

Store 4.0 is an attitude, not a technology



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E-commerce may be where the retail industry is seeing growth, but the physical store is not dead. In fact, it may be more important than ever, according to Samantha Starmer, vice president: global digital experiences for US luxury fashion brand Ralph Lauren.

Speaking at the <u>Seamless Africa</u> conference in Cape Town last week, Starmer said that retailers are needing to adapt to a new retail ecosystem – a combination of physical, digital, and complimentary service offerings.



The physical store is a key component of this new eco-system, and concept stores and pop-ups are clearly demonstrating that thinking around the traditional concept of retail is changing.

Starmer noted that where physical retail reigns supreme is providing consumers with that serendipitous moment of 'I had no idea I needed that, but I have to have it.'

"The online experience often has a hard time with that serendipity, and so thinking about how the digital and the physical can be integrated is really the future of retail," she said.

A new way of working

The value of brick and mortar has been recognised by former online-only brands too, leading many of them to open their

own physical stores. SA retailer Yuppiechef began <u>its omnichannel journey</u> last year. Abroad, Amazon – which Starmer calls the "father of e-commerce" – built its own physical <u>Amazon Go</u> store and has also delved into physical-to-digital partnerships, as witnessed in the <u>Whole Foods acquisition</u>.



Tackling the question of whether staffless shops like Amazon Go or MobyMart provides the answer to what store 4.0 looks like, Starmer said, "I don't think we know. I think that's the point. With all these different technologies, we don't necessarily know where they're all leading. And I don't think one of them, or even all of them combined, are the answer."

"What I do know is that store 4.0 needs to be an attitude. A way of working. It's how you think about providing for the customer of the future."

She shared a number of pillars that retailers – regardless of channel, company size, market or region – should focus on to provide a seamless and serendipitous shopping experience.

1. Start with your customer

The customer should be the starting point of your retail strategy, and understanding who they are and what they want requires thorough research.

"Map out their journey. Take an archetype of your typical customer and analyse how they shop across the different channels."

She also emphasised the value of co-creating ideas and products with your customers and employees. Lego and Ikea were

highlighted as leaders in this area.



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2. Stay integrated

Starmer said it's important to stay integrated across channels. "If you're a multichannel brand, you don't necessarily know where your customer is seeing your product. You not only need to think about where all these channels are connected, but also where and how your internal processes are connected.

"Is your business planning team working with the fulfilment team, as well as the call centre, IT and in-store staff? Does everybody understand the strategic direction you're focusing on? How well is everybody working together?"

"Break out of your silo, regardless of what team you're on. Walk around and work together across groups. Get everybody connected and get feedback, whether it be from IT or the receptionist."

She also advised enabling integration by using customer journey maps – a tool that helps businesses understand all touchpoints, from the moment the customer becomes aware of the brand, to seeing an item in the store, right up to purchase.

3. Use technology wisely

With an influx of technology available, from artificial intelligence to beacon technology, it's easy to feel overwhelmed and become misguided. Starmer warned to not use technology simply for the sake of using it; it needs to enhance your strategy and, most importantly, it needs to actually serve the customer.

"Technology needs to support the customer experience, not lead it," she said.



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4. Focus on the experience

Interesting experiences and complementary services are playing an increasingly important role in the retail offering. As an example, Starmer mentioned Petsmart, an American pet product retailer that introduced grooming serves into its stores to positive public reception.

When strategizing customer experience, she said examining trouble spots is key. "Find out where the drop-off is so that you know where to focus your efforts on improving the experience.

"Build a framework and think about your strategy in your tactical way. How does it connect to the larger company strategy, and how does your customer experience strategy connect to your new features and initiatives?"

And finally, don't ever stop looking for ways to surprise and delight your customers.

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