

Impact of Omni-channel Strategies on Luxury Retail

Luxury brands are adapting to an omni-channel world through:

SEAMLESS INTEGRATION: Luxury brands are merging digital and physical retail experiences, enhancing customer engagement across channels. This includes new technology adoption like Augmented Reality and Virtual Try-Ons.

- New store formats, like Nike Live, House of Innovation, and Nike Rise, create a smooth and seamless omnichannel offering. While in stores, shoppers can use their Nike app to pull up product information, pick items to try on in a dressing room, and get one-time discounts to use. *Source: More than 300 Million Reasons Why Nike...*
- At Michael Kors, a Michael Kors staff visits the customer's home with demanded products. The customer can try the product at home, feel good after taking its look test, select the products, make payment, and enjoy the luxury home shopping experience by Michael Kors. *Source: How Are Luxury Brands Embracing Omnichannel...*
- Perfect Corp, the leading artificial intelligence (AI) and augmented reality (AR) beauty and fashion tech solutions provider, announced its collaboration with Parfums Christian Dior, showcasing the new makeup AR virtual try-on for remote consultations. *Source: Perfect Corp. Partners with Parfums Christian Dior*

PERSONALIZED EXPERIENCES: Luxury brands are leveraging customer data to make customers feel valued and to provide personalized offerings, improving loyalty and conversion rates.

- Burberry instore uses iPads to build customer profiles for personalized recommendations, enhancing the in-store shopping experience. Through this data-driven shopping experience, every customer can digitally share their shopping preferences, experiences, and buying history. *Source: Big Data Drives Luxury Brands...*
- In Burberry's newly redesigned flagship store, customers can pick up a garment that is fitted with an RFID tag and trigger an interactive video that shows how the product was made and what other items available in the store can complement the product. *Source: Big Data Drives Luxury Brands Growth Beyond Digital*

REAL-TIME STOCK & ORDER MANAGEMENT: Brands are adopting real-time stock availability and agile order management for enhanced customer convenience

- Louis Vuitton has focused on real-time stock availability and agile order management to enhance customer convenience. They offer options like same-day delivery and online booking for in-store appointments, merging the online and offline customer journeys. *Source: How Are Luxury Brands Embracing Omnichannel in 2023*

BRICK-AND-MORTAR RESURGENCE: Despite the rise of online shopping, in-person shopping experiences are regaining traction with customers valuing the ability to see and try products before purchasing.

- 63% of all shopping journeys begin online, whether or not the consumer ends up making their purchase online or in-store. *Source: Zippia Online Shopping Statistics*
- 61% of shoppers said that they prefer in-store shopping because they want to see or try on the items they're buying. *Source: Zippia Online Shopping Statistics*
- Consumers are now shopping digital and physical channels at almost identical rates, and consequently, consumers also desire similar capabilities from online and brick-and-mortar stores. *Source: C&IT Connected Retail 2023*

Luxury Brand Success in Omni-channel World

Key Success Factors

- **COHESIVE STRATEGY:** Developing a true omnichannel approach requires bolstering and supporting physical stores to make them a multipurpose destination (e.g., adding cafes) that combines online and offline channels (e.g., in-store pickup, real-time localized inventory). An effective omni-channel strategy seeks to integrate all company touchpoints, such as physical stores, social platforms, websites, email, and mobile interface. *Source: Forbes Retail's Reinvention*
- **CUSTOMER DATA UTILIZATION:** Harnessing customer data to personalize experiences and measure customer lifetime value is crucial for success in an omnichannel environment. Capture and analyze customer data to understand purchasing behaviors, preferences, and to tailor marketing effort and utilize data insights to deliver personalized experiences both online and offline. *Source: 7 urgent omnichannel retail trend for 2023*

Long-Term Strategies

- **COMMUNITY BUILDING:** Establishing local relationships through physical stores can foster a community with customers, leading to increased brand interest and customer retention. *Source: 7 urgent omnichannel retail trend for 2023*
- **TECHNOLOGICAL INTEGRATION:** Incorporating digital technologies like Augmented Reality (AR) and Virtual Reality (VR) in both online and in-store shopping experiences can make the divide between digital and physical retail more seamless, providing enriched customer experiences. *Source: 7 urgent omnichannel...*

Customer Centricity

- **PERSONALIZATION:** Brands should focus on personalization and humanization of the retail experience, leveraging Customer 360 data for tailored in-store experiences.
- **DISCOUNTS:** Developing omnichannel loyalty programs that offers value across the entire shopping journey and adjusting pricing strategies are key to combat post-pandemic inflation and falls in retail spending. *Source: Four trends that could shape omnichannel retail in 2023*

Technology Integration

- **INVESTMENTS:** Develop a unified platform for real-time stock availability, online bookings for in-store appointments, and agile order management. Investment in supply chain automation and retail media enhance online and in-store sales strategies. *Source: NIQ Enhancing Data-Driven Success*
- **CYBERSECURITY:** As commerce becomes more digital, the threat of cyberattacks increases. Cybersecurity measures protect customer data and ensure business continuity—a task more challenging when integrating multiple channels and dealing with a vast amount of customer data. *Source: The Supply Chain Surge*
- **SOCIAL:** ~2/3s of consumers would be more likely to buy products from a brand if they could shop entirely within a social platform. *Source: Social commerce*

Strategic Partnerships

- **3RD PARTY AND WHOLESALE:** Forming 3rd party and wholesale partnerships and focusing on ad spend areas could further bolster omnichannel strategies, ensuring a holistic brand presence across all customer touchpoints. *Source: Four trends that could shape omnichannel retail in 2023*

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Intevity enables leaders, like you, with commerce solutions to give your team the experiences buyers want and pay for, where and when it matters most. It's time someone focused on what matters to you, Omni-you.

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