

RETAIL

Now is the time to experiment with omnichannel: L2

May 15, 2017



Image from Valentino's fall/winter 2016 campaign

By DANNY PARISI

NEW YORK In the modern retail world, retailers that embrace omnichannel will be the most well-equipped to meet consumer expectations in the future.

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During the DLD Conference May 12, a senior associate from L2 spoke during the "Selling in an Omnichannel World: How Leader Brands Are Meeting Evolving Consumer Demands" session about the ways different companies succeed or fail at integrating omnichannel into their retail environments. Many luxury brands are doing an excellent job, but there is still room for growth and experimentation.

"Omnichannel is a long time coming; we can see as far back as 2000," said Evan Bakker, senior associate at L2, New York. "In 2000, an executive from Best Buy said, 'The majority of consumers will eventually be channel agnostic.'

"Sephora, Best Buy, Williams Sonoma and many others have all said omnichannel is critical to their strategy, because digital is at the core of their business.

"One in three of digital spending this year will happen on mobile phones and nine in 10 use the device in store. Clearly mobile is the accelerating trend, but how do retailers give customers that omnichannel experience?"

Omnichannel retail

As was predicted 17 years ago, consumers now are almost completely channel agnostic. They do not think about the online component and in-store component of a retail experience being different, but instead see them as two sides of one process.

Mr. Bakker spoke about the ways that some brands are embracing this transformation. While many are doing some form of omnichannel work, L2 found that only six of the hundreds of brands they surveyed for the presentation were considered true leaders in the space, suggesting that many retailers still favor either online or offline shopping.

There are a number of ways that some leading luxury brands are making omnichannel happen, such as a digital find-in-store technology. But Mr. Bakker emphasized that simply adding as many bells and whistles as possible is

useless without good strategy.



Burberry is one brand that is doing omnichannel right

"You can invest in a bunch of technology but with no strategy it will be a waste of money," Mr. Bakker said. "Think about how customers will respond to the new technology features.

"Burberry has a find in-store option, which has been really effective because it's something simple and makes sense for what consumers want," he said.

Conversely, Salvatore Ferragamo was an example of a brand that did omnichannel in a thoughtless and ineffective way. L2 reports that the find-in-store option for Ferragamo exists, but it is tedious and frustrating, rather than being well-integrated.

Finally, Mr. Bakker suggests retailers think about omnichannel from a perspective of what customers will actually experience and not just what seems exciting.

"Nordstrom auto detects your location so you don't have to find the store yourself," he said. "They're thinking about how customers feel shopping online and try to give them that same experience in store."

"Fail fast"

A wide variety of luxury brands have already begun embracing the omnichannel philosophy.

Most recently, Yoox Net-A-Porter started working with Valentino to build an omnichannel ecosystem.

The "Next Era" business model, slated to launch early in 2018, expands on the Italian label's existing relationship with YNAP, which has powered Valentino's ecommerce site since 2008. Now, the retail group is collaborating with Valentino on omnichannel solutions designed to meet the changing needs of luxury shoppers ([see story](#)).

L2 has previously released research on omnichannel that suggest mobile will be the primary connective tissue between the different components of a retail environment.



YNAP is focusing on omnichannel

The rise of digital has sparked opportunity for retailers by creating "always-on interactions," but internal infrastructure and technologies as well as consumer behavior and devices have progressed slowly. Although retailers are improving omnichannel offerings, L2 found that only six retailers analyzed can be seen as strategy leaders ([see story](#)).

As retailers continue to emphasize their omnichannel projects, Mr. Bakker encourages them to take risks, as omnichannel is still young and the industry is still figuring out what works and what does not.

"Fail fast' is the motto," L2's Mr. Bakker said. "Experimentation is the only constant in omnichannel right now."

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