

CircleSquare outlines the future of connected travel retail



CircleSquare partnered with Neoma and comtogether to provide a unified customer journey across physical and digital touchpoints

Founded in 2003, CircleSquare is a brand experience agency made up of a global network of creative people blending art & data to create engaging and people-centric brand experiences. From strategic thinkers to storytellers, the team is known for being ahead of its time, which is important to the survival of a company, now, more than ever. A simple visit to its website and the viewer is instantly transported to a world that brings to life its tagline: retail for the people. From half-way across the globe, *Americas Duty Free* connected with Stéphane Zermatten, Partner, CircleSquare, to learn more about The Connected Shopper Platform and its significance as the heart of the travel retail customer journey.

Headquartered in London, UK, CircleSquare's presence organically expanded with the opening of its ninth global office in Hainan late last year. Across categories, the team has worked with a long list of established names, both clients and retailers. Several years ago, the company turned to the local market for inspiration and experienced a light-bulb moment. Easier said than done, applying the idea of engaging with customers pre-point of sale to the travel retail market. The company executed its first fully integrated campaign at Hamburg Airport in 2019, with travel retailer, Heinemann, and leading eyewear brand, Luxottica. A strategic combination of social media content, gamification, store promotion and on-site engagement, Zermatten says that this basic campaign, which targeted people online to drive in-store traffic featured the first application of a connected shopper platform. Although this campaign received a positive response, it failed to generate buzz. Enter COVID-19 and the halt of international travel.

Described as the future of connected travel retail, The Connected Shopper Platform aims to communicate with the customer beyond standard brand e-commerce or a virtual version of a flagship store. On the list of platform to-dos: recruit new customers, support product discovery, offer personalized pre-travel engagement, increase footfall and convert passengers into shoppers. Linking travel intent and consumer interest, the platform determines individuals with potential and confirmed travel plans and demonstrates how shoppers react to different incentives. Since its experimentation in the digital sphere pre-pandemic offered insight into the growing digital transformation and the impact of COVID-19 has allowed CircleSquare to expand this concept, Zermatten believes that it's an exciting time for travel retail, with the greatest opportunity available to decision-makers in recent time.



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To create the best version of the platform, CircleSquare partnered with Neoma, leading AI & location-based insights platform, and comtogether, data-driven digital marketing agency

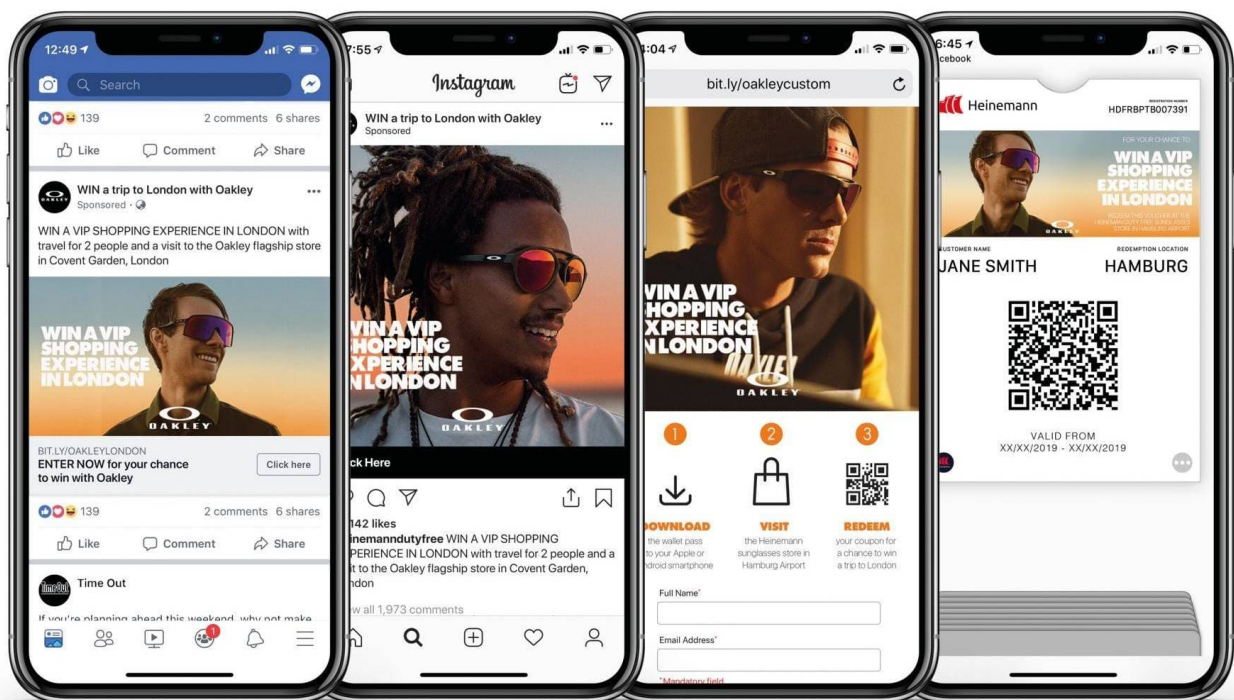
and Google Premier Partner. As one, the team provides a unified customer journey across physical and digital touchpoints and transforms the way that brands engage with consumers to improve customer relationship management (CRM) and increase brand loyalty.

“The development of the Connected Shopper Platform was a natural evolution of CircleSquare’s core business: defining ideal customer journeys. Since working with travelers, the key challenge is the need for media planning strategies that differ from any local market.

In addition to the technical development of the platform, Neoma helps the team turn the data collected along the journey into actionable insights via its proprietary AI technology. Plus, as a data-first agency, comtogether intervenes when a campaign is activated on two levels. First, to provide data-driven insights to inform the brands’ content strategy and second to plan and optimize the media campaign(s) that drive traffic to the platform,” explains Zermatten.

A digital transformation

According to the partner, as the initial step toward a digital transformation for brands in travel retail, The Connected Shopper Platform is a recruitment, drive-to-store and data collection tool. As the connecting force of all physical and digital touchpoints, the platform offers consumers a single journey and brands a better understanding of their base, which leads to the opportunity to create a more personalized omnichannel experience. By giving brands control over content and messaging and collecting data in a meaningful way, CircleSquare can start a conversation via a mobile-first approach, refine targeting, select means of engagement, integrate product education and gamification and extend the journey across touchpoints – online and offline.



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The ultimate aim of the platform is to help travel retail become a recruitment channel for local markets.

Although the key of the platform is smartphone penetration, Zermatten comments that the starting 4

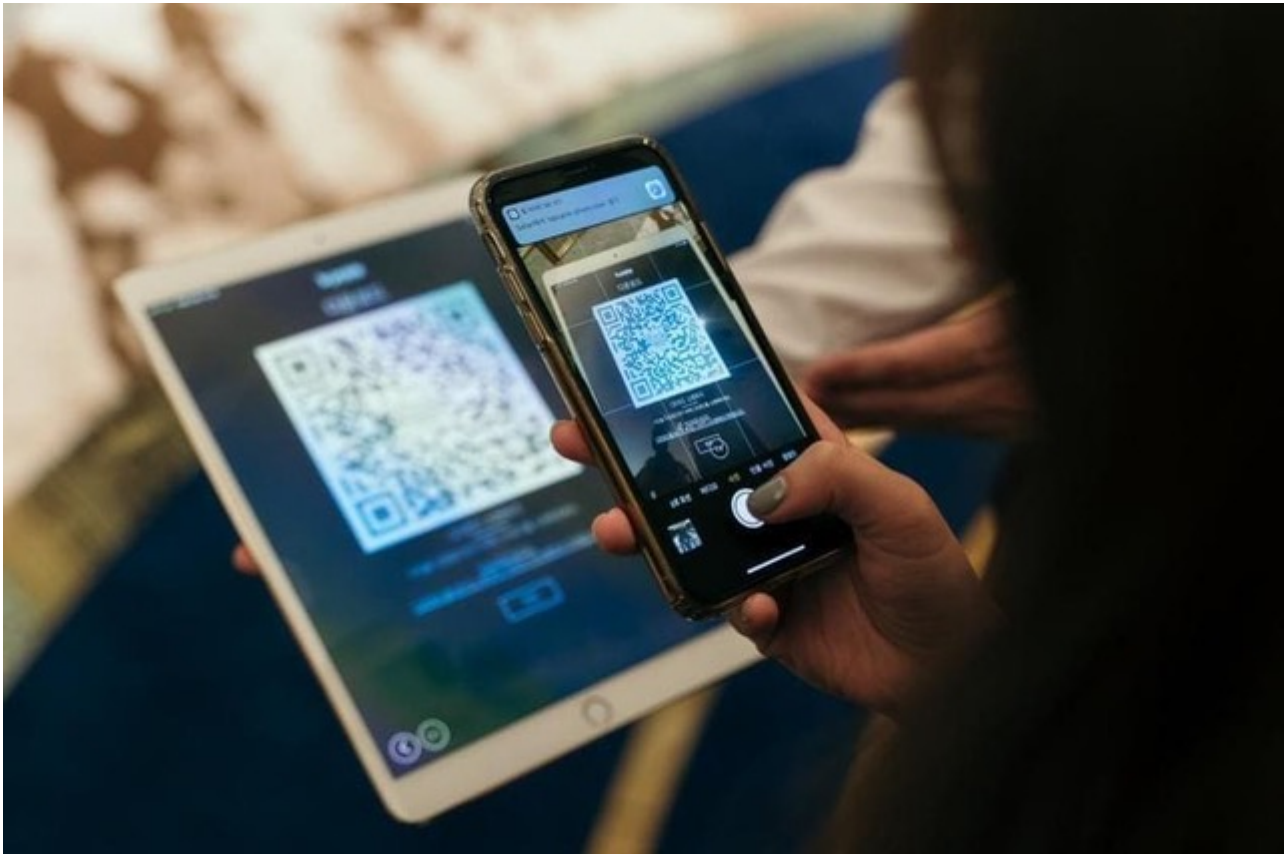
point of any campaign is creating an overarching creative concept that is fitting of the brand. Next, the team has to establish a compelling story, content and touchpoints; all of which need to be supported by consistent narration and easy navigation. Depending on the campaign, the combination of mediums such as sensory engagement, augmented reality and on-site brand ambassadors will differ. From new techs to old tricks, it's up to CircleSquare to curate appealing enough content for consumers to engage with and continue on. Providing a clear and detailed explanation, he shares that positioned at the center of the journey, The Connected Shopper Platform collects data and personalizes content, which means the journey is not linear, but rather holistic. Zermatten goes on to provide a window display as an example of a physical touch- point that based on consumer interaction, mobile engagement, profile development, personalized content and first-party data collection will generate a "myriad" of different journeys from one location.

"When it comes to travel retail, there is an opportunity that the likes of Amazon and Alibaba don't possess: we know where people will be at a definite time and can interact with them 'in real life.' Therefore, the opportunity lies in creating engaging experiences for travelers and offering something more exciting than products on shelves or a straightforward purchase experience that they can do from anywhere in the world on their phone.

The caveat: when traveling through an airport everyone spends most of their time glued to their phone. This means the on-site experience needs to be interesting enough to catch the attention of passers- by or passengers and the teaser needs to create a mobile hook to drive people to the physical experience," states Zermatten.



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A permanent activation

Since travelers are in the mindset to try new experiences and purchase new products, travel retail is a channel for discovery (first-time consumers) and cross-over (converting travelers into repeat buyers). Zermatten says that the way to win brand loyalty is to understand the shopper, remind them of the brand post-purchase (or post-travel) in a non-intrusive manner and direct them to a local store. He touches on a Lunar New Year campaign by CircleSquare in which the company discovered a surprisingly large majority of the participating consumers were new to the luxury brand – and therefore, didn't exist as part of its local market CRM. Zermatten adds that this illustrates how deep the pool of untapped customers in the local market is. Open communication between the domestic market and travel retail market and the sharing of information between brands and retailers will lead to more successful experiences and campaigns.



When consumers return to shopping in-store, brands will need to adapt the role of the physical environment from convenience to experience

When shoppers return to browsing and buying in-store, brands will need to deliver a balanced journey of physical and digital touchpoints and adapt the role of the physical environment from convenience to experience. Since travelers can pre-order their favorite tube of lipstick, bottle of gin or pack of cigarettes, the purpose of maintaining or growing an offline presence is no longer about stocking and replenishing. Using the physical environment as a permanent activation will create a flexible space to change the in-store experience according to product launches, store promotions, exclusive collections and/or brand campaigns.

“Physical retail will remain extremely important, but we have to look at what the shopper missions are: the convenience or replenishment mission can be fulfilled via digital as consumers are becoming more comfortable with e-commerce (in part due to restrictions caused by COVID-19 and the desire for a contactless experience); the discovery mission will require the existence of a physical space. In many cases, especially for luxury brands that service exclusivity, a hybrid experience will come into play,” concludes Zermatten.