

The future is Omni channel

Omni-channel shopping is where reason and emotion meet. Retailers today need to determine how the different sales channels co-exist so they meet shoppers' needs and behaviours

By Rachele Headland, *Saatchi & Saatchi X*

If I was to be controversial, I'd say there's no such thing as Omni channel, there are only shoppers and the understanding of their emotional behaviour and practical needs.

However, the biggest obstacles to ensuring a seamless brand experience for shoppers are infrastructural in nature. Retailers are generally set up to deal with the physical environment - goods in and goods out - so broadening the remit to include the non-physical (electronic) ecosystem can be a challenge.

Shoppers have already adapted to the new world of shopping. Women in particular, and the largest proportion of shoppers, now combine the power of social networking, digital deal-hunting, showrooming and ordering services to shop 24/7 with incredible speed and agility. So, business needs to adapt to a new human world.

Simply creating the same environments online and in-store means you'll lose out on the nuances of these settings - the reasons shoppers visit. The showroom-style environment of Apple's retail stores, held



up by many as the future of retail, is actually not a new concept, and rumour has it, it was developed by opening one pilot store and simply trying out different things when shoppers came in to explore. The fact that Apple placed the shopper at the heart of the experience from the outset is perhaps not surprising when you consider it was not previously a retailer, but a brand intent on demonstrating empathy with human creativity. Before Apple Stores, Disney, borne of children's fairy tales brought to life on screen and in theme parks, could only bring a magical experience to its stores by transforming the way people bought toys.

We could go on to discuss the way Ikea has changed the way people buy kitchens

and Abercrombie & Fitch has changed the way people buy T-shirts. The difference has always been the brand's emotional connection with its shoppers. Today, different types of technology, especially mobile and touch-screen technology, have made showrooming more effective than ever and also enabled brands to link their physical presence through to their digital channels. The only way to guard against shoppers using physical stores as showrooms and buying products elsewhere online is to create a very clear value proposition that gives the brand a point of difference.

The brands and retailers that will succeed in the new world are those that understand how the shopper is evolving and how to turn

the changing behaviour to their advantage. Granted, the pace of change is intimidating and competition seems to be arriving daily, but in the words of Bill Gates: "We overestimate the change that will occur in the next two years and underestimate the change that will happen in the next 10".

I would also add; never underestimate the power of shoppers' emotional connections to a brand that cares about the same things they do and that consistently makes it easy for them to find, buy and buy again, the products and services that make their life better and easier.

UK fashion retailer Next makes affordable fashion that looks great and doesn't disintegrate after one wash. I buy Next clothes for my children all the time because they can be delivered to my home in bulk during holiday and back-to-school season, and are easy to change in a local store if they don't fit. I could say exactly the same for Gap and Zara, who come very close in terms of share of my purse, the difference is the Next catalogue, which is much nicer to browse at home than a website and I can quickly enter codes online. I also have an account with Next that allows me to spend in stores and online regardless of which end of the month it is. This is Omni channel at its finest in terms of ease of buying, the experience is pretty consistent albeit pretty functional.

However, it has not yet enticed me into buying from its flower delivery service or home range. I think it's because these offerings don't have enough presence in its stores, or on its website and are also in a separate catalogue. I see no reason why sofas and cushions can't be integrated among the jeans and jumpers. This would reflect the brands' affinity with the jumble and colour of life, the fact that homes, like clothes, are lived in. It would also get more of its products into the path of its shoppers, rather than expect shoppers to find them. And this is where Omni channel gets really interesting; where reason and emotion meet.

If you started life as a manufacturer, or an online rather than an offline retailer, you have the advantage of taking a completely fresh approach to the buying experience and potentially have the ability to adapt more quickly to changing shopper behaviour. These businesses take advantage of the new

'pop-up' marketplace that aims to simplify renting retail space, so it's as easy as booking a hotel room. You can also book short-term rentals of retail spaces that might otherwise be standing empty, making it more cost-effective.

Retailers with heavy investment in bricks and mortar are just as innovative and prudent with their strategies. B&Q, ScrewFix and Home Depot's parent company Kingfisher for instance, recently announced it would continue to invest in ecommerce while rightsizing its estate.

But how do you convert a warehouse to a smaller format, shopper-friendly showroom without alienating important trade customers? And how do you ensure that shoppers can still buy the right size of nails among the kitchens and bathrooms on display? This will require smart Omni-channel thinking, and a change to its existing business model.

Tesco's acquisition of the restaurant chain Giraffe and Euphorium Bakery, and the news that it is opening in-store fitness areas, is another demonstration of right-sizing an estate in a way that enhances its retail portfolio. Opening restaurant and

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leisure facilities in and near to Tesco stores to create 'retail destinations', places where shoppers will stay longer and spend more - is a great example of strengthening the emotional connection between the shopper and the brand.

So endless possibilities, but still a dilemma, as shoppers' expectations stretch beyond what most businesses have traditionally delivered. We all know that a shopper-centric approach makes sense, but how many brands and retailers have actually achieved this? Here is a compilation of learnings from that small group of enviable brands and retailers that are keeping the best pace with change:

- *Start from within*

This isn't a challenge you simply throw money at, and it definitely isn't a siloed Omni-channel team left with the responsibility of transforming the way the business operates. Traditionally, marketing teams are made up of brand/product and channel experts and each team works to meet both marketing and commercial objectives through shopper touchpoints. Despite attempts over the years to make this an integrated approach, the shopper continues to receive a stream of competing messages from brands. For the shopper, this is just one buying interaction, so consistency is important, as is an appreciation of the level of education or inspiration the shopper is looking for as they move closer to the point of purchase. All teams need to align around the brand intersections along the path to purchase and the value this will add for shoppers.

- *Understand the competition*

Ask why your shoppers are choosing you and why they're choosing your competitors. You'll need to identify what value you can deliver across each of the platforms you choose to engage in. Take the time to understand how, why and when shoppers are using different platforms. Find out which brands they think are doing a good job on each platform and what they are getting right. Then take a long hard look at your own infrastructure and identify what you need to adapt or develop to appeal to those shoppers.

- *Don't get distracted by shiny objects*
It's essential that every platform has a reason to exist and that you are clear about how it contributes to the overall brand strategy and the business' ambitions. Think about what success will look like. As well as considering how shoppers rationally engage with each platform, it is important to think about how they emotionally engage. It is not enough to have people think positively about shopping with you, they need to feel positive as well. Shoppers need to emotionally benchmark their shopping experiences.

- *It's not about how many platforms you have; it's about how they work together*

An Experian Marketing Services survey conducted in April 2012 found that 84% of shoppers would walk away from a company that doesn't link up, understand or respond to their engagements across channels. Some of the things you may want to consider include: if you have both a high-street and an online offering, should you be offering

Next the UK fashion retailer represents Omni channel at its finest in terms of ease of buying

click and collect? How do you optimise your website on mobile? It is worth having a point of view on the role of social media and whether it can help you keep in touch with shoppers. If you are a brand selling through other websites, think about e-storefronts that sit within existing retailers' sites. Are there potential partnerships with other brands? If your business is primarily online, are there opportunities for real-world pop-ups, and if so be clear about what you want them to achieve.

- *It is true; data should help you, not baffle you*

In the digital age, there is a proliferation of data available to marketers, so we can understand shoppers better than ever before. Data is simply data until smart people get hold of it and deliver actionable insights about your shoppers across each of your channels. Ensure you unlock the 'what' and the 'why'. You can find out relatively easily what they're doing from tracking and transactional data. Getting hold of the insights as to why they're doing this, i.e. the motivations behind this behaviour, can be trickier.

- *Remember you're a shopper too*
Don't overlook your own experiences. Brands you enjoy shopping with are a great source of ideas. Take heed of what they are doing and how they are engaging you through the shopping journey. Are they interesting, easy, elegant or inspiring; what messages do they use, and where and when do they use them; how do those messages knit together to create a coherent picture?

- *Appeal to hearts and minds*

It is important to remember, when you are deep in the quagmire of technology platforms, supply chains and operations, the shoppers you are trying to reach. Despite all your best-laid plans, shopper behaviour can still seem irrational and counter-intuitive. It is about engaging with hearts and minds, which means bringing mystery, sensuality and intimacy in to play, as well as efficiency and customer service, as both contribute to delivering a positive buying experience.

This is an incredibly exciting time for retail and shopper marketing, and an era that has shifted the balance of power to shoppers, who are demanding a seamless and positive brand experience at every touchpoint. In PWC's forward-looking Retail 2020 report, it calls it 'winning in a polarised world'. Channels will continue to fragment - retailers will manage multiple physical retail formats to suit different shopping modes, ecommerce will grow and take a larger share of planned purchases, so physical footprints will get smaller and 'urbanise' to take advantage of more impulsive and immediate purchases.

There will also be scope to cater to a wider income range and, regardless of wealth, there will be the recession-trained shoppers who will at one end look for premium products that they care about and meet their specific needs and at the other end of 'indifferent' categories, they will drive an extreme value segment. 'So the middle market will need to react with distinctive positioning to thrive'; a distinctive positioning that translates to a distinctive shopping experience, underpinned with well-planned navigation, education and inspiration.

 more on the future of shopper marketing at www.warc.com

