

COLUMNS

## 3 ways retailers can merge digital and physical store strategies

January 11, 2017



*Department store chain Nordstrom is one of the more successful omnichannel retailers nationwide*

By **Peter McLachlan**

Subscribe to **Luxury Daily**  
Plus: Just released  
State of Luxury 2019 **Save \$246 ▶**

If you are a multichannel retailer, you probably do the majority of your business in your bricks-and-mortar stores. Sure, people love shopping online, but data shows that shoppers still have a preference for in-store shopping, with 51 percent preferring to buy in-store because they can see and feel products before buying, according to GfK.

Is your ecommerce team excited to send customers to your retail locations if the customer is close by? Are your sales associates equally happy to recommend a product that is only available online? If you cannot answer an emphatic "yes" to both of these questions, your organization is not thinking customer-first.

Your customers do not care about your channels it has become normal for consumers to start a transaction in one location and finish it elsewhere, per Payment Source. They demand a unified brand experience everywhere they engage with you in the store and online. You need to be one team working together to deliver an amazing experience.

Here are some ways you can do that:

1. Share credit for physical and digital sales. This can be as simple as crediting bricks-and-mortar stores for any online sales that are shipped to their ZIP codes.

If you support "ship from store," make sure to incentivize store personnel properly for orders they fill: offer commission. Put customer satisfaction measurements in place to ensure correctly packed and shipped items.

This applies to the other direction, too.

The "buy online, pick up in-store" strategy was used by almost 20 percent of customers in 2015, according to Campaign magazine. Gap, for example, allows its customers to reserve items online and receive a notification when they're ready to be picked up at the store.

When online shoppers come to the store to pick up an item, they often browse the aisles and make an extra purchase. So you want to streamline the buying process and, again, incentivize in-store staff to ensure that pick-ups

go as smoothly as possible.

2. Promote your digital properties in-store. Applications are great for loyalty programs and in-store experiences. In fact, mobile influences 64 percent of all sales made in-store, per Deloitte.

Design an app to complement your loyalty program with special features that allow managers to tell in-store shoppers about promotions running in the store or provide experiential content such as videos. These strategies can provide up to 10 percent of retailers' store revenue.

Target, which rolled out ship-from-store functionality in 2015, now fulfills more than 30 percent of its ecommerce sales by shipping from store locations, according to Internet Retailer.

Target also uses a two-app strategy, including the Cartwheel app, per eTail West. This app focuses on shopping lists and coupons and helps customers keep track of future purchases and find what they are looking for in the store.

3. Encourage customers to make returns in-store. Customers continue to shop in physical stores because the return policy is simple. They know that if they do not like a product they buy, they can return it to the same place. With online shopping, it gets more complicated.

Some retailers try their best to make returns easy Zappos offers "fast and free" shipping and returns but for many people, it is still a hassle to mail in a return.

A more customer-focused solution is to offer in-store returns for online products and train store personnel to treat returns as opportunities to cross-sell or upsell.

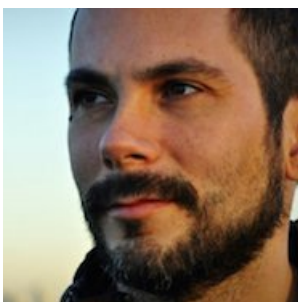
Sixty percent of online customers make a return or an exchange at least once a year, according to Web Retailer. When those returns come into the bricks-and-mortar store, they could very well transform into fresh sales, Fox News reported.

While thinking about how to merge the digital and physical, keep an eye on top-line growth.

After investing heavily in online sales, Nordstrom was nominated by Internet Retailer for Omnichannel Retailer of the Year, but it increased expenses by 10 percent, according to a Wall Street Journal report.

USING EXISTING platforms rather than custom building everything can reduce project risk and the total cost of ownership.

It is best to plan ahead carefully and use existing platforms to help your company meet its omnichannel goals.



*Peter McLachlan is cofounder and chief product officer of Mobify*

*Peter McLachlan is cofounder and chief product officer of **Mobify**, a Vancouver, British Columbia, Canada-based mobile customer engagement platform. Reach him at [pmclachlan@mobify.com](mailto:pmclachlan@mobify.com).*