

MULTICHANNEL IS DEAD.

LONG LIVE 'PROXIMITY COMMERCE'!

MULTICHANNEL HAS EVOLVED, BUT HAS IT REALLY BECOME CROSS-CHANNEL, OR IS IT POSSIBLY PROXIMITY COMMERCE?

Proximity commerce definition: The customer has full control of when and where they make their purchasing decision either at home, online or on the go and whom they involve.

The retailer that enables this conversation will better understand their customers' needs and build long-term relationships.

At Reply we think the terms 'multichannel' and 'cross-channel' are still too restrictive because they are purely focused on the sales channel. As social media starts to permeate all that we do in retail, let's be mindful that the IQ of the crowd can in fact be greater than the most intelligent individual. The sales cycle is going to be extended as our customers start to get help from all sorts of third parties: friends via text, parents via face time, reviews at our finger tips, 'mobile assistants', and so on.

So it's not about the channel, it's about the conversation we have with

our customers and whomever they choose to include, regardless of where they are. They might be at home, online or on the go, but they still want to be served. The combination of social media, touchscreen and mobile technologies have enabled this conversation, but this conversation must be relevant and we need to work hard to ensure it is. So think customer. If you want to have a meaningful conversation with me, use my name.

Here we are talking about habits and behaviours. The combination of social media, touch screen and mobile technologies have enabled this conversation, but this conversation must be relevant and we need to work hard to ensure it is.

How can we respond to this behaviour to convert conversations into sales? We've heard of the term proximity marketing but we should be doing more and looking at what our customers are telling us from these conversations and then applying this

new knowledge to the entire supply chain and sales cycle. They are telling us how they want to be able to be served and interact with retailers, whether they are at home, online or on the go and that means – proximity commerce.

Retailers want to build customer loyalty and increase sales. But four customer expectations are commonly not met.

A SIMPLE PROPOSITION

Retailers have inadvertently created complex and artificial boundaries through the nature of how their operation is set up within separate channels – mainly store and online – but this can often translate to the customer as nonsensical.

Stock housing is a key area:

- "We don't do deliveries to home from this store, period!"
- "You can't return that product here, we don't run that line."

What's next... for multichannel retailing:

Hello!...I saw a lovely set of luggage in store which I would like to order with you now

Online Customer Service

Sorry madam, we don't stock that range online

THAT SOUNDS RIDICULOUS... I'm going to shop elsewhere...

Can I have one delivered from my local store then?

Sorry, we only offer home delivery from online orders...

- “Sorry, we can't place your order for that in-store, you need to order online.”
- “I wouldn't trust the stock on the website, you should call the store.”

PERSONAL SERVICE

Proximity commerce supports the new world of retail by enabling retailers to utilise the best of technology to recreate the level of personal customer interaction commonplace in the 1950s. Back then, customers' personal tastes and sizing were known by their tailor and they received genuine personal service. Proximity commerce can bring personalisation to today's masses. Retailers can gather details on personal preferences, size, offers and recommendations to shorten yet enhance the purchasing experience.

ADDED BENEFITS OF BELONGING WITHOUT INTRUSION

People like to be a member of something if it has a heightened status with their peers and offers extra

benefits. Customers who become a member are more loyal and will have more meaningful conversations. Proximity commerce helps retailers from overstepping the mark with the level of communication with the customer by providing ways and methods of reaching out to the customer at the right time.

SERVICE ON THE CUSTOMER'S TERMS

Customers are beginning to drive the service they want, the provenance they expect, the products they like and how they want to engage. For example, customers started using Facebook before retailers. Every customer is different therefore personalisation is key.

Proximity commerce allows the retailer to sell to the customer anywhere at anytime on the customer's terms but with no loss of benefits to the retailer. Today it is about where and how customers can purchase desired goods or services. The rise of proximity

commerce will blur the boundaries for retailers in their multichannel world and retailers must keep up with customer expectations.

Proximity commerce allows the retailer to sell to the customer anywhere at anytime on the customer's terms but with no loss of benefits to the retailer. Today it is about where and how customers can purchase desired goods and/or services. It's about the conversation that the retailer can now have with the customer and how the customer's evolved habits, behaviours and expectations are changing dramatically. The rise of proximity commerce will blur the boundaries for retailers in their multichannel world – where they will scramble to keep up with customer expectations. ■

If you would like to learn more about proximity commerce contact Daren Ward (d.ward@replyltd.co.uk) or Mark Adams (m.adams@replyltd.co.uk) at Reply.