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The Reality of Omnichannel Retail

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There was a great rush in the early 2000s for all retailers to attempt ecommerce. It was the next frontier, a chance to strike gold. When the iPad debuted, legacy magazines developed iPad-specific experiences, often at great expense without measurable reward. Amazon changed all of our lives forever, creating customer expectations of ordering anything from anywhere and receiving it at their doorstop within a couple of days.

Before ecommerce and after ecommerce are distinct "ages" in retail, as distinguishable as layers in sedimentary rock.

At this point, we're in a third age: the age of omnichannel retail. A retail store is one channel. An ecommerce site is a second. Mobile apps and a mobile-optimized ecommerce site can count for a third. Social media platforms add fourth, fifth, sixth and more channels to the ways customers can interact, shop and be delighted—or disappointed—by a brand or a store.

The simple reality of the world we're living in is this: purchases rarely happen within one channel or one interaction. It's more likely that a customer of, say, a clothing retailer, would see an Instagram post with a handbag she likes, will click on a "shop now" link, be directed to a mobile shopping site where she'll add an item to her cart. Then she'll probably be sucked away and forget to actually complete the purchase. Later, she might get an email reminding her that she left something in her cart and she'll purchase or not. If not, she might repeat the cycle four times before the sale is finalized.

Or someone might click through a marketing email on his phone, return home and open the desktop computer to browse a category of items, then, finally, possibly a couple of days later, head to the retail store to make the final purchase. There are almost infinite configurations of cross-channel interaction between first contact and the final sale. Welcome to the reality of omnichannel retail.

The Philosophy of Omnichannel

"We don't think the customer is loyal to channels. We don't hear customers talk about channels very much. Customers value experiences," said James Nordstrom, co-president of the company best known for its impeccable

customer service, to online publication diginomica. That was back in 2015, before the retail giant invested in real-time messaging services that will work within regular text frameworks and within their proprietary app, and before the company announced, in summer 2018, plans for a more integrated digital-to-local customer experience, currently rolling out in beta in the Los Angeles area.

Nordstrom has doubled down on an omnichannel retail strategy because they've identified that it's the only way to provide a 360-degree customer experience that attracts and retains customers.

"Well, Nordstrom has deep pockets," you might say. Nordstrom is a big company, sure, but they face the same pressures of all retailers in addition to the watchful gaze of their shareholders. Potentially, they have more resources than the average IGC, but lack the nimbleness of a smaller, privately-held company. Omnichannel retail isn't out of reach for IGCs, rather, it can be their future. Let's take a look at the benefits a comprehensive omnichannel effort can offer.

Economic Benefits of Omnichannel

Lower duplication of efforts

When retailers embrace omnichannel, they stop thinking of various points of contact and points of sale as single, stand-alone entities. It becomes easier to evaluate products, manage inventory and streamline communications. Customer service principles can be honed and deployed across multiple platforms.

Ease of employee recruitment and retention

Younger, tech-savvy potential employees are more likely to apply and to stay with retailers that provide experiences that they're comfortable with. They'll be much more successful working with a sales process similar to those they engage with every day during their life outside of work.

Higher retention of attention

Within an omnichannel strategy, email marketing and Instagram become less "I should do that, maybe" and more a part of the continuous flow of the customer experience. Ecommerce is suddenly no longer a means to an end, but part of the big picture. "Showrooming" is encouraged because you'll have put into place ways for customers to showroom from your own digital properties while standing in your own store. Someone walking up to one of your sales associates holding up their phone and saying, "I would like this tree," is an opportunity as opposed to a problem.

Another statistic from Nordstrom is measurement of profit per customer. They've found customers who shop both online and in their retail stores spend up to five times as much money and are twice as profitable to the company as single-channel shoppers. It's a compelling reason to court customers wherever they feel comfortable browsing. Multiple points of entry in the sales process allow retailers to hold their customers' attention through non-stop distractions, resulting in sales that might have otherwise disappeared.

Omnichannel and The Last Mile

An extremely popular omnichannel strategy is "order online; pick up in store." There's hardly a more integrated experience than that and it's one that IGCs are uniquely poised to implement more profitably than the existing cash-and-carry model.

When Amazon bought Whole Foods there was plenty of speculation that one of the reasons they did so was to lower the expense incurred during the last mile—actually getting the products in the hands of the customers. It's the

most expensive point of the supply chain for an ecommerce or catalog business. Brick-and-mortar businesses have a built-in advantage there: you're the last mile. Engaging in omnichannel retail means putting together all of the pieces before the last mile, so you can use your superpower—the in-person experience—to close the sale or add on to the sale.

Think of omnichannel retail like the house in the movie "Up." One balloon attached to the house would be a balloon attached to the house. (Facebook without a supporting email campaign, a retail store with no web presence.) Multiple balloons attached to the house allowed it to fly.

How does omnichannel work for an IGC? Stay tuned for parts 2 and 3.

Bower & Branch is a horticulture brand that meets consumers 365 days a year where they live, work, garden, and nurture themselves and their families. B2 provides the tools for IGCs to be Omnichannel present.

> ## Components of an Omnichannel Experience
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> Before retailers dig in to developing an omnichannel experience, they should analyze existing channels and make note of opportunities where they can connect:
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> • Brick and mortar retail
>
> • Ecommerce (desktop)
>
> • Ecommerce (mobile: apps and mobile-responsive website)
>
> • Social media properties
>
> • Customer service (multi-point, including social, brick-and-mortar interaction, and website)
>
> • "The last mile" (product in customer's hands, cash & carry, installation, maintenance services) **GP**