

COLUMNS

Perils of mobile orders for the retail store channel

March 14, 2017



Reid Overcash is CEO of Yillio

By **Reid Overcash**

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

The advent of mobile ordering or calling into retail establishments, particularly food and beverage service and retail supermarkets, is a great way for retailers to expand their reach from the same bricks-and-mortar locations. And it is high margin as a rule since there is little additional service required.

The mobile technology that enables an easy order, stop-and pick-up with payment already automated could come with some peril, however.

Food for thought

I was in a Jersey Mike's one Tuesday late last month. Tuesday is important because that is double points day for us regulars. The location is five minutes from my office and easy to access and I know many of the staff, but mostly the food is good, fresh and well prepared.

There is usually a significant line for lunch on Tuesday, sometimes 15-people deep. I do not usually mind waiting if the line moves along at a reasonable pace. On this Tuesday it was not making progress and I discovered what I had begun seeing more often as the chain implemented online ordering.

As the online and call-in orders came in, they would be inserted into the queue with the other orders from the in-store line. That is all well and good except there were a dozen people in line who were there prior to this order ever taking place.

I stood there without having ordered, yet watching five to six new subs placed ahead of the people who actually took the time and interest to come in to that location to eat.

I am not picking on Jersey Mike's since this is happening at Starbucks too as someone walks in and has her latte waiting while you waited in line and might have your latte take 10 minutes to be created after your order was placed.

Or, being in the supermarket and trying to find risotto either in the pasta or rice section, while several store workers chased around the store to fill online orders instead of helping me find the item I was looking for in the store.

Watch the steps

I applaud retailers looking to expand sales from current locations. Using technology to accomplish this is even more important.

But, as a brand marketing professional and more recently an owner of two software marketing technology companies, I understand how careful you need to be in tapping a new market.

The customer who is willing to walk into your store to look, buy, try-on or just talk is the most dedicated customer you can have. He or she is committing time to you and is working for you every day.

As you expand your reach to seek new customers based on convenience and speed, you must doubly focus on the customer group that is most dedicated.

If you end up trading old versus new, it may not be an even trade.

THE RETAIL CONSUMER market should implement new ways to expand, but try not to convert all the current customers since they are the most loyal.

You should implement a strategy to make sure the current customer base is rewarded for coming inside, which is where you have the best opportunity to upsell and exhibit the reason that your brand is so enduring and popular.

Encourage the new customers using mobile to begin using the store in the same way your current customers do.

Reid Overcash is CEO of Yillio Inc., Raleigh, NC. Reach him at reid@yillio.com.

© 2020 Napean LLC. All rights reserved.

American Marketer is published each business day. Thank you for reading us. Your **feedback** is welcome.