

RETAIL

Retailers are learning to tap technology for bricks-and-mortar loyalty

May 1, 2019



In-store technology is a key concern of sales associates. Image credit: Hugo Boss

By BRIELLE JAEKEL

As both luxury and mass-market shoppers seek greater omnichannel experiences that enhance their customer journey, retailers that are not using location data are falling exceptionally behind.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 [Save \\$246 ▶](#)

A new report from Blis revealed that 70 percent of retailers are leveraging a mobile-first strategy to customer data, leveraging location to better serve their shoppers. Sixty-one percent claim that they have transformed their bricks-and-mortar strategy to be more personalized.

"What I thought was most interesting about the report is the ways that brands are combining online and offline data to create a more seamless experience for customers moving from an online environment to the physical store," said Gil Larsen, vice president of the Americas at **Blis**. "We've seen a lot of retail brands find success with this approach, as consumers increasingly expect that their journey online to in-store, and vice versa, should be personalized to them and without interruption."

"One important lesson that we can glean from the findings is that by leveraging technology, like location-based data, retailers can blend traditional and modern in-store shopping experiences to drive that brand loyalty and consumer engagement," he said.

The report surveyed 100 professionals in retail throughout various roles including marketing, store operations, merchandising and store environment.

Digital bridges the gap

As personalization becomes more of a necessity for brands and retailers, 91 percent of them are leveraging digital to build loyalty to physical locations.

To compete with the prominence of digital commerce and urge consumers to come into their stores, retailers are attempting to create a strategy that spans digital and physical in-stores that cannot be replicated online.



Luxury brands rank near the top in a number of categories including live-chat and in-store technology. Image credit: Michael Kors

Augmented reality is one way these brands and retailers are merging the physical and digital worlds for consumers, and 55 percent are tapping into the technology to enhance the bricks-and-mortar experience.

Another important way retailers are using digital to optimize the in-store experience is to create an "endless aisle." This allows customers to shop items beyond just those in the stores and have them shipped to their homes.

Fifty-four percent of stores offer some sort of endless aisle approach.

About 76 percent of respondents believe that they have successfully revolutionized their stores for both online and offline experiences.

However, less than half of retailers say they have currently provided in-store associates with digital tools to increase personalization with customers, at 49 percent. This percentage will likely grow in the coming year, with 40 percent of those retailers saying they plan to do so this year.



While consumers have changed the way they shop, bricks-and-mortar retail is still vital. Image credit: Neiman Marcus

Appointment scheduling is becoming another popular feature that has moved to a digital approach, with 63 percent saying they have implemented a form of appointment booking online. Seventy-eight percent of those who have digital scheduling in place have revealed it has increased customer loyalty at physical locations.

Additional insight

The digital revolution has forced retailers to rethink the physical store space, with many luxury flagship stores reinventing the bricks-and-mortar layout. Recent research shows that this year will see more of this shift.

According to a report from Coresight Research, cities are expected to see a flourish of new flagship renovations this upcoming year. Retailer supply chains will also become more flexible, with less of a rigid linear process, and an influx of start-ups will continue pushing product development ([see story](#)).

When buying something for the first time, customers prefer to make purchases in-person over online by 20 percentage points.

Salesforce wanted to examine the differences in customer preferences between online marketplaces such as Amazon, retailers and brand stores. What the research found was that customers like to purchase items from bricks-

and-mortar retailers when buying something unfamiliar, but they prefer buying from online marketplaces when seeking something they have already bought before ([see story](#)).

"Despite most retailers being aware of the value of data in creating a personalized experience for consumers, it's somewhat concerning that less than half are actually arming their in-store teams with data to help increase personalization and drive brand loyalty," Blis' Mr. Larsen said. "We've seen the value of location data to our customers and just how useful it is to marketers - providing them with the intelligence they need to create tailored experiences for customers.

"And while personalization isn't being done nearly enough today, the good news is that 40 percent of retailers surveyed plan to find ways to improve their strategies in 2019," he said.

© 2020 Napean LLC. All rights reserved.

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