

# CONVERTING OMNICHANNEL TRAFFIC ON A *Local Level*

HOW LULULEMON, ZARA AND  
WALMART LEVERAGE PERSONALIZED  
MESSAGING TO DRIVE CUSTOMERS TO  
STORES AND ONLINE



Most retailers know that they must create tailored and memorable experiences across all channels in order to drive sales. However, understanding increasingly complex shopper journeys and effectively personalizing multiple interactions across a range of touch points still remains a challenge.

Threats of a “retail apocalypse” have been exaggerated for some time, but a new report from L2 has found that retail is simply evolving, and that brands are making smarter, consumer-focused investments in omnichannel strategies.

The L2 *Omnichannel 2018* report found that **52% of brands evaluated YoY have improved in terms of using digital channels to drive in-store visits and making online shopping convenient for consumers.** While these brands have enhanced their omnichannel offerings, tried-and-true features, such as revealing store hours and store directions online, and offering in-store returns, have steadily stayed top-of-mind to drive store traffic.

This special report will highlight how retailers such as **lululemon, Zara, Walmart** and more are taking new approaches to delivering seamless omnichannel experiences and converting traffic from online to brick-and-mortar and vice versa, including:

- Connecting all customer data points to **deliver individual personalization at the local store level;**
- Creating **mobile apps to drive traffic** to the store, and vice versa;
- **Enhancing the buy online, pick up in-store experience,** as well as the buy online, return in-store and buy online, ship from store experiences; and
- Using **advanced analytics and technology to understand conversion problems** within the store.

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- L2





## OMNICHANNEL DATA EMPOWERS LOCAL STORE ASSOCIATES TO DRIVE WEB SITE, STORE TRAFFIC

Every good retail strategy begins with understanding who your customers are; and converting traffic in an omnichannel environment relies heavily on having access to that customer intelligence and data. While digital channels allow retailers to obtain customer information easily (i.e. location, order history, browsing history), new developments have made it possible for retailers to capture customer intelligence at the physical store level as well. Some retailers are entrusting this store-level data to those that can make fruitful use of it — local store management.

A tactic that is making a comeback in brick-and-mortar retail involves the G-level allowing store managers to make their own decisions around marketing to local shoppers who have been earmarked as *their* customers, according to Christopher Sarne, Sr. Director of Retail Strategy & Solutions Management, Omnichannel at [Oracle](#).

"It's not just marketing being pushed down from corporate anymore, it's allowing store managers to look at customers and prospects and proactively create marketing events at a grassroots level," he said in an interview with *Retail TouchPoints*. "[Store managers] can create outbound activities to drive business to their stores and web sites. This is something we're seeing as a trend, not only as it pertains to fast fashion or low-cost fashion, but even with luxury and more expensive designers — they're giving that level of entrepreneurship they had not given in the past."

Sarne pointed to **lululemon**, which uses the information it gathers through RFID in the store to optimize inventory accuracy. This real-time data enables them to confidently promise that an item is available for pick up, which drives store traffic and corresponding loyalty. This gives store managers the tools they need to improve store performance.

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- CHRISTOPHER SARNE, ORACLE



"It's personalization perfected, where the retailer doesn't know the customer as a segment but as an individual," said Sarne. "With all the data we have available to us now — third-party data that we can take and append to the data we have already — we can identify that person as an individual and make appropriate offers to them. Not as a segmented offer, but specific to who they are and what they bought in the past."

Additionally, new solutions such as [Salesfloor](#) are empowering store associates to engage in-store shoppers online, and vice versa. The solution allows associates to create their own online storefront, providing product recommendations and a direct way for customers to interact with the associates they already have interacted with in the store. The associate gains an opportunity to convert customers online through their own personal page on the retailer's web site.

Social media also is a key channel retailers are tapping to collect additional customer intel and drive more customers to stores. Research from L2 found that brands are posting more about individual stores and advertising offers on their social channels to convert traffic.

"This was the first year that we looked at social media as a potential driver because you'd think of social media as more of a branding tool," said Evan Bakker, Senior Associate at [L2](#) in an interview with *Retail TouchPoints*. "It's very top-of-funnel, but in this case, we did see that brands were posting drive-to-store content — whether that be an in-store event or an in-store deal. They were also advertising their shipping options, such as free shipping and next-day shipping, to incentivize that behavior."

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## MOBILE APPS CHANGE CUSTOMER BEHAVIOR AND DRIVE IN-STORE PURCHASES

Mobile apps have proven to be a positive driver of in-store traffic, with brands such as **Starbucks** and **Walgreens** leveraging geolocation to send push notifications that trigger users to come into stores when they are in the area.

Research from **Localytics** showed that **48% of mobile app users have made an in-store purchase after receiving a personalized push notification**. Additionally, the same research found that **36% said a push notification triggered by their location inspired an in-store purchase**.

The key is to offer incentives for customers to use their apps not just at home or on the go but also when they come into the store. This allows retailers to capture their information and gain intelligence on them to offer more personalized experiences that result in purchases.

"The Holy Grail is trying to map your online activities to your in-store activity," said Ray Hartjen, Director of Content Marketing for **RetailNext** in an interview with *Retail TouchPoints*. "That requires the shopper to identify themselves. It's like borrowing pages from successful B2B marketers: 'Let me know who you are and what you're doing, and then I can better treat you and provide you the type of content that you want or to help you progress down your purchase cycle.' Being able to understand when the customer is using their app, what they're looking for and the things that interest them, such as past purchase histories, and then enticing them to identify themselves when they check in at the store by offering a free gift or some bit of added value, that allows some support to be able to close that gap between the digital journey and the physical journey."

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- RAY HARTJEN,  
RETAILNEXT



# EXCLUSIVE Q&A: MAXIMIZING CONVERSIONS WITH PURCHASE DATA & IN-STORE VOICE TECHNOLOGY



In a conversation with *Retail TouchPoints*, Christopher Sarne, Sr. Director of Product Management Strategy for Oracle Retail, discusses the role of data in an omnichannel setting, and new technologies that will help convert traffic in the future.

## ***Retail TouchPoints: How can retailers use purchase data to better capture customers at the point of intent?***

**Christopher Sarne:** Best practice implementation relies on the CRM system to interact in real time with e-Commerce, POS, clienteling and call-centers. Data is the fuel that drives a marketing engine, the CRM equips retailers to execute complex promotions and target personalized messages with precision.

Understanding how a customer engages with your marketing content (i.e. messages received, open clicks) is a key factor in assessing a customer's overall loyalty and delivering on great customer service experiences in the store. But that is only one side of the story.

Personalization and relevance drive awareness, interest and action. Having visibility to the fulfillment side of the offers — knowing what happens after a promotion, email or ad is received — is key to measuring campaign results and creating the next offer. A 360-degree view of previous interactions, regardless of touch point, gives retailers the ability to see when the individual socializes with your brand. A consumer's positive post of a purchase is an opportunity for the retailer to award the individual with points for doing so, to grow their brand ambassadorship.

## ***RTP: What is on the technology horizon for stores and their ability to convert more traffic?***

**CS:** We've been watching voice-enabled technology — and conversational commerce, which it enables — very closely. We expect retail to embrace the technology and make widespread use of it from an order management standpoint, specifically with order inquiry and order maintenance.

Empowering associates by giving them on-the-spot access to everything they need to successfully close a transaction is becoming table stakes. This includes customer history and preferences, accurate inventory data, and the entire range of shipping and fulfillment options, all via mobile device or through wearable technology.

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SARNE, ORACLE**



It's a short but potentially important step from the associate entering all the order information in a form to her simply being able to say (into her Apple Watch), "I'm looking for this style number in this size" and have the voice respond that it's available in the distribution center or at another store.

The voice-enabled store may sound futuristic, but it's very nearly here.

**RTP: What is the role of technology, data and analytics in attracting and retaining store associates?**

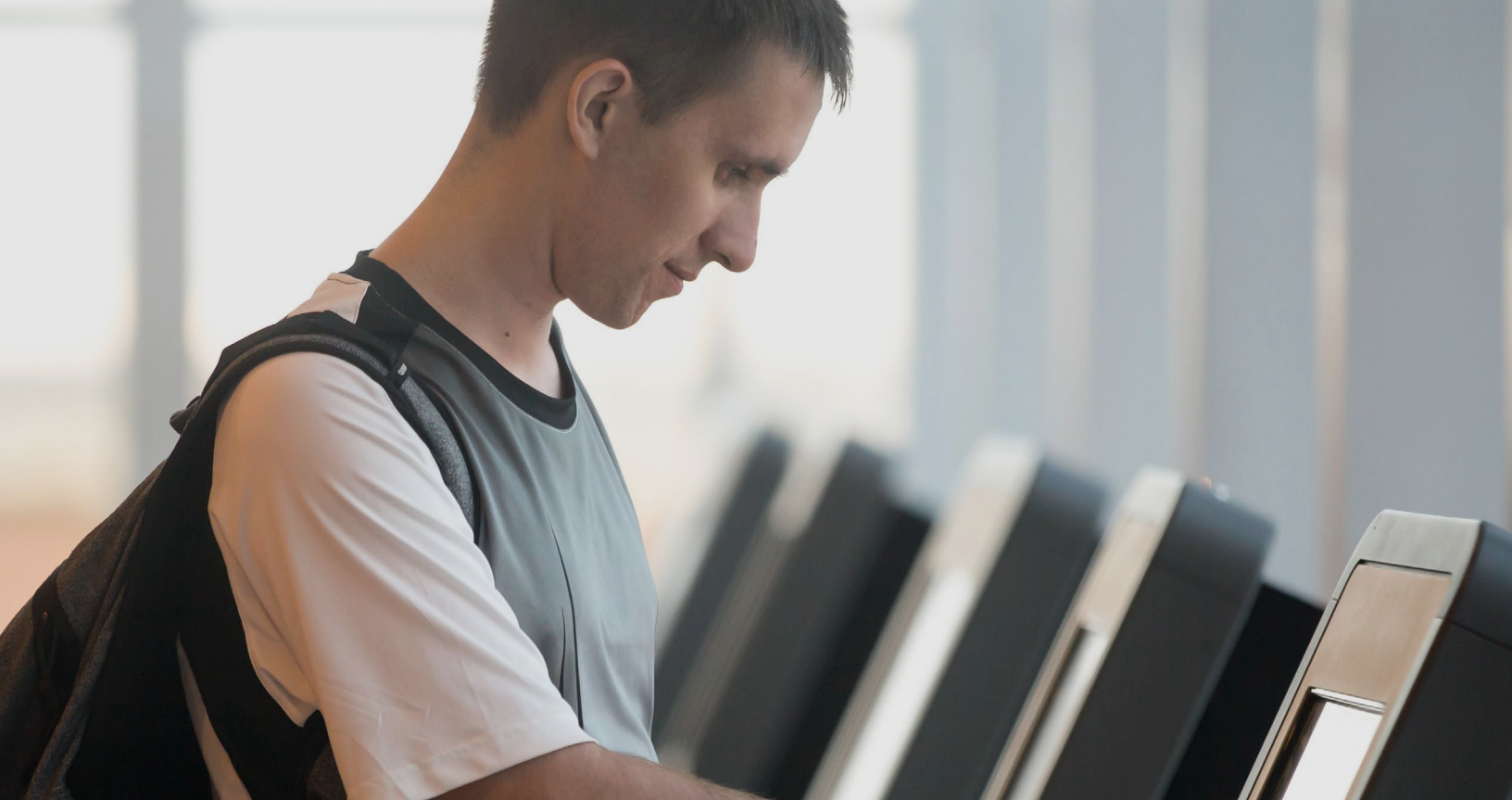
**CS:** Store associates can make or break the customer experience and we're seeing a heightened level of attention being paid to talent acquisition and retention. Equipping associates with the right tools, ones that are mobile, intuitive and deliver accurate information, impacts job satisfaction and success. If associates don't feel set up for success, they will go elsewhere.

Retailers are increasingly drawing multiple LOBs into conversations around POS, customer engagement, loss prevention and related store systems. Leadership from HR, marketing and customer experience are engaging to ensure the technologies and tools being used are optimized for adoption, reinforce the brand promise and meet the expectations of the modern workforce.

Store associates are faster to embrace tools that take the form of familiar devices they use every day. How easily associates pick up a new tool and use it impacts every aspect of store operations, customer service and how and where managers spend their time. Usability, consistency across platforms and performance are measurable qualities that ensure new, transferred and returning seasonal associates come up to speed quickly and handle a wider array of customer needs, such as merchandise returns, inventory lookup and promotions fulfillment.

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## ZARA, WALMART LEVERAGE ADVANCED TECHNOLOGY TO SPEED OMNICHANNEL CONVERSIONS

In order to boost traffic and conversions in an omnichannel setting, retailers must make the experience as convenient as possible for the shopper. This includes streamlining the buy online, pick up in-store (BOPIS) experience, which both Zara and Walmart have implemented in unique ways.

Zara recently announced it will **deploy backroom robots** to speed up the BOPIS process for consumers. The robots will search for online orders and deliver them to a drop box for the customer to take home — all without needing a sales associate on deck.

Walmart took a similar approach in mid-2017 by **launching BOPIS Pickup Towers** in 100 stores. The kiosks enable customers to scan their purchase receipts and retrieve their orders without human assistance.

Zara and Walmart have implemented unique strategies to make the BOPIS experience convenient for customers.





## IN-STORE TECHNOLOGIES PINPOINT CONVERSION ISSUES

So, you triggered an online shopper to come into your store; now what? How do you know anything about them? In some cases, there are additional barriers to conversion that may not be apparent without applying analytics. Technologies such as beacons and RFID tags play an important role in tracking conversions.

For example, **an apparel retailer equipped its stores with beacon technology** and noticed that customers were spending a lot of time near a specific jeans rack, yet were not transacting. The retailer ended up using that information to survey the individuals and found out that a majority were having issues with a certain style of jeans. The customers were lingering in that area because they had to take two to three pairs of jeans back into the fitting room, and they made the determination that the fit wasn't what they were expecting.

Essentially, advanced analytics were able to help the retailer understand the nature of their conversion problem so that they could appropriately address the challenge. "These principles have been around for years in digital form," said Sarne. "Now, they're being converted to physical form. That's why the footprint of the store is changing and we will see more technology in stores moving forward to mimic what's been online for a long time."

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## CONCLUSION

As more shopping channels emerge, consumers will expect a seamless experience whether they're shopping online or in-store. These channels must be directly tied together in order to maintain a steady influx of traffic.

"Brands have become more sophisticated in integrating their digital and physical assets, making it easier than ever for consumers to switch between competing brands," noted L2's Bakker. "They must enhance their omnichannel investments by doing things like drive-through pick-up, allowing online shoppers to collect their orders without having to enter busy stores. Going forward, the best brands and the ones that will dominate their competition are going to be the brands that can maximize all sales channels whether that be stores or online."

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