

5 ways bricks-and-mortar shops can survive the onslaught of e-commerce

By <u>Claire McCamley</u> 31 Jul 2018

Rarely a week goes by without news of a household high street name shutting up shop or closing stores. The rise of online shopping, or e-commerce, is widely blamed for the demise of traditional retail. Yet people are <u>spending more money than</u> <u>ever</u> - just not on the high street.



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In many ways, the offering provided by the traditional bricks-and-mortar store – such as the latest brand to report hard times, <u>House of Fraser</u> – remains unchanged since its inception more than a century ago. They have been slow to respond to the changing social and technological landscape. And today's customer expects something more.

The digital age has caused a shift in how consumers engage with their favourite brands – we can now purchase online with the convenience and confidence once the reserve of physical interactions. You can purchase almost anything you might desire online, have it delivered to your door within 24 hours, often with the offer of a free return and refund.

But the place for physical retail is far from over. As humans, we still crave a sense of community, which remains relevant to how we shop. Physical stores can become spaces where people engage with each other and a space where the brand has a unique advantage to engage with potential customers. Here are five hallmarks of stores that will survive these turbulent times for traditional retail.

1. Experiences, not products

The world is moving from a more product-based economy to a service one, with an <u>increased focus on experiences</u>. As people spend more money on doing things than buying them, the retail experience must stay relevant. People want highly personalised experiences and experiences which make them feel good.

Successful shops will spend time with and listen to their customers to find out what will meet their needs and make them feel special. This is a key tenet of cosmetic brand Kiehl's <u>store strategy</u>, which is effective at giving customers a personalised

service.

It's important to recognise that people do not always visit stores to purchase; they can do that online and often shop around for the best price, often <u>using price comparison sites</u>. So the future of the physical store isn't about the purchase transactions. It's about creating events, experiences and ultimately creating brand associations, which help create memories – and loyalty – for the customer.



Experience, it's more than entertainment

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2. Brand advocates

The right kind of staff that are motivated to provide an excellent in-store customer experience will be another key feature of successful stores. Consider the Apple store. Here staff reflect the aspirational elements of the brand, through their appearance, a subtle use of body language, friendly interactions and addressing customers on a first-name basis. This all leads to a sense of community, reflected in the 'Genius Bar', which acts as a customer services team that isn't sales focused – it's purely there for customer support.

3. A place you want to stay

Colour, smell, music and layout are all crucial elements of the customer experience. People do not want infinite product choices. Research shows that too much choice can even leave us feeling <u>confused and unhappy</u>.

Then there's the fact that you often know what the store sells before you go in and that there any numerous computations of stock online, which can be delivered to your homes at the touch of a button.

The shops of the future will focus on in-store design and ambience that make you feel good being there. Stores will reflect the brand's identity, which has encouraged customers to enter it in the first place. But, more than this, they should make the transition from online to offline not only crucial, but exciting.

Not only will this make you want to stay for longer, you're more likely to post about it on social media, creating an <u>electronic</u> <u>word-of-mouth</u> effect.



The shopping centre is dead. Long live the shopping centre.

4. A frictionless experience

In-store experiences of the future will be interactive and seamless. This might be through music, art, technology or even coffee. Stores will have more of a hospitality focus than traditional retail. There will be no hard sell and you'll be encouraged to browse, chat, laugh – even take pictures.

Successful stores will make you feel relaxed and comfortable, so that the prospect of a purchase is a secondary concern. If you do buy something, it can be done easily, without having to queue at a till. The importance of physical stores can be seen in Amazon's move into bricks and mortar, but not in the form of your average shop. The retailer's high-tech Amazon Go store uses technology to track your purchases, removing the need to scan items, let alone waiting to pay for them.

5. Rewards for your time

Shops will recognise that people entering their premises have very different motivations from ten years ago. People do not need to shop on the high street anymore so when they do, it will come with rewards for their time. Not necessarily physical ones, but an enjoyable experience that makes you feel good.

The future of retail is about social interaction. Customers want to be entertained, engaged and emotionally stimulated. Physical stores must enable consumers to have positive experiences. This may be done through creating an element of surprise for customers, perhaps through art, in-store pop-ups or virtual reality. If stores can surprise and entertain their customers, then they are more likely to develop an emotional connection and keep them coming back for more.

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