

# Redesigning Retail

## Walk in Their Shoes: Empathy and Customer-centric Innovation

*This is the second article of Performance Frontiers' Redesigning Retail series: where we share research, conversations and valuable insights grounded in our work collaborating with Australian retailers on a number of innovative, customer-focused initiatives in the areas of strategy, culture and learning and development.*

## **What sits at the heart of the best retail experience? What makes us go back to the same shop again and again?**

In a nutshell, it's the sense that the retailer "gets us" — that they've done their homework and understand the kind of shopper we are, and how, when, what and where we want to purchase.

**The best retailers are, in essence, "professional empathisers" (a term coined by retail expert Bruce Rosengarten).**

Empathy allows retailers to understand customers' diverse needs, wants and aspirations in order to design experiences that meet and exceed expectations.

Innovation without empathy is directionless. It is innovation for innovation's sake — nothing more than an exercise in keeping up appearances. As more and more retailers look to jump on the innovation bandwagon and find new and exciting ways to serve their customers, they must first learn to walk in their customer's shoes and focus on empathy.

So how do we harness empathy in innovation? What does it look like in practice?

### **Empathy in Practice: Examples of Customer-centric Innovation**

We've gathered some great examples of retailers who, through the diversity of consumer channels, are nailing the empathy element, demonstrating to their customers that they understand just who they are and what they need.

### **Tesco Scotland**

Most retailers assume in this time-poor modern age that speed of service is the key to a great customer experience. But Tesco Scotland recognises that, in certain store locations, a large portion of its customers are elderly, or living with dementia or a disability, and find the contemporary "speed over service" model overwhelming. Tesco came up with the idea of a relaxed checkout lane.



The "slow lanes" are designed for those who want to take their time to organise their items and payment, or connect with staff, without feeling rushed by other customers. Crafting such a personalised experience is a great strategy for improving brand loyalty, and is only possible through a deep understanding of diverse customer needs.

### **General Pants**

While its client base is overwhelmingly digitally savvy, General Pants recognises that its customers also place significant value on the in-store experience. In partnership with the Digital Arts Network, General Pants has created an immersive experience that link customers, product and social media through in-store interactive kiosks.



This shows an understanding of a connected approach to retail that is gaining traction as retailers recognise that customers want great experiences across all brand channels.

### Woolworths

Recognising that a customer's experience happens both before and after they enter a store - Woolworths opened up their product development process to consumers in 2016. Its Food Innovators Centre is equipped with a cooking school, innovation kitchen, sensory testing rooms and a food theatre, and invites Rewards members to be involved in innovating product development from start to finish so Woolworths can develop products that customers will love.

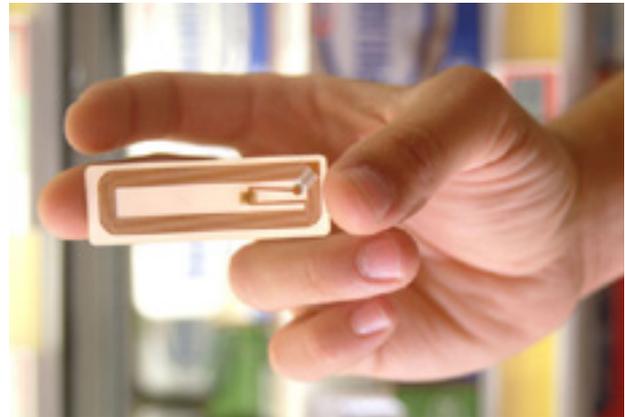


### Marc O'Polo & Oliver Sweeney

UK retailers such as Marc O'Polo and Oliver

Sweeney have even woven empathy into innovating for better stock inventory management.

To help customers find the style and sizes they want at greater speed, they have integrated radio-frequency identification tagging, allowing the brand to see the real-time location of items within the store or stockroom. It also allows better understanding of the rate at which stock is selling in order to adjust stock distribution to better meet customer's needs.



Though some of these solutions involve advanced technology, it is clear that designing innovative customer experiences isn't really about integrating the latests gears and gadgets. It's about understanding the consumer and delivering experiences that wow them.

As customers become increasingly sophisticated in identifying their own needs and wants, customer empathy is fast becoming a "must-have" strategy for retailers, rather than a "nice-to-have".

### So how do retailers harness empathy to design customer-centric innovations?

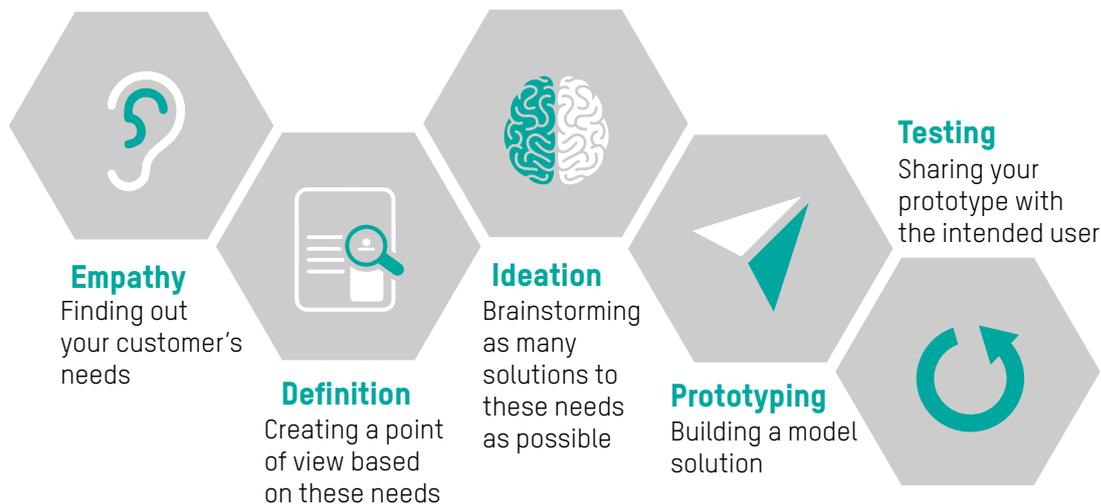
One method is through **Design Thinking**.

## Empathy Harnessed: Innovation through Design Thinking

One of the founders of the Design Thinking movement, [Tim Brown CEO of IDEO, describes the process](#) as “a human-centred approach to innovation that...integrates the needs of people, the possibilities of technology, and the requirements for business success.”

It's about gaining a clear understanding of who your customer is, and what they want, so that you can better provide it for them. In other words, it is all about empathy. Design Thinking affords engaging with customers at a deep level, by making sure that the customer is being fully understood: that products and services align with the functioning of real, human customers, rather than just imagined figures in a retailer's mind.

It is a cyclical and iterative process, allowing for constant refinement and re-adjustment, so that the end result perfectly hits the mark. It involves:



At Performance Frontiers, we apply Design Thinking in a variety of contexts and across all levels of management within the retail sector.



At the highest level, Design Thinking can assist your **CEOs and Senior Managers** with thinking differently about how to design customer-centric services and solutions.



**Within your store teams**, Design Thinking encourages solution-finding in-store by developing small-scale innovations that are prototyped and tested, which can lead to major innovative practices across the entire retail experience.

In this highly competitive, rapidly changing and disruptive retail environment, Design Thinking provides the edge that ensures you are creating fresh, innovative and engaging experiences that delight customers with just the right balance of surprise and familiarity.

**And it's through empathy for your customers that you can truly walk a mile in their shoes – and also ensure they buy their next pair from you!**

*Interested in learning more about Design Thinking and Customer-centric Innovation in your organisation? Drop us an email: [info@performancefrontiers.com](mailto:info@performancefrontiers.com) and let's start the conversation.*

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