether a seamless brand experience is achieved for maximizing company sale.
The Holy Grail of Retail

Key factors:
1. People Traffic
2. Conversion Rate
3. U.P.T.
4. Average Price
Research

- 12 Channels
- 120 POS
- 10 Countries
- Mystery shopping 200
- In-depth Interviews
- 500 questionnaires EVS scale
Framework

Previous Experience (t - n)

Prepurchase Stage
- Prepurchase Touch Points
  - Brand owned
  - Partner owned
  - Customer owned
  - Social/external
- Behaviors: need recognition, consideration, search

Purchase Stage
- Purchase Touch Points
  - Brand owned
  - Partner owned
  - Customer owned
  - Social/external
- Behaviors: choice, ordering, payment

Postpurchase Stage
- Postpurchase Touch Points
  - Brand owned
  - Partner owned
  - Customer owned
  - Social/external
- Behaviors: consumption, usage, engagement, service requests

Customer Journey

Feedback

Future Experience (t + n)

Source: Katherine N. Lemon & Peter C. Verhoef 2016
Customer Journey/Touchpoints/Segments/Channels

- SOCIAL NETWORK
- MAILING
- APP
- WEBSITE
- WOM
- WORKSHOP
- ADVERTISING
- ASSISTANCE (SALES PERSON)
- SECTION NAVIGATION
- PAYMENT
- LOYALTY PROGRAM
- DELIVERY
- RETURN ITEMS
- COMPLAINTS AND CLAIMS

TRIGGER  CONSIDER  SEARCH  EVALUATE  PURCHASE  REFLECT  REACT

SEG 1  SEG 2  SEG 3  SEG 4  SEG 5
Emotional Touchpoints Arousal: Delight Vs Pains

- Before
  - Delights: High
  - Pains: Low
  - Emotions: Curiosity

- During
  - Arrive: Excited
  - Explore: Surprise
  - Engage: Joy

- After
  - Interact: Satisfied
  - Share: Convinced
  - Emotions: Trust
Customer Experience Manual

1. Ready!
2. Steady!
3. Go!
4. Sell!
5. Make friends!
In Store Experience Between Channels
Direct Vs Indirect
In Store Experience Within Channels
Direct Control

[Spider chart showing performance metrics across different channels with lines for Flagship, Outlet, Retail, and DDD.]

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In Store Experience Within Channels
Indirect Control

[Graph showing performance metrics across different channels: Department Store, D-Shop, Multibrand]
Coincidence or Reality?

Comparison of Coefficient de correlation for Conv. Rate/Experience and Conv. Rate/# Employees.

- **Barcelona Plaza Catalunya**
  - Conv. Rate: 8
  - Experience: 6.5
  - #Employees: 8

- **Madrid Preciados**
  - Conv. Rate: 7.5
  - Experience: 7
  - #Employees: 8.5

- **Barcelona T1**
  - Conv. Rate: 6
  - Experience: 5.5
  - #Employees: 6

- **Barcelona Illa**
  - Conv. Rate: 5.5
  - Experience: 5
  - #Employees: 5.5

- **Barcelona Passeig de Gracia**
  - Conv. Rate: 5
  - Experience: 4.5
  - #Employees: 5

- **Madrid Mayor**
  - Conv. Rate: 4.5
  - Experience: 4
  - #Employees: 4.5

- **Barcelona Estación de Sants**
  - Conv. Rate: 4
  - Experience: 3.5
  - #Employees: 4

- **Barcelona Ramblas 136**
  - Conv. Rate: 3.5
  - Experience: 3
  - #Employees: 3.5
5 Challenges to Overcome

1. Different Segments – Different Journeys
2. Touchpoints – Expectations - Emotions
3. Different Channel Roles – Different CX
4. More Control Over Channel – More Control Over CX
5. Better Associate Advocacy – Better CX
CX
PAST PRESENT & FUTURE
We don't make money when we sell a book, we make money when we help customers make a purchase decision. Every business person should know this and plan around its customers, their experiences and the relations that can be built with them rather than products, stores or transactions.
GOOGLE MICRO-MOMENTS

BE RELEVANT

I want to KNOW

I want to BUY

I want to DO

BE THERE

BE QUICK
MAKE SHOPPING PRACTICAL OR AN EXPERIENCE, DON’T DO BOTH
EITHER SYSTEMATICALLY REDUCE COMPLEXITY AT EVERY TURN, OR ADD IT IN THE MOST DELIGHTFUL WAY. DON’T GET CAUGHT IN THE MIDDLE
THE BEST SPOTS TO SIT AND READ A BOOK IN DETROIT MAP
“ALL PRODUCTS WILL HAVE BECOME SERVICES. I DON'T OWN ANYTHING. I DON'T OWN A CAR. I DON'T OWN A HOUSE. I DON'T OWN ANY APPLIANCES OR ANY CLOTHES,”. SHOPPING IS A DISTANT MEMORY IN THE CITY OF 2030

writes Danish MP Ida Auken
Muchas Gracias

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