



Your customers are changing, are you?

TRADITIONAL RETAILERS HAVE AN ADVANTAGE OVER INTERNET-ONLY STORES, SAYS MARK MCGEACHEN, PROVIDED THEY EMBRACE TECHNOLOGY IN SIMILAR WAYS TO THEIR CUSTOMERS.

For years pundits have been predicting the demise of traditional bricks-and-mortar retailing. It was going to come to an end and shopping centres were going to empty out as consumers shifted to online shopping.

That might've been true if the only experience people wanted was a purely functional transaction or convenience but shopping is much more than that; shopping is still a social experience because you can go out with friends or family, and there are opportunities available in-store that may not be offered online.

The increased popularity of online shopping in recent years has brought about a melding of both online and physical shopping experiences into one package dubbed 'omni-channel shopping'. Omni-channel shopping – where customers use the internet to research products and prices, use stores to touch and feel and then purchase via whatever offers the best deal or the greatest convenience – is increasing exponentially with the growth of mobile commerce.

THE RISE OF TECHNOLOGY

Smartphones and tablets have become powerful shopping tools that allow consumers to shop anywhere and at any time. Smartphones are even now

being used in-store to compare products and force traditional retailers to match online prices. Yet, there's little point in complaining. Consumer expectation is driving innovation and mobile devices have become an integral part of omni-channel shopping.

The future is no longer about consumers making a choice between online vendors and physical stores; it's about retailers offering a seamless path-to-purchase that spans whatever channels each customer chooses to utilise. One positive in all this for retailers is that smartphones have added to the enjoyment and fun of shopping.

Consumers are trying on shoes and clothes, taking quick selfies and posting the pictures on social media to receive feedback from friends before they make a purchasing decision. Word-of-mouth promotion like that just didn't happen before the mobile app revolution.

So not only has the shopping experience changed but the role of the bricks-and-mortar store has also changed.

It wasn't long ago that many retailers were complaining loudly about consumers using their stores as 'showrooms' to gain knowledge from staff before buying

elsewhere – a strategy most prevalent in the fashion and footwear categories; however, these retailers should remember that the opposite can also occur.

'Webrooming' involves consumers using the internet to research products before buying from a traditional retailer, and it's prevalent with big ticket items where consumers are still looking to preserve the shopping experience.

A true omni-channel retailing experience takes all of this one step further and has consumers who shift frequently between the two channels or even combine the best of 'showrooming' and webrooming to purchase components both online and in traditional stores . . . and that's where the modern-day consumer sits now – very few shoppers are loyal to one channel only.

The inherent problem for retailers in this omni-channel age is that retailers who only offer or focus on one channel will risk missing out on the transaction altogether.

OFFERING THE BEST OF BOTH WORLDS

Shopping is no longer about going to one place and making a purchasing decision; it's now a journey across various channels that can even involve using different devices. Regardless of whether the retailer likes it or not, that's the new world of shopping and the business that has both a bricks-and-mortar and a sophisticated online presence has the advantage.

Today's technically-savvy consumers expect retailers to utilise technology that will improve service, speed up processing and provide shoppers with more purchasing options yet they also still enjoy personalised service, which is hard to get from a computer or smartphone. This gives bricks-and-mortar retailers three significant advantages over online vendors:

- **Experiential** – shoppers can see, touch and feel the product. They can try it on in various colours and sizes, play with it and determine on the spot whether it will meet their needs. No matter how good the online visualisations, pixels on a computer screen will never allow the above. For jewellers and other retailers of discretionary products, this experiential aspect is vital;
- **Immediacy** – the opportunity for the customer to see, touch and try the product in store leads swiftly to the opportunity to own it now. There's no delivery time, no waiting, and customers can leave the store with purchase in hand. Encouraging this, fashion retailers are enlarging their changing room areas, adding chairs for women shopping together who want their decision reinforced either by friends. Immediacy will always be traditional retail's ace in the hand;
- **Blending** – the third advantage for bricks-and-mortar retailers comes from blending channels. Shoppers who browse on their smartphones while sitting on the train will always have the chance to order an item online then pop into the store at lunchtime and pick it up, blending both the experiential and geographical benefits held by traditional retailers.

FIGHTING FIRE WITH FIRE

Technology continues to change shopping, however, and it will continue to improve upon the customer experience and increase sales for retailers. One way is to ensure staff are as equipped as consumers. Shoppers have no qualms using technology to arm themselves with pricing and product information before they enter the store so it makes sense to ensure staff have every tool at their disposal also.

Further, it makes even more sense to use technology to extend that customer service experience. Have staff show shoppers pictures of other colours and styles

on the store's own mobile device or remind them what they have previously purchased and what items would complement such a purchase, for example.

Staff can further assist shoppers by 'building' a digital shopping basket on the spot while showing the price of the selected items as they go. The retail experience of selecting merchandise, lining up at a counter and waiting to pay hasn't changed much in a very long time, which is odd considering most other aspects of retail have evolved.

Why not give staff the power to close sales and complete transactions while on the shop floor or at the change room? Certainly, customers will appreciate not needing to queue at the sales counter. Furthermore, new retail software not only allows staff to complete the transaction right there in the changing room but also send a digital receipt to the customer's phone with a personalised message to thank them for the purchase.

It's the next stage in the evolution. Importantly, it's not about being driven by technology for the sake of it; it's about using technology as part of improving the shopping experience and increasing convenience. For example, how many times have sales staff spent time with a customer bundling together items only for the customer to go cold when they get to the register and see the total price?

If the sales process is more interactive and staff are 'ringing it up' as they go, it is less of a shock when it comes time to finalise the purchase. In this competitive world, it's important for retailers to know their customers. Retailers need to build a relationship with their customers and know what they want and what they have bought in the past.

Retail software can maintain a customer's purchase history and preferences to better enable retailers to build a relationship with that customer and better meet that customer's needs, all part of the changing retail experience.

This is the next stage or phase of retail software, where we have moved from a retailer inwardly focused approach to one that is more outwardly focused on the customer's shopping 'journeys' with a retailer.

WHAT LIES AHEAD

There is no reason why a store shouldn't be able to get any information staff require onto in-store mobile devices and replace conventional fixed PCs forever. This includes everything from supply chain capabilities such as ordering and delivery through to customer databases.

This is the next evolution of retailing in the digital age, one that combines the back office operations with the sales counter to give a smoother path-to-purchase process. Already retail software exists that allows for customer orders to be handled more efficiently so that customers are alerted automatically via SMS that their items have arrived as soon as a delivery is scanned into the store – no one even has to remember to telephone the customer!

As shopping continues to evolve to incorporate more retail channels and as more people want to buy online and collect in store, it's important that as many of the processes involved are conducted automatically and seamlessly. New technology will ensure this happens. ✱



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