

HIGHPOINT ASSOCIATES: INSIGHTS

PHYSICAL RETAIL EXPERIENCES

NEEDED TO SUCCEED IN AN

OMNI-CHANNEL WORLD

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Physical Retail Experiences Needed to Succeed in An Omni-channel World

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While much has been said over the past decade about brick-and-mortar retail dying due to online and mobile shopping's growing appeal, in-store shopping is now the Comeback Kid.

What retailers and industry experts have come to learn, despite, or perhaps in light of, the pandemic: consumers want to engage with their favorite brands in the physical world. Winning retailers won't just deliver a return to normalcy; they will surprise and delight shoppers who come through their door with exciting, new experiences.

THE OMNICHANNEL'S DILEMMA

If you ask any omnichannel retailer or vertically integrated brand about the role of storefronts, they'll tell you having a physical presence as part of their omnichannel offering is key to the future of their business.

It's for this reason, when retailers successfully drive traffic into physical stores, they need to provide experiences that pay off. This translates into ensuring shoppers have more attentive, helpful, consistent human-to-human interactions, and can easily find the goods they're looking for. Luxury brands have long known this; a good number of mid and mass-market retail brands are a little late to the party.

If your retail business is looking to improve in-store experiences, here are six key areas to look at:

1. Inspiring Store Design: In an omni-channel world, stores need to be more than functional, they have to draw in consumers and truly showcase product. As a consumer enters a store, **the goal should be to awe and inspire.** In other words, generate that feeling a toddler has when they walk into a candy store.

For retailers to deliver this experience they need to be extremely thoughtful about store design. Everything from layout, fixtures, customer flow, and most importantly, in-store experiences. Those in-store experiences can include interactive demonstrations, a café, or an area to test product.

2. Product Curation: Shopping online is great. Want to buy a couch, winter coat or new pair of shoes? You can start searching and spend hours reading reviews, articles,

and perusing through products. The benefit of the store experience is that **the retailer has done all that work on your behalf.** The company has selected the best products based on buyers spending days at tradeshow testing products and collaborating with manufacturers.

3. Expertise: All the work that went into curating the product selection needs to come to life in the store. Fluency with your products will better enable store associates to describe how the product works, differences between two similar or same products, and the value it will bring to the consumer. This requires **effective training, strengthening of brand partnerships, recruiting category enthusiasts, and partnering with leading voices** in the industry.

Leveraging associates to build your brand can help create a differentiated experience in your storefront. Some retail businesses even refer to store associates as *brand ambassadors*, which captures the value trained, passionate, friendly staff bring to in-store shopping.

4. Post-purchase Customer Experience: Having a loyal brand following involves more than simply (or not so simply) making a sale. A strong post-purchase strategy will help your business nurture customer relationships even after they've paid.

There are a few elements to the post-purchase experience. Is there a service component associated with the product? Will the customer require support to use or set up the product? Does the customer require some form of product education? Is there some form of ongoing maintenance or support?

The services component to a retail experience – from delivery, to installation, education, and support (repair or warranty) are all critical touchpoints. These involve **critical moments that can make or break the customer relationship.**

Furthermore, can the company support the consumer next when they decide to upgrade to a new product? Whether that be reusing the item (giving it a second life) or an environmentally friendly recycling option. This full-lifecycle view allows the retailer and its consumers to

integrate sustainability into the purchase and ownership experience.

- 5. Community:** Creating in-store experiences that are not simply transactional is another way retailers can build community offline. By bringing product, lifestyle, or other kinds of enthusiasts together at your physical store, you're **deepening connections with and between your target audiences in meaningful, lasting, brand-building ways.**

These communities should be both virtual and online. In the virtual world, it is an opportunity for your consumers to share their love for the brand, product experience, and get the latest and greatest insights from the retail partner. In the physical world, it is an opportunity to bring people together to discuss and share their common passion.

- 6. Product Availability:** There is no surer way to disappoint a customer than to have them leave the store with their needs unmet. Everyone knows that supply chains have been under constant stress for the last two years. Winning retailers have risen to the challenge by **obsessing over their logistics, enhancing their allocation strategy, and training associates to help consumers find an available product that meets their needs.**

At the end of the day, the entire retail experience – from a shopper first entering the store to the purchase and post-purchase experience – should all leave a lasting, positive impression. The physical environment itself must be appealing and resonate with a store's community and demographics. In fact, community resonance should create a halo effect to bring the brand to life with its customers. The store's overall

design should also fit the retailer's brand image and showcase its product offering. The human interactions need to be compelling, insightful and valuable.

Since the pandemic, retailers have been extremely busy maintaining the business, implementing proper health and safety protocols, building their online presence, and ensuring stores are compliant with federal and local regulation. After spending the last two years living in an increasingly digital world, consumers are excited to reengage in-real-life and are looking for new and exciting experiences. The retailers that win will deliver on the best promises of physical retail.

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