

MULTICHANNEL

## Mobile is a tidal wave sweeping across our businesses: HBC exec

October 15, 2014



*Saks 'Like2buy images*

By SARAH JONES

NEW YORK – Consumer demand is driving a need for an omnichannel shopping experience, requiring organizational changes to evolve, said an executive from Hudson's Bay Company at Luxury Interactive 2014 on Oct. 14.

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Today, 70 percent of transactions in store are digitally influenced, with consumers researching on tablet, smartphone or desktop before shopping. In order to effectively target consumers across channels, there needs to be training and cooperation between teams focused on both online and offline operations.

"I believe that if we can make everyone have a happier, better life, then we've done something to contribute," said Michael Burgess, president of HBC Digital at [Hudson's Bay Company](#), New York. "So I bring that into the organization that I lead by not only trying to drive growth, and extremely strong results, but also how we work on and build a very positive, collaborative culture."

"When you look at our organization and the people that I hire, they tend to deliver on both, and it's very effective," he said.

Hudson's Bay Company owns Saks Fifth Avenue, Lord & Taylor, Hudson's Bay and HBC outlet stores.

### Group effort

Hudson's Bay Company tapped Mr. Burgess, who was the former president of Saks.com, to oversee digital marketing for all of its retail brands.

The new HBC Digital group consists of experts who create the ecommerce and marketing strategy for the group, applying best practices and sharing knowledge across the brands. Each of the retail chains under the HBC umbrella, including department store chain Saks Fifth Avenue, benefit from shared knowledge, since the approach raises the ROI on digital marketing spend ([see story](#)).



*Valentino shop at Saks*

Mr. Burgess referenced a McKinsey report, which said the rate at which consumers are buying apparel online is growing 8 percent per year.

Saks.com sees 10 times more visitors than all of its doors.

To create more of a bridge between the online and offline, HBC actively pushes consumers to visit its banners on other channels. For instance, in-store consumers are asked to share their email and the site is promoted, while online consumers are told of in-store events and shown available inventory in a bricks-and-mortar location.

For instance, Saks Fifth Avenue heightened its sense of community through a new content hub that streamlined social media interactions with consumers. Using New York Fashion Week as a backdrop, Saks' content page, housed on the retailer's Web site, launched on Sept. 4.

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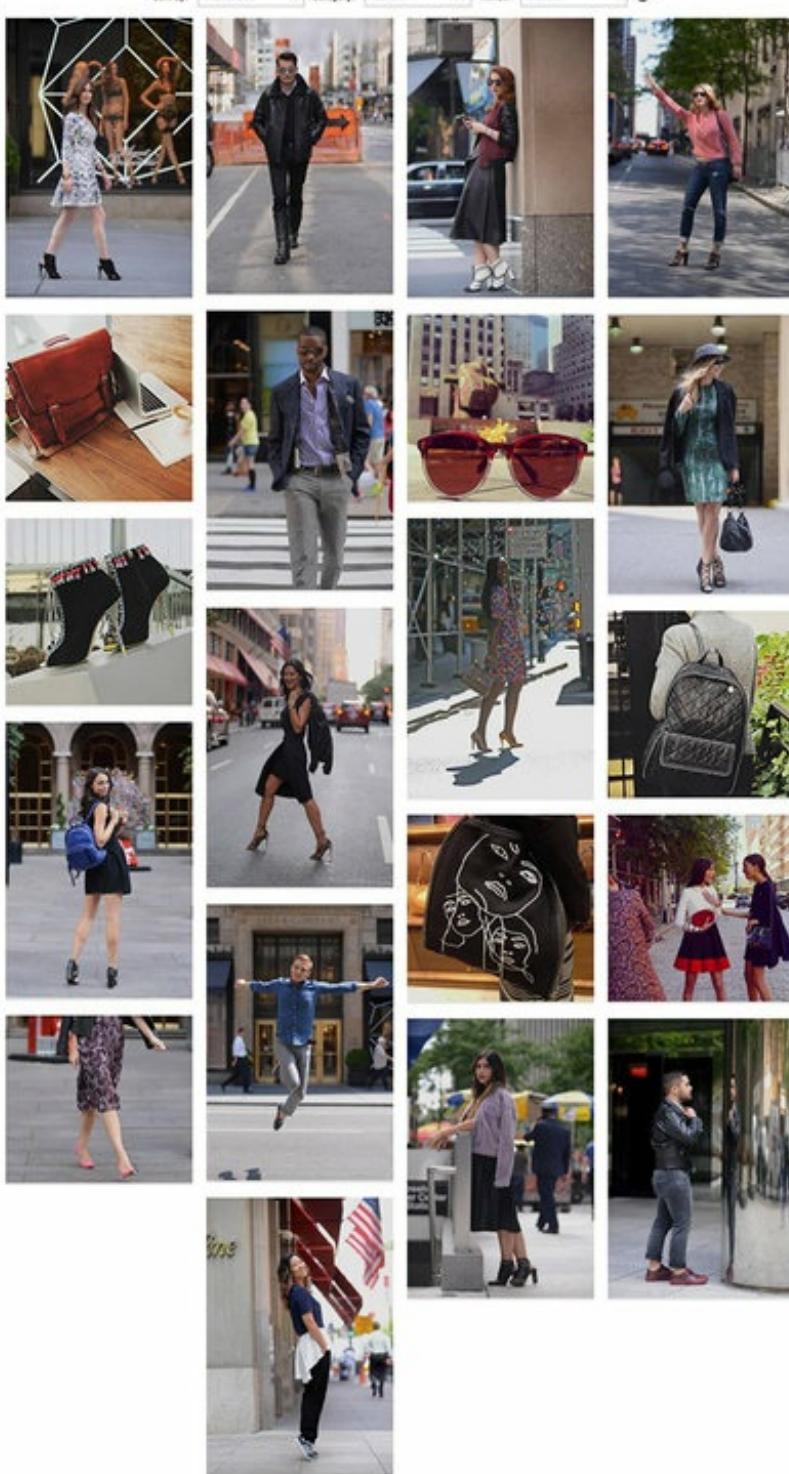
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## #SaksStyle feed

#SaksStyle was incorporated into the retailer's in-store experience. Saks' stores will be outfitted with decals in the fitting rooms of women's ready-to-wear and contemporary departments to encourage consumers to take a photo of the outfit and upload to social media ([see story](#)).

HBC also has its buying merchant and planning teams buy in a way that takes into account customers on both channels, rather than just their own.



*Michael Burgess with Josh McFarland, CEO of TellApart*

When hiring for this omnichannel environment, finding team players who are flexible is key, according to Mr. Burgess.

### Crossing channels

Fifty-one percent of United States consumers consult multiple channels when making purchases, compared to a global average of 67 percent, according to a new study released by Zendesk.

"The Omnichannel Customer Service Gap" also found that U.S. consumers are more sensitive to the quality of customer service. Eighty-four percent of U.S. shoppers take a company's customer service reputation into consideration when shopping, compared to 78 percent of consumers worldwide ([see story](#)).

Mr. Burgess sees opportunities in personalization, which he feels is just at the beginning, with a long way to go.

Using data to personalize is an effective way of reaching consumers across channels.

A L’Oreal Luxe executive at Luxury FirstLook: Strategy 2014 said that cosmetic brands need to focus on a customer-driven messaging strategy to see results.

The luxury cosmetic consumer knows who she is and what she wants, so brands need to find ways to listen to their customers to find ways to reach them on an individual, personalized level. By using CRM in effective ways, brands can offer a higher level of service across channels ([see story](#)).

Retail has changed significantly, and it is still evolving as technology changes.

"You want to stay very open and flexible to change, and build relationships in a collaborative style," Mr. Burgess said. "because when you evolve through this many iterations of how things are and how much change we've been through, you look back 10 years to ecommerce and it bore no resemblance to what it is today."

"The influence today has morphed so many times, it's just keeping that open mindset," he said.

#### Final Take

*Sarah Jones, editorial assistant on Luxury Daily, New York*

Embedded Video: [//www.youtube.com/embed/6z9Y0Ha-dFk](http://www.youtube.com/embed/6z9Y0Ha-dFk)

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