Case Insight 8.1: Cheil UK

Manish Bhan, Head of Retail Transformation

Hi, my name’s Paul Baines, I'm Professor of Political Marketing at the University of Leicester and co-author of the Fifth Edition of Marketing by Oxford University Press.

In this next sequence, we traveller to Manish Bhan, Head of Retail Transformation for Cheil UK and in this sequence, he discusses how the organisation develops the innovation process for its major client, Samsung.

Hi, my name is Manish Bhan and I am Head of Retail Transformation at Cheil UK, primarily working with Samsung.

Cheil is a full data-driven marketing agency, just to give you an overview of Cheil network, we actually were born out of South Korea as a part of Samsung Group and primarily offering brand services to Samsung globally. As the industry grew, the trends changed, the customers’ shopping behaviour changed, the needs of humans have changed so now in 2018, if we talk about Cheil, we are a full service data driven marketing agency, offering services across all the channels of marketing so in short, delivering a 360 holistic solution and providing a seamless customer journey, on and off.

As a data driven marketing agency, innovation is something that is rooted deeply in us. When we talk about developing a new and innovative solution for our clients like Samsung, we have a very simple process in our agency called Rollercoaster. In order for us to deliver a very seamless, personalised experience to a customer in today’s omni-channel world, we have to look at the problem from all the channels, all the angles because in today’s world, the journey is not from one channel to another channel, it is very hyperactive. Consumers are shifting between one channel to another channel in less than a second, so what as agency we do is we group all the channels inter [inaudible 00:02:30] together, in, as a part of our Rollercoaster process, which includes teams from digital, social, experiential, retail, brand, mobile and we try to understand [1], what is the business challenge that Samsung may have or what is the customer barrier that we, we want to kind of solve?

And once we identify that barrier, we again re-group and try to come up with some innovative solution that can overcome that barrier and I personally feel in 2018, if we don’t innovate, we die.

I think retail has gone through a major shift over the last 10 years and I believe it is going to be the focus of the entire marketing industry because shopping is happening at retail, to be honest, even though as a shopper, we are using technologies like smartphones, tablets, touch screens to browse, to know more about the product, to read reviews, to read promotions, however as, as a human being, we like to see, touch, feel unless we are sure about the product we want.

So as shoppers are still going to the offline stores to make that last decision of buying a product, it’s really important for a brand, especially like Samsung, to enable that same level of experience that they get in the online world, so what is happening in the retail industry today is that all the brands are focusing on changing the value proposition of retail as a place to sell but also to experience.

Retail channel is going to be purely experience led, where brands like Nike or Apple are already testing new business models like click and collect, BOPIS, which is you buy online but you purchase in store, there is a new business model which is very famous called ROBO, which is research online but buy offline and these new business models are actually pushing the retailers and the entire industry to make that shift and deliver that level of personalisation to customers, so that when they come, the sales promoter know who this customer is, what this customer is looking for and what else he may be interested in so that you are able to sell something that the customer surely is going to buy.

So merging offline and online is going to be a very, very focused area in the next 10-20 years and if you look at China, they have already shown what retail could be in the next 20 years by integrating stores on wheels which are run by artificial intelligence, solar power and fully automated and they can come to you if you call them from your mobile app. So that’s the kind of revolution that retail is going to see.

So Samsung has different retail channels in the UK and other markets, first primary, primary channel that they have is their own brand stores which are known as Samsung Experience stores and the other channels which are the primary secondary channel but very important channel for them, is their channel partners like Carphone Warehouse, EE, Tesco, Vodafone.

In these stores which are around 3-4000 stores across the UK, Samsung sells their mobile phones to a traditional point of sale display. Now, the business problem with this particular solution is that [1] the speed of go to market is very, very long so - if the product is getting launched next month, Samsung has to print key visuals which are 3000 key visuals, send it for printing, get people to install them in the stores and get it live and what they’re actually doing is showing one line and then one graphic to the shopper who may already have all that information.

So this was a small problem from a business point of view, however if you look at the shopper point of view, we were actually trying to work on one of the biggest barriers for Samsung, wherein from our research, we understood that shoppers look for information when they are inside the store, the information that they look for is promotions, new offers, product comparisons and even specifications. So as an agency, we wanted to bring that level of personalisation and experience through data driven content.

The solution was very intelligent and smart wherein we reinvented the traditional display to a dynamic display. Now there are, there are different components of this particular display, one is instead of using a static graphic we in- implemented a dynamic screen, high resolution so that we can show attention grabbing content which is more personalised, which is more relevant for the shoppers.

The other set of technologies that have been integrated with the solution is shopper recognition camera that gives us a lot of information about the shoppers, with respect to their age, their gender, their mood, how long were they staying in front of the display? The lift and learn technology which is a very innovative, a new technology which allows us to understand which products are our shoppers engaging with, how long do they experience the product, how many times a particular product was lifted

So what happens with this, these technologies is that we get some valuable information from our offline shoppers, as a marketer what we do is we take that data, develop some interesting insights and also match with the third party data that we may have from online sources, of the same target audience and through this exercise, what we do is we identify the relevant content, relevant features, relevant talking points of that particular product segment and showcase, through these dynamic screens and what we also use is Adobe Analytics, which is a, which is a part of Adobe marketing cloud used by Samsung across all their online destinations. We club these data points together to identify a holistic insight of today’s omni-channel shopper and drive data driven marketing through this solution.

To be very honest, it kills the competition because looking at the channel partners that we are installing these dynamic [inaudible 00:09:59] , the competition is still using the static displays and they are not providing that relevant information to the shoppers as we are and secondly, how this solution gives a very high level of advantage to Samsung is through the data that we are capturing and using the data to deliver relevant content to the shoppers at the store level while they are making the most important decision of buying the product and if we have to look at our key competitor, Apple, even though they are not using the same solution in the same channels, however they are also innovating as fast as we are and to, to have that level of competition and to really lead in the market, we really wanted to develop something that would create some differentiation for the brand in the UK and take it to other markets, to really gain that market share and develop a pure play omni-channel solution for Samsung to sell its goods and services through these channel partners.

The future of Cheil is exciting and challenging at the same time. Exciting because we are in that industry where every day something is changing with new technologies and retail like AR, VR, geographic-fencing, beacons, NFC, name it. Challenging because there is a very strong competition from the online pure players like Amazon, they have already shown how retail is going to be in the next 20 years by opening Amazon Go in Chicago, if you look at China, biggest Starbucks in the world, 30,000 square feet, has opened in China three, four months ago in partnership with Ali Baba, where they are using augmented reality to actually go through the entire journey.

So it is definitely exciting to, to play with these technologies and inject in the retail environment wherein we can capture the data and drive that same personalised experience which a shopper gets in the online world. Now in terms of the challenges that we have to overcome is [1] the level of investment that this requires is huge and the expertise in understanding data from so many sources in, from the retail environment is also a challenge.

I have actually been in the marketing and advertising industry since the past 12 years now, I started my career with, in the financial industry rather but I got bored with numbers and I thought, marketing is something that I really love and I want to be in that industry for a long period of time, so I started working in an advertising agency called Dentsu, from there the journey has been really interesting, I gained some experience and went to Cranfield School of Management to understand the strategic side of marketing and I took the very interesting course in Cranfield called MSc in Strategic Marketing, where I understood the brand side of thinking, how brands think when they want to launch a new product, how do they segment their markets, what kind of tools like Boston Consulting Matrix, PESTEL analysis, SWOT analysis and all these strategic morals they used really create these four pillars of marketing.

From there, I got an opportunity to work with SapientRazorfish which is a part of Publicis Groupe, I worked there for five years and had a great time innovating brands like Proctor & Gamble, Olay, Pantene, Head & Shoulders, HP, Microsoft, Intel and recently, last year I got an offer from Cheil to join them as a Head of Retail Transformation for Samsung and lead the innovation to drive the level of experience that we are planning to build.

If I had to advise someone who is entering into this world now, would be to keep imagining as much as you can and understand technology like how you understand ABCD because if you don’t understand the role of technology, whether it’s online or retail or social or mobile or in your day to day life, we would be never, we would never be able to innovate because in order for us to innovate, we’ve got to understand what we’re innovating and technology is going to play that role and enable that innovation and hence, if anybody who’s planning to have a Korean marketing, should have a very in-depth understanding of technology and data.

There’s something that marketing needs right now, at this point is transparency and honesty and that is something I would also look from a candidate, is the honesty and the passion to be a part of this crazy world and I feel that if you are in marketing and you're not passionate, you would get bored and you will never be able to exceed because of the nature of this industry and the creativity of this industry that it has to offer, so passion and honesty is something really important.

Learn coding! I think if I knew coding, a lot of ideas would have been out by now and as I said before, understanding the role of technology is really important and those who are able to get deeper into it and actually start learning how to code, I think that is something, it would be a gift to any organisation where a marketer is also able to code because the ideas are in their heads and all they need is a, a tool to bring those ideas alive and I mean we are using developers and you know, coders and all, however if you are the source of the idea, it would be you who will be able to bring it out the best way possible and the best example of that is Mark Zuckerberg, he was a guy who thought of the idea and also knew how to code and that is why Facebook is where it is because he could make those small tweaks and changes in a matter of seconds, wherein a marketer would take months or two months to develop and do it.