

RETAIL

## Omnichannel “Holy Grail”: Measuring in-store purchases at same level of ecommerce

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*Measuring returns is one area where in-store lags behind online shopping. Image courtesy of Ferragamo*

By DANNY PARISI

NEW YORK Luxury brands need to fully integrate omnichannel into their strategy since so many of their sales happen with third-party retailers.

Speaking at Luxury Interactive 2017 on Oct. 17, a panel of executives from a number of luxury brands discussed the ways in which omnichannel has completely taken over the industry today. As customers continue to live a more hybridized life with digital and physical interactions occurring constantly, omnichannel is the key to keeping up with shopping trends.

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"It's only recently that people realized they need to connect the dots," said David Olsen, CEO of **Cos Bar**. "We have incredible people in the digital and physical worlds.

"I created an acronym ABTO: Always Be Thinking Omni. That's our mantra from the start."

Holy grail

Today, omnichannel is no longer a buzzword or a trend. Fully integrating the digital and physical worlds is just the reality of how most people interact with the world today, according to a panel including Mr. Olsen, **Ferragamo's** Antonio Carriero, **Govberg Watches'** Danny Govberg and **12 Digit's** Scott Eagle.

Brands need to be responding to this, and if they do not have a strong omnichannel presence, they are being left behind.

This is especially true for brands, who face the unique challenge of not playing a firsthand role in most of the sales of their products.



*Brands that do not invest in omnichannel will lose out on customers. Image credit: Ferragamo*

"The challenge is that a lot of brands don't have visibility to 60 or 90 percent of their sales since they are being sold elsewhere," said Mr. Eagle, co-founder and COO of 12 Digit Marketing. "They have some of it online, but a lot of the data goes to the retailers.

We need to share that data and close the loop to show return on ad spend based on it," he said. "It's hard for brands that don't own the consumer end to end."

One of the biggest challenges of omnichannel is bringing the same level of measurement to bricks-and-mortar purchases as ecommerce ones. Online shopping is much easier to reliably track ROI than in-store purchases, but the panel agreed that achieving that same level of measurement is the "holy grail" of omnichannel.

"If you can pull together data from a consortium of luxury brands and retailers, it could be bigger than Amazon," Mr. Eagle said. "It's really hard for any one brand to adapt, test and launch it."

#### Connecting the dots

While digital is a vital aspect of retail, in-store associates are not useless and are proving to be an essential part of the customer experience, according to consumers.

A report from Astound Commerce shows that 52 percent of consumers think it is vital for store associates to be able to place an order and 46 percent believe they should have access to inventory information. However, online shoppers are having extremely positive experiences as well, with 86 percent claiming their customer service interactions were great, and 42 percent saying excellent ([see story](#)).

Some of the brands that have embraced this strategy include Automaker BMW Group UK, which is making it easier for its enthusiasts to get the accessories and parts they desire by launching a new ecommerce platform.

From the platform, consumers can shop a selection of lifestyle products, toys for children, car care tools and parts, with search features enabling consumers to easily find the right items for their particular model. This digital storefront allows BMW to showcase its array of lifestyle brand extensions, taking the brand beyond merely a car manufacturer ([see story](#)).

The panelists agreed that brands should de-emphasize the divisions between internal digital and physical teams. They are all working towards the same goals and fostering understanding of the digital strategy among the physical team and vice versa is an important strategy.

"You need to get the in-store people to understand that digital is there to help them and not compete with them," Cos Bar's Mr. Olsen said. "Digital is there to enhance the overall customer experience.

"On the digital side, where you're used to triple digit growth in ecommerce, you have to understand that 10 percent growth in brick-and-mortar is amazing," he said.

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