The Ultimate Retailer Quest

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Bricks-and-mortar stores and flexible, integrated technology are the foundation of any successful omnichannel strategy.

There are many aspects to omnichannel retailing and it can be a difficult expedition for any retailer. It's important to keep in mind that it is not defined by the systems and processes that a retailer uses. Instead, it is dictated by the route a customer takes to make a purchase. A retailer's systems and processes are meant to simply facilitate a customer's journey and purchasing experience, with the ultimate goal of fostering better customer engagement.

There is no longer a single path for consumers to make purchases. Many retailers focus a lot of time and investment on digital channels, yet online sales represent less than 10 percent of net retail sales in the United States. An online channel can provide a boost to in-store sales, however. Heightened customer expectations regarding the ability to shop anywhere, at any time, also means the reality of customers shopping more than one channel at a time before completing their shopping journey.

In 2014 A.T. Kearney asked more than 2,500 U.S. consumers about their shopping preferences and behaviors. Not surprisingly, the study found that most consumers shop in multiple channels. Channel preferences for each shopper varied based on age, type of merchandise being purchased and the stage of the buying journey.

Although 55 percent of shoppers prefer to use a combination of stores and online, stores were generally preferred across the shopping journey. Not only did customers purchase more items when picking up an online order from stores, but up to 20 percent of consumers who returned an online order in-store also made an additional purchase.

How do retailers make the most of these cross-channel preferences and better engage their customers? Enhancing the customer's overall shopping experience is a good place to start. According to a study by Accenture, 49 percent

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of consumers believe the main thing a retailer can do to improve the shopping experience is to better integrate all shopping channels, including in-store, online and mobile.

A retailer's omnichannel approach should reflect how the customer wants to buy, not how the company is organized or its technology is structured. Since shopping behaviors can change, flexibility — both in customer ordering options and the retailer's systems and technology — is critical for a successful omnichannel strategy and exceptional customer engagement.

A customer's loyalty and overall connection to a retailer's brand are direct indicators of the level of customer engagement achieved. The proven ability for a retailer to expand customer loyalty through omnichannel will also continue to drive the need for well-integrated systems and processes.

A recent study published by IDC showed that customers who buy in-store and online have a 30 percent higher lifetime value than those who shop using just one channel. Many customers will even use more than one channel at a time to complete their transaction, such as doing mobile research while in a store to make a purchase, or starting a transaction online and completing it in-store.

Many retailers are still struggling with defining and implementing a successful omnichannel strategy, as well as identifying the right software solutions and technology that can support these complex business processes today and still be flexible enough to change as the business evolves. However, by letting customer preferences and behaviors shape your omnichannel approach and by valuing stores as the foundation for that strategy, your own journey toward improved customer engagement should be a much simpler one.