

COLUMNS

4 ways technology can revitalize luxury shopping

April 20, 2016



Harry Chemko is co-founder/CEO of Elastic Path

By **Harry Chemko**

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

Most luxury brands maintain high-end bricks-and-mortar locations because they rely on trained sales associates to personalize the shopping experience.

With in-store experiences remaining key to luxury brand success, how can technology improve the bottom line in this traditionally high-touch business?

New in-store technologies

There are many in-store technologies currently in trial. These include beacons for customer identification and customer path tracking, line-busting mobile point-of-sale (POS) systems whereby sales associates can accept payment from anywhere in a store, and NFC and RFID product IDs for rapid stock location.

These rapidly evolving technologies are set to become pervasive within physical bricks-and-mortar stores. But without a means to use them to personalize service, they will add little to luxury brand revenues.

The challenge originates deep inside the retail and commerce system technology stack, starting with payment systems.

Many details of a purchase are lost because information systems are siloed.

Traditional payment systems handle payment, enforce tax rules, check credit limits and decrement items from inventory. But they do not link individual items to the customer profile. For example:

Which line and style did the client select?

What size?

Which color?

What accessories did he or she buy?

In the world of luxury retail, where clients place a high value on uniqueness and individuality, personalization is paramount.

The most important aspect of a client interaction is lost with current retail solutions.

Fortunately, there are unified, omnichannel commerce platforms that bring together disparate systems including customer profile, products, inventory, pricing, merchandising, order management, payment and customer service.

There is no offline anymore. Here are four scenarios that illustrate how a true unified omnichannel commerce platform can improve the in-store luxury brand experience by blending online and in-store customer journeys.

1. Improve personalization

When a client enters a store, a beacon can interact with his or her mobile device or wearable to identify him or her to the store.

If the customer has opted-in, a unified, omnichannel commerce system can then pull together any recent wish list items, past purchases, style and color preferences and present this to the sales associate in a clienteling application on a tablet.

This information provides the sales associate with more complete context for recommendations before any interactions, giving him or her valuable insight beyond what might be discerned through a conversation.

2. Increase upsell opportunities

Using an NFC or RFID reader to identify potential purchases, the commerce system can alert the sales associate through the clienteling app to suggest complementary products all tailored directly to that client.

For example, if a customer has selected a particular dress, the system might suggest possible accessories a belt, a bag and a scarf.

These types of personalized recommendations and selection capabilities can be manifested through new retail interaction devices such as magic mirrors where the client can see how items will look without having to locate them in the store and try them on, or try on items not in stock at that particular store.

Each piece works perfectly with the others and yet reflects the client's personal style, too. Here, only the number of products that match client criteria limits the upselling opportunities.

3. Globalize service

A unified commerce platform can provide outstanding customer service across locations. It should consolidate a distributed order management system, and enable in-store purchase pick-up and endless-aisle concepts that are becoming basic table stakes in retail.

For example, say a client finds an item in-store in London, but that store does not carry the right size or color. The customer is traveling to Bombay (now Mumbai) the next day, and cannot wait for a transfer. The Bombay store has the item in the right size and style. The sales associate in London, orders the item and has it sent to the client's hotel in Bombay.

This kind of seamless, global service is difficult to replicate in real-time and space. But with a unified system, it only takes a few clicks, and the product is on its way to the client.

4. Reach out beyond the store

Reinforce the brand story with clients by communicating with them about products that they have purchased.

Buyers of luxury goods often develop a strong trust relationship with sales associates who really understand them and support their individuality.

Make sure the sales associate is the one who sends them individualized email notifications.

Share the latest runway fashions now available in the local store.

Communicate product updates and the latest compatible accessories.

Reinforce their individuality with personalized content and relevant messaging to keep them engaged with the brand.

Merchandising to segments of one

Being able to service segments of one is what the in-store sales associate does, using his or her insight and skill to ensure a personalized, delightful experience sometimes pushing shoppers to try new styles and products.

Technologies to augment that personalized service across stores and time currently exist.

Next-generation enterprise ecommerce platforms unify different systems including customer profile, products,

inventory, pricing, merchandising, promotions, order management, payment and customer service.

Especially for luxury brands, they gather essential information about client purchases and preferences on an individual basis.

WHILE AN ENTERPRISE commerce platform will never take the place of an insightful sales associate, there are compelling reasons to rethink the technology that drives payment, inventory, customer profiles and promotions.

Equipped with more information about individuals, luxury brands will be able to delight each and every client.

Harry Chemko is cofounder/CEO of [Elastic Path](#), Vancouver, British Columbia, Canada. Reach him at chemko@elasticpath.com.

© 2020 Napean LLC. All rights reserved.

Luxury Daily is published each business day. Thank you for reading us. Your [feedback](#) is welcome.