



DIGITAL FOR PEOPLE

# Retail & Consumer Digital Playbook

*How to make your digital transformation  
matter everywhere.*



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# Retail & Consumer Goods

Exceed digital expectations in a material world.

Retail and consumer goods brands are leading the digital transformation charge. Yet challenges remain, especially for companies looking to reach consumers directly.

The rise of e-commerce giants has changed expectations, making it hard to stand out. Add high visibility operations, an ever-shifting global supply chain, economic volatility, and changes in consumer confidence, and it's hard to know what to do now, where to go next, and how to make it all matter to your customers.

71%

of retailers agree that digital transformation is an essential part of retail technology.

— Fujitsu





# Leapfrog the competition

Know where to shift, and when to jump ahead.

To leap ahead, calculated bets are essential. You can't act on everything at once and every technology isn't required.

Start by prioritizing the innovations that count with loyal micro-communities. Harness the influencer effect as you meet their needs, then ripple into adjacent spaces. And, to ensure your initiatives have an impact, back everything up with a realistic roadmap that iterates over time.

# Retail & Consumer Goods Digital Playbook

Meaningful digital transformation starts with understanding the people on the other side of the screen.

When planning for digital business transformation, prioritizing where to invest resources is difficult. Small mistakes can cost companies millions of dollars, or worse. Often, in an effort to keep up, companies invest in technology, without first examining the human needs that drive change.

Before undertaking customer experience and digital transformation initiatives, it's important to make sure what you're doing matters to the people you serve.

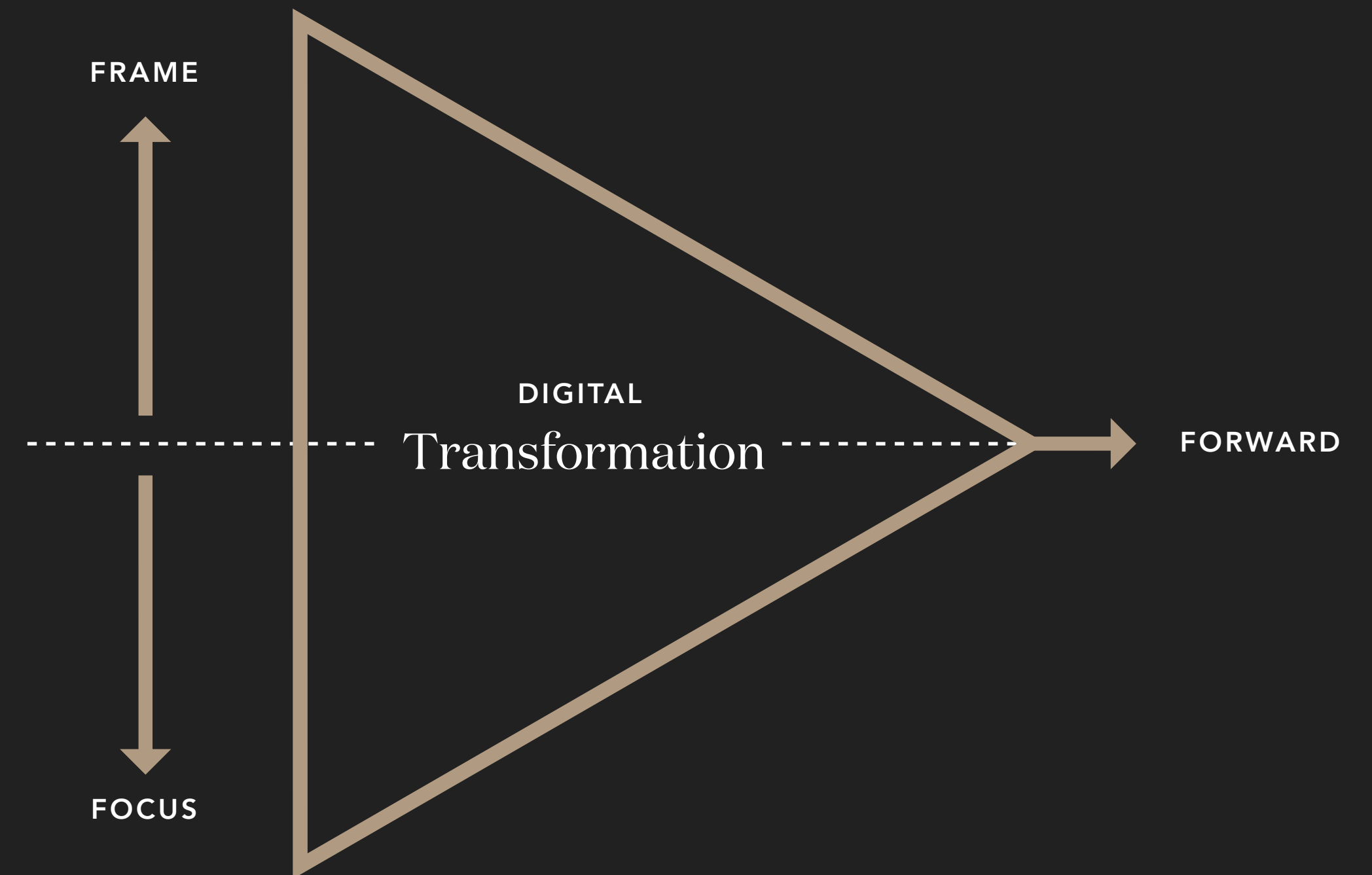
**Hero Digital's Retail & Consumer Goods Digital Playbook** helps you focus your business strategy on what matters most to your customers and clients.

## A clear vision for the future

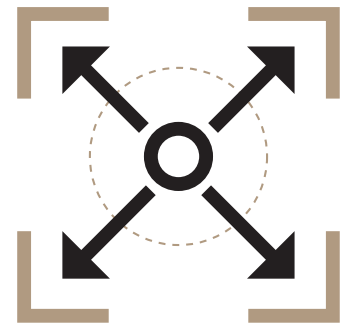
The path to meaningful digital transformation is a balancing act of vision and action.

You must move in the right direction to achieve success.

Using a human lens to prioritize business opportunities allows you to frame what's possible, focus on key opportunities, and move forward with momentum.

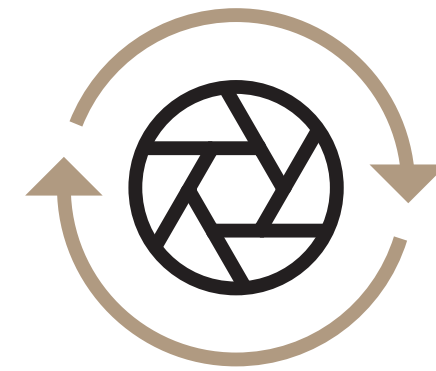


Achieve meaningful digital transformation with a human lens.



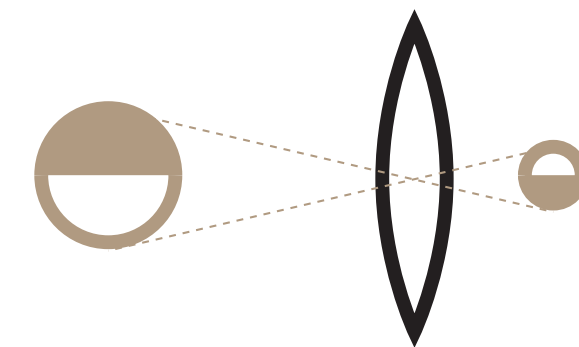
## Frame

Zoom out to gain perspective and identify unmet human needs. These truths guide the way to possibility.



## Focus

Zoom in to assess possible opportunities on their potential for meaningful impact and scalability.



## Forward

Advance concepts to capture their value and vision, and plot a path to reach their full potential.

08 Frame possibilities

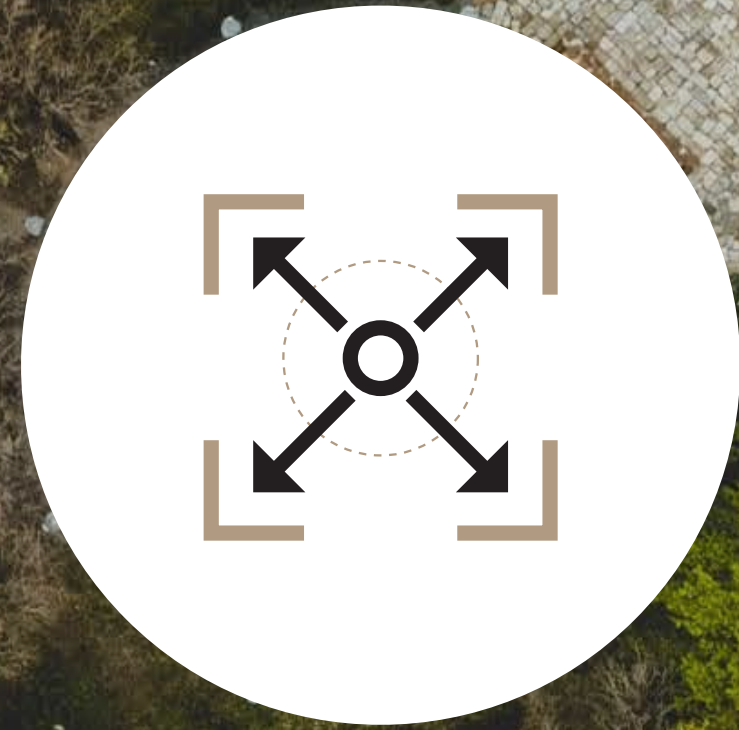
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# Frame

Possibilities





# How objective is your perspective?

The difference between digitalization and digital transformation is altitude.

Too often, companies move fast and low, thinking they don't need to look around. Their unfounded assumptions cause them to zero in on what feels obvious. Yet, these blind decisions result in a series of digitalization attempts, dead or dated on arrival.

Successful companies zoom out to scan the broader context and identify unmet human needs. They solve real problems and earn meaningful results worthy of the effort.



# How digital transformation fails

High tech organizations fail because their initiatives are dictated by inward-looking business priorities. Because market opportunities are constantly changing, their solutions are often dated by the time the project launches.

Disregarding the problems people face both internally and externally hurts companies in the long run.

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## BUSINESS PRIORITIES

- Projections based on inaccurate data
- Chaotic processes create pushback

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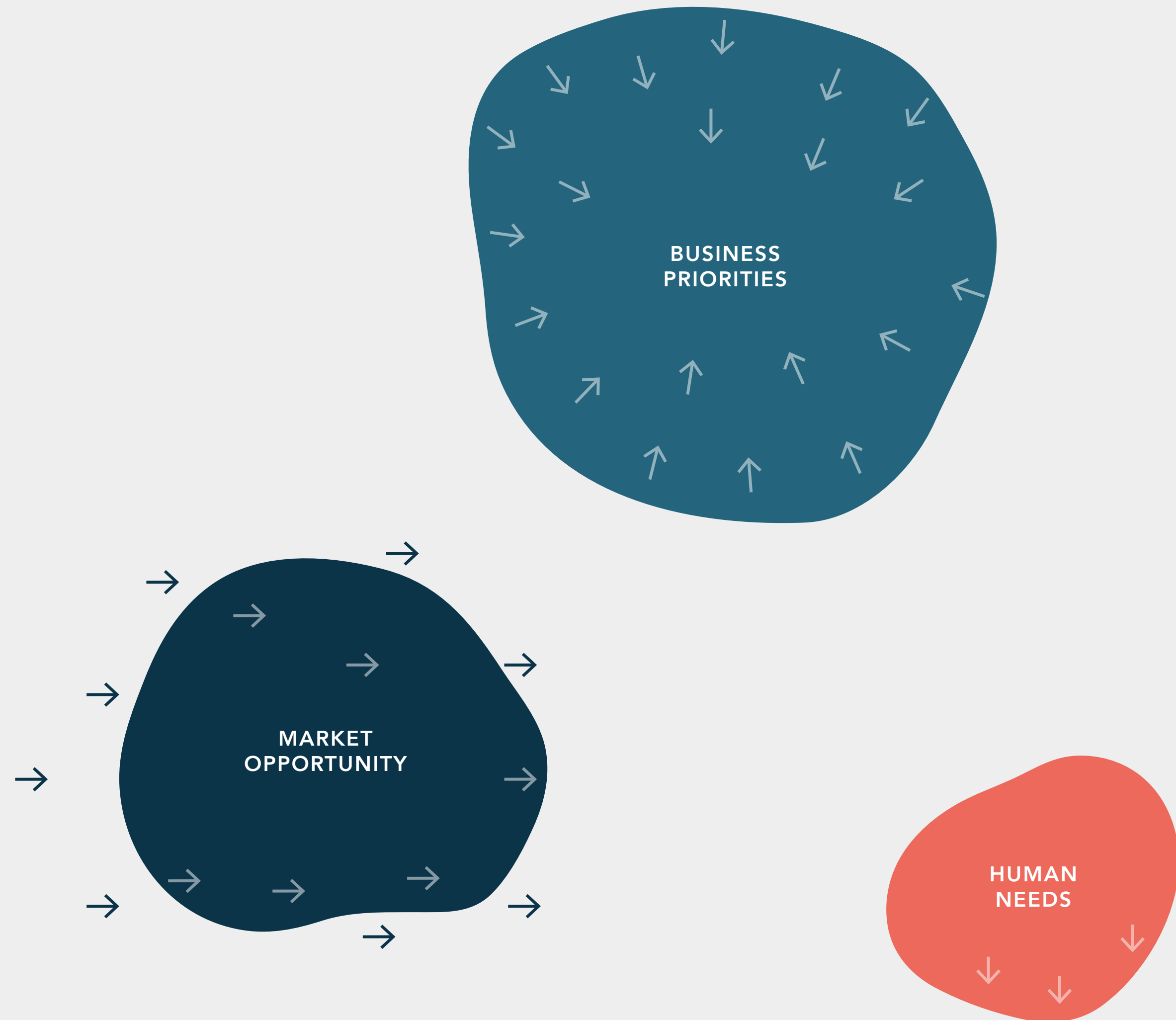
## MARKET OPPORTUNITY

- No time to react to disruption
- High risk of cultural missteps

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## HUMAN NEEDS

- Unaware of emerging unmet needs
- Lacks insight into future landscape



# How digital transformation wins

Meaningful digital transformation begins by identifying essential human needs and aligning business priorities with them.

This allows companies to zero in on the right market opportunities for future business success.

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## HUMAN NEEDS

- Anticipates customer needs in real time
- Realistic solutions that adapt with time

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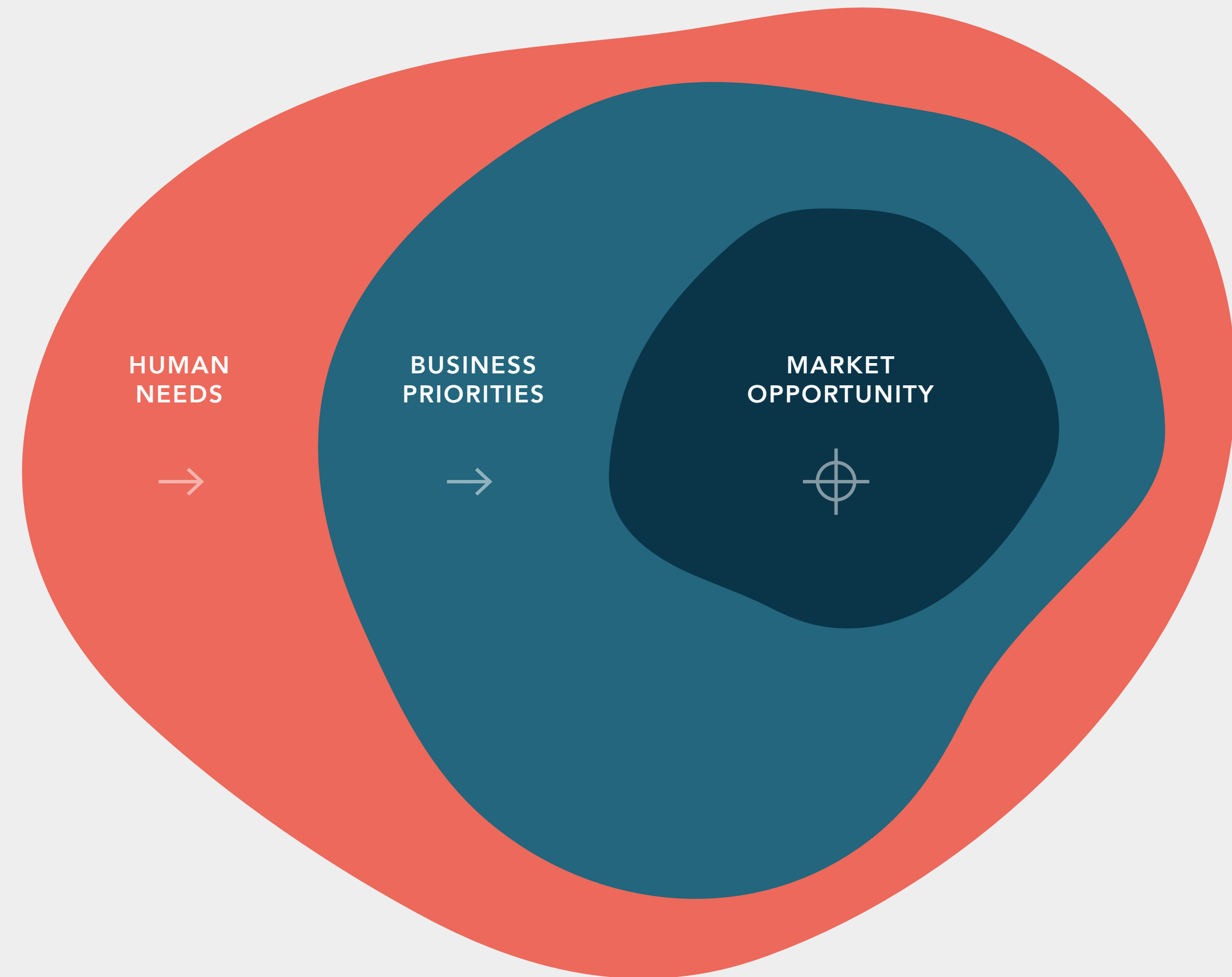
## BUSINESS PRIORITIES

- Vision is participative and socialized
- Holistic rigorous criteria for decisions

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## MARKET OPPORTUNITY

- Early indicators allow timely response
- Market leader with pulse on culture





# Frame

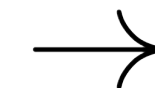
## KEYS TO SUCCESS

### Qualitative research outliers

There are no shortcuts to meeting your customers in the context of where they live and shop.

While quantitative studies are valuable for understanding specific feature desirability, probing into the nuances of what customers feel must come first.

When creating the demographic sample, include people from adjacent and even tangential spaces.



## WHY IT MATTERS TO PEOPLE

### Define customer of the future

Digital transformation takes time to plan, execute, launch, and socialize. What consumers value today isn't the same as what they will value when you go live and when the adoption curve reaches maturity.

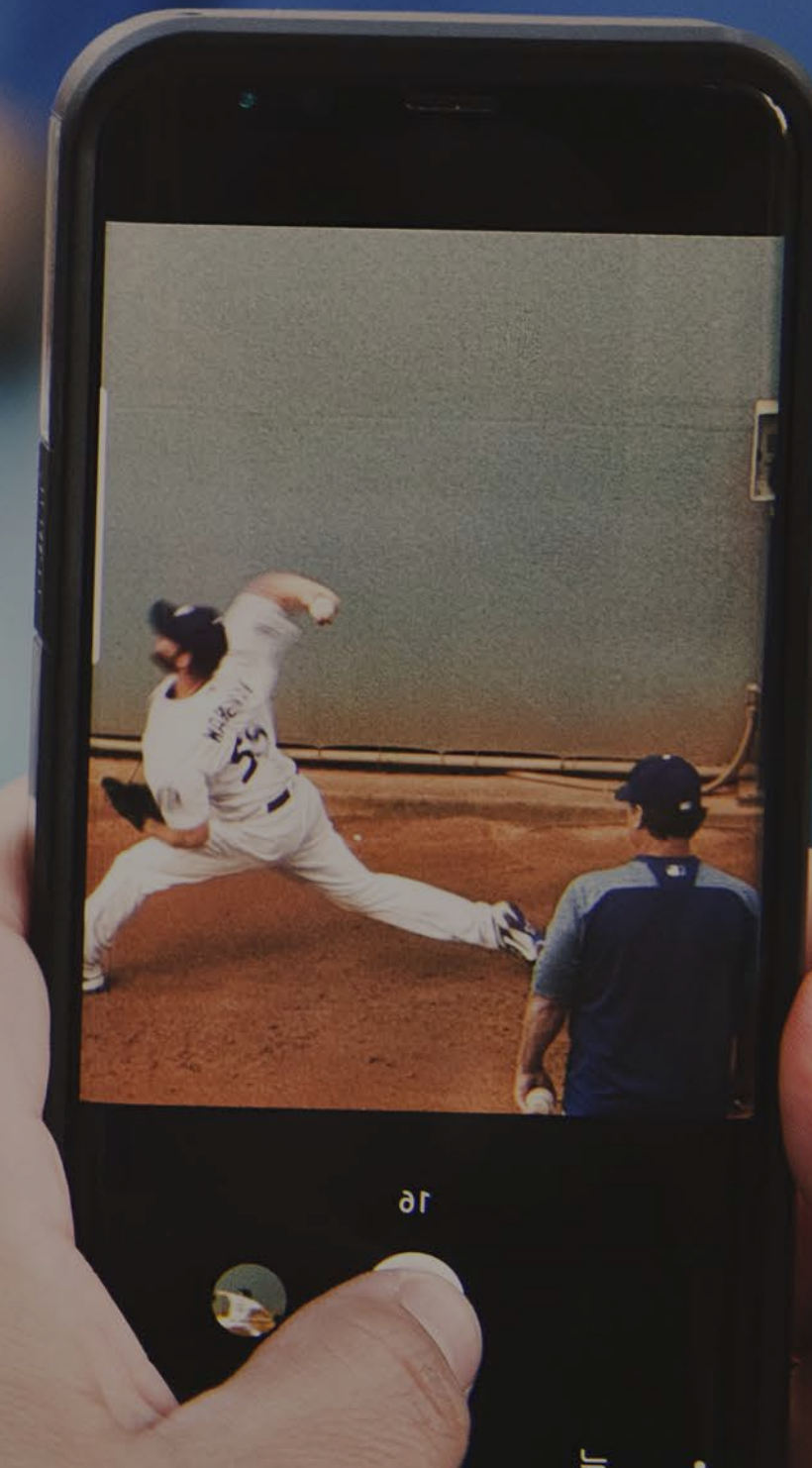
To connect with your customers in the future, understand the context and challenges they're just starting to face. This lets you map what benefits to unpack and measure.

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# Focus

Opportunity



# How to spot ideas worth pursuing

Successful digital transformation isn't an accident. Organizations that get it right unpack insight-grounded possibilities. They spark bold ideas and then filter them by their future potential. These savvy digital business teams nurture concepts to reach sustainable impact at scale.

The following examples illustrate how to focus on opportunity.

STEP 1

Concepting

STEP 2

Validation

STEP 3

Prioritization



STEP 1

# Concepting

Ground in human need so ideas that surface are tied to opportunity space, leading to actionable concepts.



WIN

**iPhone by Apple** has changed the way that consumers interact by learning and responding to unmet needs. Their focus on concept iteration allowed the company to enter a saturated mobile market and gain dominance in a few years.



FAIL

**Nokia** remained focused on voice when others in mobile were trending to data. By failing to lead on user experience, they developed a problematic operating system that didn't fit the direction of the market or the needs of customers.



NOKIA

## ADVICE

Ideas can be based on anything, but they may be totally off base when there are breaks in logic or relevance.

## KEY TO SUCCESS

Often, the most salient inputs to a good idea are outside category, but keep tight focus on subsegment attitudes and needs.

## WATCH OUT

Avoid basing decisions on "sample of one" opinions. You are rarely, if ever, your exact target customer.

STEP 2

# Validation

Build concepts with your team and test the substance of the value exchange to gauge customer desirability.



WIN

**Mattel** has, among other endeavors, been innovating on its famous Barbie. To respond to shifts in culture and consumer, they introduced new body types and other diversity that allowed digital extensions which have boosted e-com sales.



FAIL

**Toys R Us** failed to commit to understanding the 21-century consumer, and their commerce site seemed to assume if you build it they will come - but it was purely transactional with poor customer experience.



## ADVICE

It is true that concepts can be built in a day, but this assumes the required prep, process, and target payoff are in place and aligned.

## KEY TO SUCCESS

Ideas developed with rigor coalesce into concepts worth building, breaking, and reforming. Brilliant ideas only look easy.

## WATCH OUT

Solutioning (guessing) is fast and fun but distracts from solid solutions based on insight and data. Be patient.



STEP 3

# Prioritization

Assess opportunity size and prioritize based on the four: desirability, viability, feasibility, and sustainability.



WIN

**BBVA**, the Spanish financial services group, uses behavioral economics, design and user experience, and a '3,6,9 process' to deliver a product or service into the hands of the customer in 9 months.



FAIL

**The Co-operative Bank** in the UK went to rebuild systems from the ground up, instead of stepped improvements. The complexity without prioritization was too much and they abandoned the project after investing £300-million.



## ADVICE

Basing decisions on unvalidated assumptions is sabotage to potentially good concepts right from the beginning.

## KEY TO SUCCESS

Detail the process and thinking used in order to build greater trust in the concepts that result, driving internal adoption and advocacy.

## WATCH OUT

It's better to test ideas with customers and apply learnings now instead of later.



# Focus

## KEYS TO SUCCESS

### Frontline team engagement

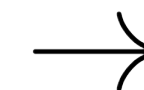
Digital transformation is dependent on frontline teams. Any device, and most automation, requires a human touch.

Including leaders from the frontlines in the early ideation and planning phase is infinitely valuable.

Consider hosting a roundtable of top performers, solicit input from long-tenured team members, or even invite a few representatives to the ideation itself.

## WHY IT MATTERS TO PEOPLE

### Unlock efficiencies



Your frontline teams provide input that takes ideas out of theory and checks concepts before roadmapping the implementation.

When meeting with frontline leaders, take the opportunity to leverage their unique insights.

This will help you understand what hardware will sit on the counter, what customers might react to, and what systems are in trouble already.



# How companies are creating momentum

Transformation is changing the retail and consumer goods industry with increasing speed, making disruption top of mind for organizations looking to thrive.

As business models are upended by new players and dominant leaders either step up or fall behind, the opportunities to win and fail are everywhere.

With the regulatory environment thinking about catching up, if not quite there yet, the time to make your digital transformation matter is today. Signals and indicators are pointing to a world with more choice, more access, and more accountability than ever. Where you stand in this new environment is up to you.



# Customer truths to understand

Every year, for Hero Digital's Customer Experience Index, we analyze the top attributes that foster brand advocacy for customers across key industries. The results reveal a growing need for brands that consumers trust.

MORE ABOUT TRUTH & BEAUTY INDEX



# Capabilities to unlock value

Technological advances are prevalent, yet they will always be measured by the human truth they unlock. Before leveraging new technology, consider its human impact.

## Trust and Data

As products become data enabled services, customers are trading privacy for personalization.

## Empathy and AI

How one sees the world is apparent in every decision they make, regardless of how simple it may be.

## Meaning and Cloud

Customers will share personal information to access your brand and your experience value.

# Retail & Consumer Goods truths

Hero Digital’s Customer Experience Index uncovers the top attributes that foster brand advocacy for customers in retail and consumer goods.

TOP 10 ATTRIBUTES THAT DRIVE BRAND ADVOCACY	
	1 Is a brand I can trust
★	2 Provides outstanding customer service
★	3 Easy to shop
	4 Has retail stores I love going to
	5 Has the highest quality products
★	6 Consistently has the products I'm looking for
	7 Prices are reasonable
	8 Is constantly improving
	9 Offers the right balance between quality and price
	10 Gives me confidence in my purchase decisions

Source: Hero Digital Truth & Beauty Index



## UNIQUE OPPORTUNITIES IN DIGITAL

### ★ Provides outstanding customer service

Empowering sales and service team members with new digital tools lets them leverage their human touch and institutional knowledge of customer behavior and legacy systems. This also increases automation and personalization.

### ★ Easy to shop

Your customers interact with your social media profiles, websites, mobile apps, and physical locations. Navigation must be consistent, no matter where your customer is shopping.

### ★ Consistently has the products I'm looking for

Surfacing the right products at the right moments requires customer intelligence backed by technology and systems. With increased supply chain issues, replacements are a value add in your customer’s journey.

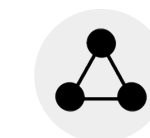
# Unlocking human value

Technological advances are prevalent, yet they will always be measured by the human truth they unlock. Before leveraging new technology, consider its human impact.



## Trust and Data

Request data in a way that builds trust and shows clear benefits to the customer. Then use it to personalize experiences. Go beyond name and birthday to add real value to customers with attitudinally based content.



## Empathy and AI

Create segments with attitudinal and behavioral traits to build cultural sensitivity into digital experiences. Diversity is multidimensional. Different weights should be given to each ingredient in a customer's identity.



## Meaning and Cloud

Use agile models to understand customer behaviors and prioritize actions to meet emerging needs. What customers need today is different than what will be top of mind for them when your digitally enhanced experience is launched.



# Forward

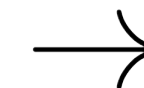
## KEYS TO SUCCESS

### Scenario modeling

Great ideas often fail because one piece wasn't factored in or didn't go according to plan.

Avoid throwing out brilliant work in disjointed moments by planning out alternate steps in advance.

There's no way to anticipate every possibility, but a few choice scenarios to the model can save months of work and millions of dollars.



## WHY IT MATTERS TO PEOPLE

### Roadmap dependencies

Understanding what's critical in different scenarios allows your team to identify what systems, processes, people, or other factors are essential.

By identifying these elements, redundancy can be built-in to better account for what might go wrong. Hope isn't a strategy. Planning for what might fail is a great way to win.



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# Vision

Accelerator



# Where are you with digital transformation?

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## Cost of doing nothing

Companies that defer on digital transformation are unlikely to survive.

Ignoring the potential impact of the digital world won't change that people and systems are already progressing rapidly.



## Cost of doing the wrong thing

Rushed digital initiatives often backfire or are met by customer indifference.

Whether failure is seen internally only, or is very public, there are sizable ramifications that impact the ability to function and grow.



## Value of acting now

Swift, targeted responses to customer and stakeholder needs is the hallmark of thriving organizations.

Prioritization with a real plan for socialization inside and out is critical to digital transformation.



## Value of doing it right

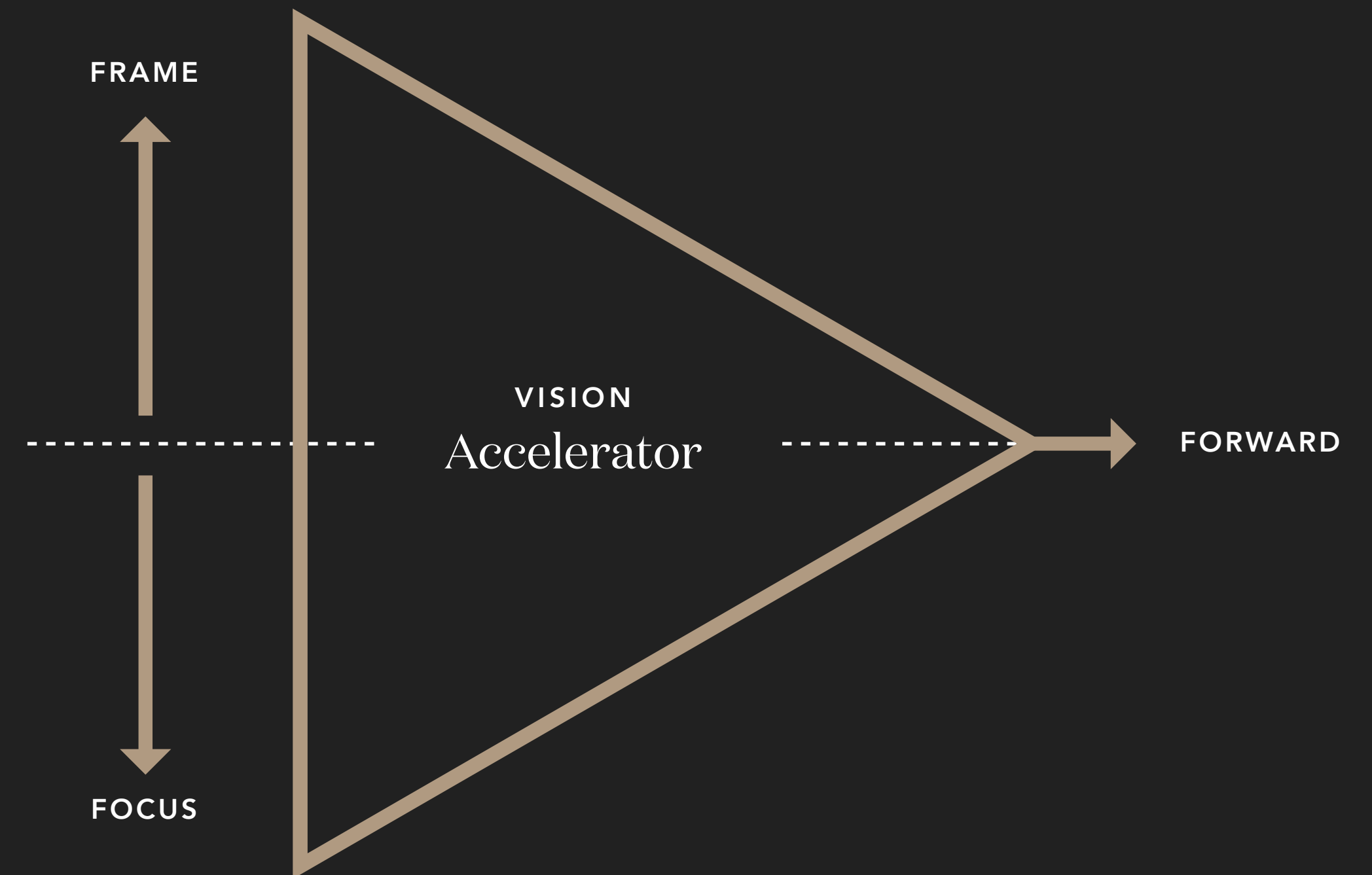
Markets respond to human needs worth solving, when executed flawlessly.

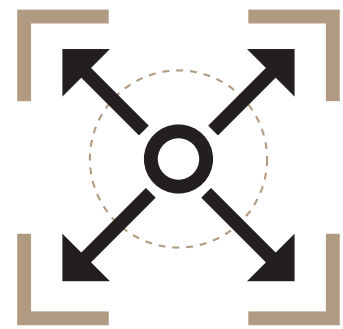
A robust approach and transparent process carry insights and ideas through to realize their full potential.

# Accelerate Digital Transformation

No matter where you are in your digital journey, Hero Digital's Vision Accelerator Solution helps you jumpstart meaningful business transformation.

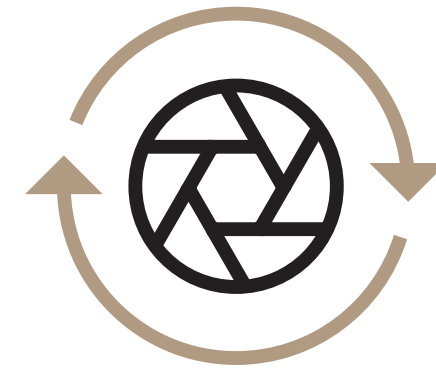
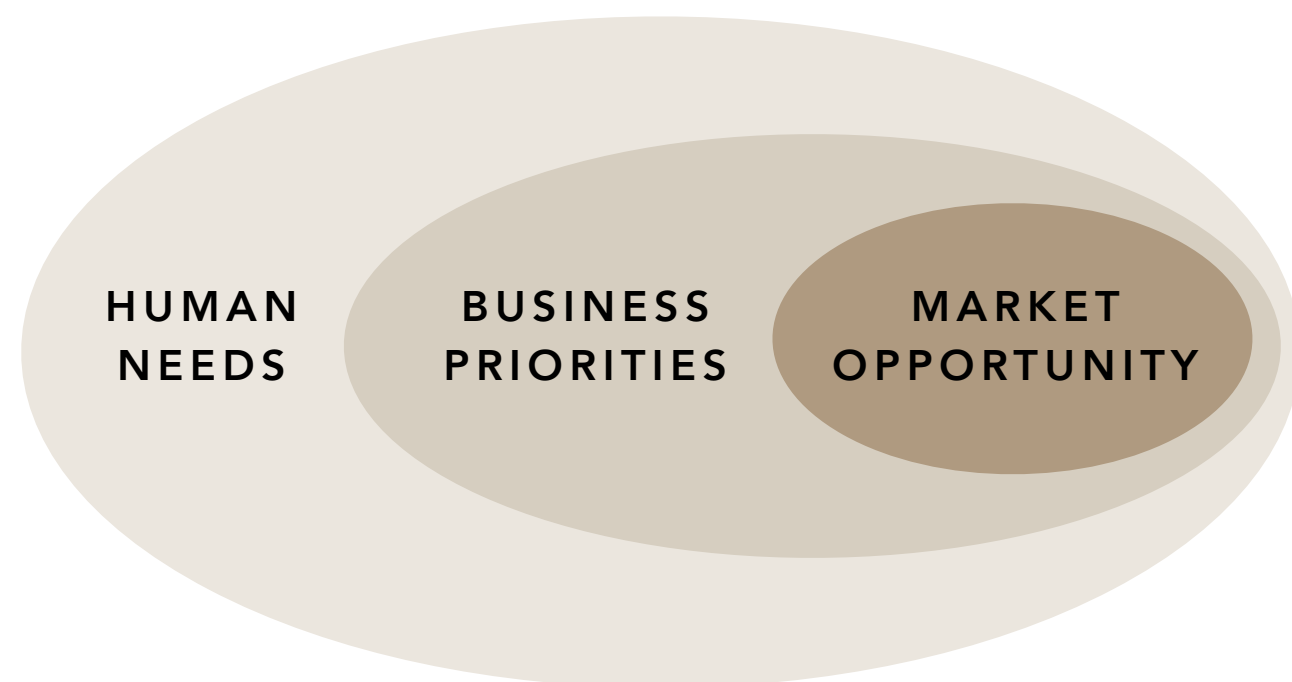
Through Vision Accelerator, we work with our clients to uncover possibilities, reveal opportunities, and create positive business outcomes.





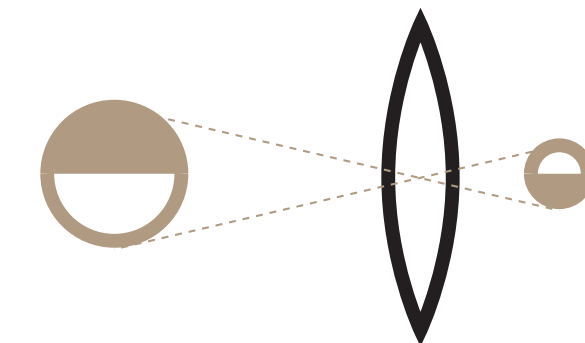
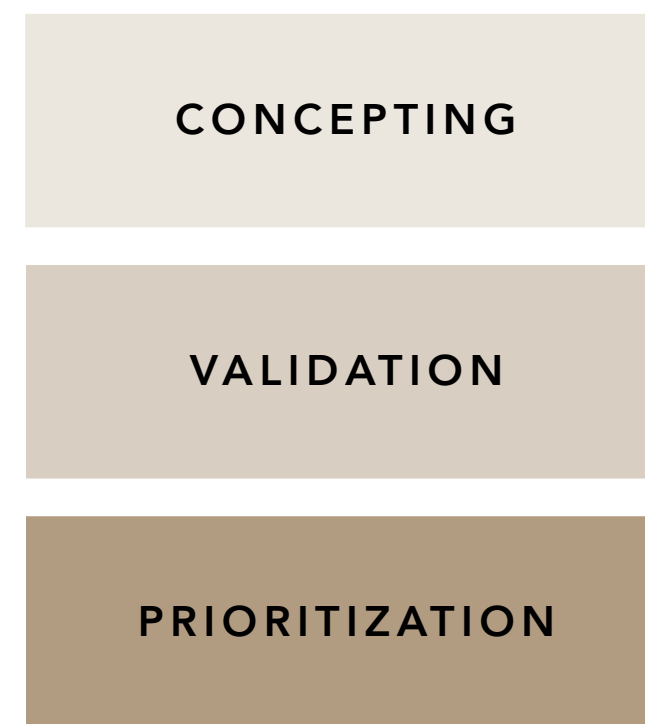
# Frame

Frame your vision for change in the broader context.



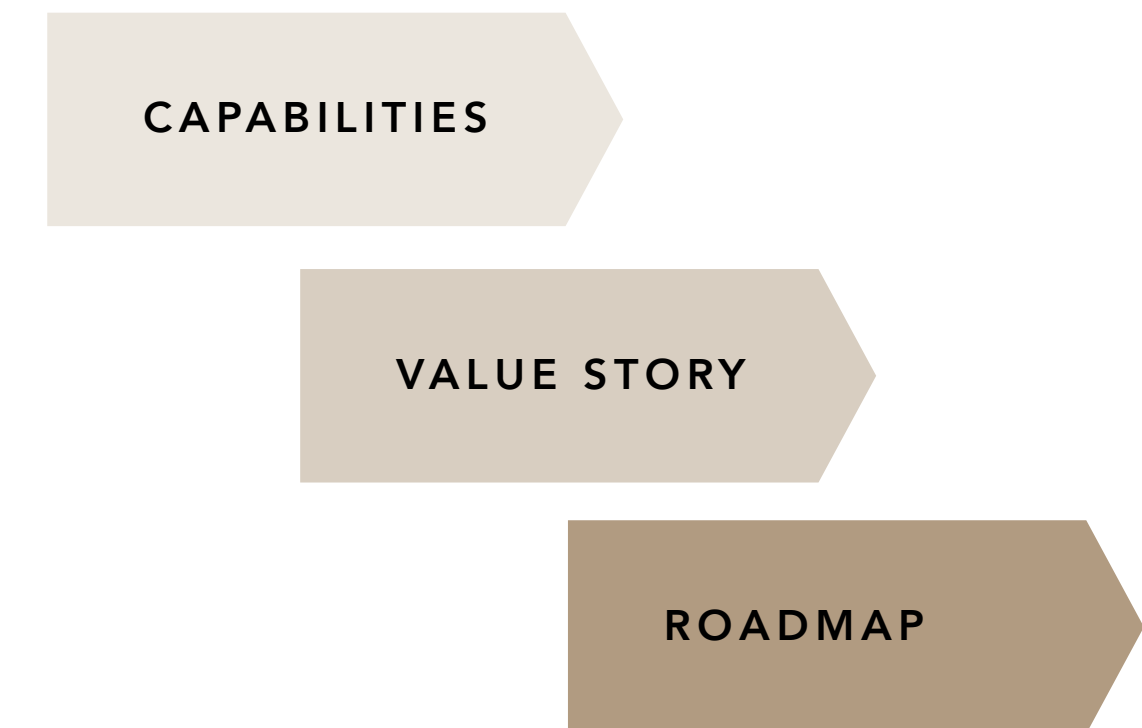
# Focus

Focus on opportunities worth pursuing.



# Forward

Capture forward momentum to make an impact at scale.



# Get a jump on your transformation

Hero works with you to streamline digital transformation by incorporating assets you've already completed as key inputs.

It's vital to review the work to see if important characteristics are woven through. For instance, demographic segmentation is common, but this narrow view compounds organizational blindness. Attitudinal segments, on the other hand, more accurately predict changes over time.

WHAT DO YOU HAVE ALREADY? CHECK ALL THAT APPLY...

- |   |  |  |
|---|--|--|
| <input type="checkbox"/> Attitudinal segment insights | <input type="checkbox"/> Socialized vision of future | <input type="checkbox"/> Indicators in+out of industry |
| <input type="checkbox"/> Psychographic personas       | <input type="checkbox"/> Integrated digital vision   | <input type="checkbox"/> Emerging signals/micro trends |
| <input type="checkbox"/> Behavioral journey set       | <input type="checkbox"/> Aligned ROI expectations    | <input type="checkbox"/> Customer of the future        |



# Transform today

Accelerate your vision to plot a positive path forward for your company.

[business@herodigital.com](mailto:business@herodigital.com)

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Truth Beautifully