



# Brick and Mortar Retailers Go Cross-Channel for a 360-degree View

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A significant number of those in the retail industry have heard of Multi-Channel Retailing. In fact, it's not unusual for a Brick and Mortar store to have an online store or even an account on a social media site. However, what tends to be the missing link is the retailer's ability to gather a 360-degree view of the customer across all of their sales channels. By achieving the migration to a cross-channel strategy, retailers can improve how they identify and respond to their best customers, growing loyalty and walletshare.

Having a customer-centric strategy such as this requires a balance between the realities of supply chain efficiency and the needs of your "best" customers. Understanding who your best customers are and making sure you stay relevant to them is the key to success.

This is not an easy task or everyone would be doing it. One interesting way to get answers is to compare how two very different retailer types approach identifying their best customers. On the one hand, we have "Direct Marketers". Direct Marketers have traditionally had a customer-centric strategy from the beginning. On the other hand, "Brick and Mortar" retailers have had an indirect understanding of their customers at best. If modern Brick and Mortar retailers can combine the sales power of the physical store with the 360-degree view many Direct Marketing retailers enjoy, then they can experience significant value to their business in terms of how they attract and retain a greater number of their most profitable, loyal buyers.

Multi-channel retailing helps the Brick and Mortar retailer understand how to identify their customers. Integrating a view across the channels takes that piecemeal view and creates a complete picture of behavior, buying patterns and trends.

Most customers today have a buying cycle that crosses channels. An example is a customer that researches a product online, goes to the store to investigate and then either purchases in the store, online or via the retailer's call center. The key is to encourage and enhance this cross-channel behavior by making the same information (product details, fulfillment options and price) available regardless of the channel. Making multiple connections with a customer across as many channels as possible, and ensuring a consistent and easy buying experience will enhance customer conversion rates, build brand loyalty, and improve margins. Armed with this information, Brick and Mortar retailers can achieve assortment and promotional performance that Direct Marketers have enjoyed for years.

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This “Cross-Channel” experience will be the platform for making innovations in Customer-Centric retailing for years to come. Successful Brick and Mortar retailers will use cross-channel buying behavior to gather not only customer data but customer preferences and trends. This information will be used to drive more relevant assortments and promotions in every channel. Imagine if store associate knew what customers were “most viewing” online or even if they could pull up a customer’s wish list in the store and talk to them about it on the phone or in the store!

This is not merely a “touchy feely” concept. In fact, there is real and

significant money at stake. Think of supermarket retailers who have access to extensive customer information through loyalty cards. According to The Neilson Company, supermarket retailers with loyalty programs found that the top 30 percent of customers accounted for 65 percent of sales. This means that 70 percent of their customers were relatively unprofitable. When combined with share of wallet data, they found that their top 30 percent of customers only gave them 50 percent of their business. Do you think that there is a relevancy issue here? This is pretty basic information but you can already see how this data could shape an entire strategy for a business. How can modern retailers survive without it?

Cross-channel buying behavior is here, now. Lessons can be learned from Direct Marketers that have traditionally looked at their business through a customer-centric lens. As more customer data becomes available, Brick and Mortar retailers will be able to unlock top line growth as they see their top customers become more loyal and spend more money with them across all channels. They will also be able to engage them in a more meaningful way regardless of what channel they interact with them in because they will have a true, 360-degree view—and therefore greater understanding—of their customer.



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