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RESEARCH

Better clienteling will help retailers improve sales, service: report

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Value Retail promotional image

By FORREST CARDAMENIS

According to a new study by Yes Lifecycle Marketing, many retailers are still unwilling or unequipped to tailor customer service to the individual.



The study looks at retailers in a variety of different sectors and finds that many have not sufficiently tracked clientele and are thus unable to provide sales associates with the personalized data that will help initiate and close a transaction. With consumers navigating freely between mobile, Web and in-store shopping, and brands therefore able to gather more information than ever before about frequent shoppers, properly cataloguing clientele has emerged as a way to provide the best possible customer service and showcase a great branded experience.

"From our research, we found that retailers are struggling, overwhelmingly so, with two major business challenges: differentiating themselves from their competition and identifying and understanding who their best customers are," said Anthony Pauley, senior marketing manager at Yes Lifecycle Marketing.

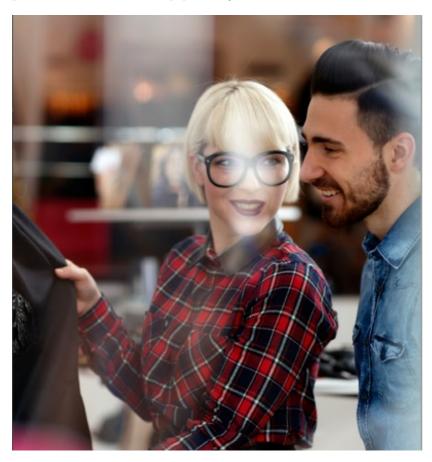
"Clienteling can help address these challenges upfront," he said. "By leveraging

omnichannel customer data to create a more personalized in-store experience, retailers can better engage their customers and greatly increase customer loyalty."

Yes Lifecycle Marketing's "Engaging Customers Across the Lifecycle Journey: How Clienteling Helps Build Customer Relationships" surveyed department stores, specialty good stores, electronic vendors and other retailers to discover what level of employee had access to consumer database information, business challenges, the benefits of clienteling and more, determining that retailers better able to integrate, analyze and use data to make sales saw both customer satisfaction and sales increase.

Supreme clientele

Among respondents, the most identified top-challenge for retailers is identifying and engaging with the most valuable consumers. Nevertheless, less than half claimed to be equipped to integrate and analyze data in a timely manner, although an additional 17 percent said it is a top priority for the future.



Luxury consumers

Although most retailers collect basic information, such as name, phone number, purchase history, address and email, less than a fifth have access to shopping preferences such as size and color that could help sales associates pick out appropriate apparel for consumers, and only 13 percent have access to browsing history.

By tracking browsing history, brands would be able to follow what consumers are considering buying and possibly follow-up a few days later with a personalized email to help reinitiate or close the sale.

In another missed opportunity, only 26 percent of respondents allow salespeople to

access detailed data about customers. Although the report does not differentiate luxury brands from mass-market brands, those targeting high-end consumers often pride themselves on providing superior customer service.

Granting sales associates access to purchase history and preferences, as department store chain Nordstrom does, allows an employee to optimize time with a client, making great service part of the brand experience and selling more merchandise in the process.

Catering to the consumer is the most essential marketing strategy for brands of any size. While it may seem counter intuitive to provide services that cost the company, ultimately forging a connection with the consumer is a benefit that will serve any brand in the long run.

Quality customer service and enjoyable retail experiences appeal to everyone, and implementing these policies can help any brand appeal to a gross majority of the population (see story).

Although not differentiated in the research, the focus luxury brands place on service may indicate that they were more likely than the average brand to provide salespeople with the information they need to provide better service.

"Given luxury retailers' unique clientele and offerings, it would make sense if they already had a strong clienteling strategy," Mr. Pauley said.

Retailers are also slow to make use of mobile technology to increase sales. Barely a quarter give associates the ability to make a sales transaction from anywhere in the store with a mobile device, and even fewer take advantage of geo-targeting and beacons.

Only 14 percent send messages to consumers who near the store and only 11 percent send personalized messages to those who are in the store despite the fact that more than half of consumers use mobile devices to research merchandise from within a store.

Digital sales

Previous reports have shown that luxury brands are often late adapting to the digital climate.

An L2 report earlier this month revealed that the push between site and store is an area in omnichannel where luxury brands have lagged. Brands that succeeded in creating a robust omnichannel experience included store locator experiences and promotions of in-store services and events with online incentives including free shipping offers, exclusive product and online-only sales.

Although most of luxury placed poorly on L2's data matrix for omnichannel fulfillment, brands such as Gucci, Christian Dior and Louis Vuitton included "push-to-store" features and for the first time prioritized ecommerce, albeit three to five years later than other retailers (see story).

Providing sales associates access to a fuller range of data and taking advantage of mobile technology to target and up-sell consumers increases revenue, but brands must

also respect the privacy of consumers. This may be achieved perhaps by restricting access to data under certain conditions, such as when consumers are not in the store, or by only allowing access from in-house devices.

"Consumer privacy should always be the top concern of retailers," Mr. Pauley said. "That being said, consumers overall want a more personalized in-store shopping experience, so retailers should work with their customers to be transparent as to what they are collecting and how they are using it.

"What we've learned from this particular study is that retailers have the necessary data to make this happen, but they just don't know how to make sense of it all or how to turn it into actionable insights because they don't have the practices necessary to do this effectively," he said.

Final Take

Forrest Cardamenis, editorial assistant on Luxury Daily, New York

Embedded Video: https://www.youtube.com/embed/c7T9RE1pV3Y

1 thought on "Better clienteling will help retailers improve sales, service: report"

1. Heidi Kaufmann says:

February 3, 2017 at 4:39 pm

I found this to be a very interesting article. Our family's company has been making live telephone calls for jewelry retailers for several years. Mainly because they don't have time or the desire to do the clienteling themselves and by using our services they can reach a much broader base of customers than just their top 50 or 100 that they typically call each time.

Our services are for not only clienteling but also for specific events like designer events, trunk shows, etc.

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