“This opportunity isn’t about simply surviving offline, it’s about thriving offline – and being perceived to be offering value in store above and beyond what can be achieved online...”
What Is An Online-to-Offline Retail Strategy?

An online-to-offline strategy is broadly defined as an integrated, multi-channel plan of action designed to utilize online assets to re-establish in-store value with a view to increasing revenue.

The Challenge for Retail

The face of retail has changed almost beyond recognition over the past decade. The drivers behind it are diverse and many but primarily are deeply rooted in two associated places:

◆ **Technology**
  Ubiquitous internet connectivity, the predominance of connected mobile devices, the continued evolution of ecommerce and social media have given retailers a host of new channels to engage with the consumer.

◆ **The digitally savvy consumer**
  Access to feedback, reviews, price comparisons and the ease of the online transaction mean shoppers now have more information and choice at their fingertips that until recently wasn’t even conceivable.

The combination of these factors means consumers’ retail habits are evolving fast; with up to 90 per cent of people now reporting that they no longer see value in the in-store retail proposition.

The Opportunity for Retail

Despite how alarming that sounds on the surface, as with any challenge comes opportunity.

90 per cent of consumers now use the web to influence their online and offline purchasing decisions. This evolution brings retail brands the opportunity to now capitalise on their hard-fought web assets to give people a reason to come back in store.
It is time to re-define and re-establish the value of the in-store retail offering, and in essence become truly omni-channel.

Analysis shows the in-store customer is four times more valuable than the online customer; as such stores will remain vital to the future of retail in an increasingly digital world. It is well acknowledged that it is easier for retailers to sell, upsell and build lasting loyalty with consumers who are already in store, with figures showing it can be up to 20 times easier for retailers to convert and upsell in-store than online.

This opportunity isn’t about simply surviving offline, it’s about thriving offline – and being perceived to be offering value in store above and beyond what can be achieved online.

The beauty of an online-to-offline journey is that it doesn’t require complete revolution, it’s about utilising all of the resources already at your disposal to re-invigorate your in-store proposition; giving your online community an overwhelming reason to head back into stores.

In order to restore the value of offline retail and become truly multi-channel, retailers must utilise their online channels and assets to promote and drive uptake of in-store services that simply cannot be offered online.

By offering services, education and experiences alongside products in store brands can dramatically increase footfall, improve the in-store customer experience and, crucially, generate increased revenue.

The Benefits & Goals of An Online-to-Offline Retail Strategy

We find that the primary driver for the implementation of an online-to-offline strategy can come from one of several different departments within a retail organisation, but ultimately the benefits and goals remain the same.

The benefits of online-to-offline strategies are many; however, the primary objective of implementing an online-to-offline retail strategy is to increase revenues from in-store operations:
The Online-to-Offline Customer Journey

The foundation of a successful online-to-offline journey begins with retailers being able to truly define and promote their in-store value; giving consumers compelling reasons to come in store – whether that be based on:

- Excellence in customer service
- A personal customer experience
- Specialist knowledge acquisition
- Consultation
- Learning, classes or education
- Or all of the above

We find that retail businesses generally fall into one of three defined categories when it comes to their current ability to define their in-store value with respect to service provision, with the majority of retail businesses currently falling into the second category:
Whilst each of these three types of business enters the online-to-offline project pathway at a slightly different point, the strategy and tactics that are needed for success remain essentially the same.**

The Business Case

The ROI of an online-to-offline strategy can be substantial and we have seen retailers achieve a 500 per cent increase in the uptake of in-store services within weeks of initiating a campaign. However an online-to-offline strategy has very significant benefits that reach far beyond financial or ROI calculations. Of course it can bring about increases in revenue and margin but also can enhance long-term customer loyalty, continuity of business and market perception.

The business case for online-to-offline is sound and, if done well, positively changes the relationship and mutual benefits between retailer and customer in the long term.

2014: The year of the Online-to-Offline Strategy

Over the past 18 months we have seen numerous retailers fall victim to their own inability to adapt to fast-changing consumer demands – whilst in parallel others are forging new and innovative ways to capitalise on the digital evolution to engage and sell. What is clear however is that despite the fact that no High Street retailer is immune from the need to transform the way they operate; there is a huge opportunity to re-invigorate the in-store retail proposition.

We are just now beginning to see the rise of the online-to-offline journey. 2014 is going to see retailers across the board focus on how they can create a real and attractive in-store proposition by using their online assets to drive offline revenues.

By defining, offering and promoting added-value in-store services that cannot be delivered online, and by using the web to promote and drive uptake of these in-store services, brands can dramatically increase footfall, improve the in-store customer experience, and most crucially generate increased revenue.
About BookingBug

Founded in 2008, BookingBug has un-matched experience in delivering the expertise and technology behind the online-to-offline strategies for retail businesses worldwide, from single store High Street merchants, all the way up to some of the world’s largest corporations including Vodafone, BskyB, Levi Strauss and the John Lewis Group.

To find out more about how an integrated service-based online-to-offline strategy could benefit your organisation or to discuss BookingBug’s retail solutions contact one of our team today on +44 (0)20 3287 9111, retail@bookingbug.com or visit our website at http://www.bookingbug.com/enterprise