

COLUMNS

5 insights into the future of relationships and retail

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Ben Rodier is cofounder and chief client officer of Salesfloor.net

By **Ben Rodier**

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Much opportunity still remains for luxury brands to take full advantage of selling online and on mobile. Despite technologists' best attempts, high-end online shoppers today mainly receive a highly impersonal digital experience, lacking the service and sophistication for which luxury bricks-and-mortar retailers are renown.

Imagine three women, ages 17, 34 and 65. Each visits a national luxury store online a week before Valentine's Day and all three are greeted by the same landing page: It features racy lingerie, a bottle of perfume, and a bubble bath in that order. For the sake of this example, let us say the 65-year-old is most interested in the bubble bath, the 34-year-old in a range of lingerie and the 17-year-old in perfume.

A better shopping experience for the three women in our example would have looked like a personalized landing page for each, or even better an offer for an online personal shopping session with their local sales associate, who is knowledgeable, trained and incentivized to sell.

Customers, particularly young ones, increasingly expect and appreciate the kind of curated luxury shopping experience that retailers such as Saks.com, HarryRosen.com and others are starting to deliver.

As product offerings and comparison-shopping opportunities continue to grow, so does customer desire for a less overwhelming shopping experience.

The boom in fashion-subscription boxes, and big brands' moves to gain a foothold in the space, points to the longevity of this trend.

Evolution of everything

As social shopping becomes more common and better understood, savvy retailers also recognize that their ads and Web sites are not the only things in need of an overhaul. The role of individual stores and associates must also evolve to respond to the reality of how customers are increasingly using digital to shop.

A shining example of this type of smart store evolution comes from the world's biggest retailer, Amazon. After 20 years of strictly digital selling, Amazon recently opened its first bricks-and-mortar bookstore in Seattle. The new space is stocked with best sellers, hardwood floors and, perhaps most tellingly, digitally literate bibliophiles as sales associates.

The Seattle Times noted: "(Physical retailers) offered something Amazon couldn't: the instant gratification of owning an item the second it was purchased, as well as the personal touch of a knowledgeable sales clerk."

Stores and sales associates are not going anywhere. They are just evolving.

Smart luxury retailers must think long, hard and smart about how to make stores more relevant to digital, digital more relevant to stores, and to empower individual associates to make online sales in ways they never have before.

What does better look like?

We have been talking about omnichannel for years, but the term has only recently begun moving from buzzword to reality.

We know that different customer profiles exist and shop in different channels. We also know that customers who are enticed to shop across multiple channels have a 30 percent higher lifetime value than single-channel shoppers.

The future of omnichannel looks like this:

1. Retailers are moving away from the siloed multichannel strategies that they have developed and instead, delivering a seamless experience across all platforms and devices.
2. Rather than building tools internally, luxury retailers should turn to the growing retail tech ecosystem to accelerate their growth. Software-as-a-service (SaaS) solutions today are affordable, agile, effective at driving new leads and generating higher sales, and allow for mass customization.
3. Look for tools that empower associates to extend highly personalized service across all channels. Luxury retailers need not be restricted to in-store or online sales personal connections with sales associates through SMS and social are also options.
4. Find platforms that incentivize sales associates to curate their favorite products and grow their personal brands along with yours. Millennials, who just last year surpassed boomers as the largest share of the United States workforce, are particularly keen to engage in work that is collaborative. They are drawn strongly to futuristic, visionary companies that value individual employees and flatten hierarchies.
5. Empowering associates to be successful for a brand in as many places as they can will not only energize your workforce, but will also drive qualified traffic to buy and convert online.

IN THE FUTURE, brands that are most successful at omnichannel will not be the ones doing the most beautiful work. They will be the companies that foster a culture of change while empowering their stores to compete in an omnichannel world.

Ben Rodier is cofounder and chief client officer of [Salesfloor.net](https://www.salesfloor.net), Montral, Qubec, Canada. Reach him at ben@salesfloor.net.