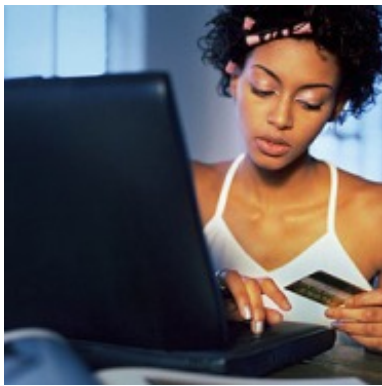


INTERNET

## Online and offline hold strong influences on one another

February 20, 2015



*The way consumers shop for luxury is changing*

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By NANCY BUCKLEY

PALM DESERT, CA – Digital showrooms cannot offer the same attributes as physical stores, but online searches drive in-store traffic, according to a professor from Wharton at eTail West Feb 19.

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**Luxury Daily**

Consumers want to have the ability to search online and understand the details of a product, but typically also want to be able to go to a store and try it on or feel the product before making the plunge to purchase. The Internet is largely manipulated by the physical world, so understanding a consumer's location and local influencers can change the way in which marketers reach specific shoppers.

"If you want to succeed at ecommerce, it is about making things big and bringing them close, removing all the frictions," said David R. Bell, marketing guru & ecommerce expert and **Wharton** professor. "If you can become big and make things close you can have a very, very high gravitational pull."

Multichannel shopping

The people who live in the same neighborhood are on average more alike, with the same

demographics and similar tastes and interests. A consumer's location says a lot about who they are, what they like and their access to certain things.

New consumers for a brand usually appear in areas that already have existing clients. Word-of-mouth or physical presences act as advertising tools for brands.

Crate & Barrel ran an experiment in which consumers in certain areas of the U.S. could go online and get information about price and inventory for products. The brand found that those areas with these options saw an increase in bricks-and-mortar conversions.

Consumers are searching online and purchasing offline. Information that aids in pre-purchases can therefore drive more in-store visits.

Similarly, Warby Parker ran into the problem of a product that is very physical not relaying its attributes into a digital world.



### *Warby Parker Spring 2015 campaign*

When Warby Parker put physical items in their consumers' hands through their trial period, conversion rates rose. However, in areas where physical stores were opened, the demand for trial options decreased and purchasing switched from online to offline.

“Norm digital attributes [are the notion that] you want to touch and feel [products],” Mr. Bell said. “The coffee that comes out of a machine, the feel of a shirt, the way pants feel cannot be communicated through the Internet.”

### Mobile to store

Several luxury brands have used mobile advertising to drive in-store traffic.

For instance, Jeweler Tiffany & Co. looked to draw attention toward its Some Holidays are Unforgettable campaign through a partnership with personalized Internet radio service provider Pandora.

Consumers were introduced to Tiffany's holiday video and in-store incentives through product images when they clicked on banner advertisements on Pandora. Tiffany has introduced quite a few collections and campaigns through the radio service provider ([see story](#)).

Also, department store chain Neiman Marcus drove traffic to its bricks-and-mortar locations and ecommerce site by promoting an ongoing sale through a mobile banner advertisement found on Condé Nast's Vanity Fair's mobile site.

Neiman Marcus' banner ad was meant to publicize its sales effort while also allowing consumers to locate the nearest store. Mobile ads that drive purchases in addition to foot traffic can be beneficial for retailers to bring consumers into the store ([see story](#)).

Online and offline are slowly merging into one channel, providing one option for consumers as brands integrate both together.

"Customers now operate in landscape where they want certain things online and certain offline and [brands] really need to be in both places," Mr. Bell said.

Final Take

*Nancy Buckley, editorial assistant on Luxury Daily, New York*

Embedded Video: [https://www.youtube.com/embed/z\\_egUzzUa-g](https://www.youtube.com/embed/z_egUzzUa-g)

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