



Marrying Physical and Digital Post-Pandemic

→ A New Retail Era

WHITE PAPER



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Marrying Physical and Digital

COVID-19 has changed retail significantly in the short term and all signs indicate that some of these changes are here to stay. Despite this, the pandemic has provided exciting new opportunities for retailers to embrace change and accelerate their omnichannel strategies.

One of the key changes lies in the expanded role of stores in digital transactions – including Ship from Store, BOPIS (Buy Online, Pickup In Store), and Curbside Pickup. So while stores have been challenged to drive sales in hyper-sanitized environments with maximum capacity limitations, we have just layered in a whole series of new activities. Optimizing store labor spend to incorporate these expanded digital activities, as well as accurately forecasting and scheduling them, has become critical. The goal, however, remains as before: **thrill our customers by delivering the best possible brand experience throughout their buying journeys.**

“**what started as two district channels – in-store and e-commerce – is now truly becoming one global channel.**”

Tory Burch

Physical and digital shopping has completely merged like never before, creating blurred lines between channels. How we measure customer spend across channels will now be the ‘new normal’ in determining a **brand’s overall performance**. Understanding how consumer behaviors shift and acknowledging consumers’ shopping preferences and buying journeys will enable retailers to up their game – **making wise investments and labor decisions based on what consumers prefer.**



Physical and Digital Pre & Post Pandemic

The logic is simple: **connected consumers expect connected channels**. Retailers need to be where their customers choose to shop, offering a seamless and fantastic customer experience no matter what. Retail sales teams are adapting to the ‘new normal’ and starting to look at the total sales impact of their combined channel conversions.

For years, retail sales teams, whether offline or online, have been operating as separate entities. Each of them with different sales objectives, different inventories, and arguably, competing against each other for the same consumer. Historically, physical channels were only recognized by their 9 am – 9 pm in-store sales. And, conversely, e-commerce was available to serve and sell to their customers 24/7. Brick and mortar and online elements were not running as a **single unified brand**. The overall brand experience varied across channels, and sales efforts which may have started in-store but finished on-line were not factored at all into the **store’s overall performance**.



COVID-19 has definitely highlighted the changing needs of today's consumers. It has accelerated how retail leaders need to evaluate their overall business, including how stores are being measured on their omnichannel performance. Tory Burch, one of [StoreForce's retail clients](#), recently mentioned in an [interview with CNBC](#): "what started as two distinct channels — in-store and e-commerce — is now truly becoming one global omnichannel."

The changes we have seen in consumer behavior over the last five years have accelerated since the onset of COVID-19. After the shutdown, [stores continue to see historic drops in traffic counts](#), but the value of each customer crossing your lease line has increased. And how, when, and where they buy has also changed, with weekdays and street, strip mall and power centers increasing in importance.

The Right Way to Experience a Brand: Converging Physical and Digital

Retail executives need [real-time visibility](#) of their omnichannel performance to understand how their customers are spending and their holistic buying journey. Digitally native retailers quickly understood the need for physical stores and the important role they play within a market. They started measuring how their new footprint affected their e-commerce sales by regions and vice versa.

They have acknowledged the ever-evolving needs of today's consumer and that the real value stores bring to their business goes far beyond traditional brick & mortar retail.

“**The value of each customer has increased.**”

'Stores as Markets' Is Here to Stay

At StoreForce we refer to the convergence of physical and digital channels as 'Stores as Markets'. 'Stores as Markets' reflects the opportunity to measure the influence that physical locations have within an entire trading market area and, therefore, the overall success of a retailer's brand. Ship from Store, BOPIS, and curbside transactions impact store operations in areas such as staffing, non-selling activities, or labor hours allocated.

In an [interview with Business Reporter](#), Chris Noble, StoreForce Managing Director for Europe, highlights the need of having a '**Stores as Markets**' strategy in place. He suggests key things retailers should keep top of mind when creating their own 'Stores as Markets' strategy:

- 1. Measure market sales as hubs in order to view the performance occurring in a specific geographic area.**

Retailers should apply the geographic location to every digital transaction, attribute it to a specific store, and credit the store for the efforts that have occurred in-store to support the online business.

- 2. Understand stores' available capacity.**

How much available staff capacity does each store have in their base hours plan to support new tasks created from digital demands such as online chat requests or pick, pack, and ship from store? Retailers can better utilize their labor spend wisely in times where their associates are less busy serving customers – being able to accurately predict future available capacity allows a retailer to optimize spend and reduces the need to fund these growing activities with net new spend.

- 3. Encourage employee engagement across the retail estate by tracking and analyzing who the best performers are overall.**

Retailers must aim to have their best people working for them at their peak hours. Rewarding and recognizing their overall contribution is critical to retain their top performers.

Think of it this way – your physical store remains your single most important brand touchpoint, and it influences your customers' spend across all channels. As raw traffic numbers decline, and the 'pure' brick & mortar sales evolve into digital transactions, sharing only your physical store results with store and field leaders will make them think you are going out of business – when exactly the opposite is true!

By measuring sales by channel within a market area, you are able to see the percentage (%) of sales being generated by both channels. You can also analyze if overall comp sales within a market area are growing. Continuing to measure each separately, does not provide the insights to understand if a market area is growing or shrinking, and often means the store only sees one piece of the story. To truly win at omnichannel you need the stores to embrace it and encourage seamless shopping for their customers. By removing the channel divide, you eliminate the internal competition that is holding your business back.

Once retailers adopt a ['Stores as Markets' strategy](#) it will forever change the way they look at the performance of stores. It may even prevent retail leaders from closing an underperforming store or underspending labor hours without considering the complete picture of their omnichannel sales performance across their entire estate – all to deliver the best brand experience promise to their omnichannel customers!



About Author



Dave Loat is the President and co-founder of StoreForce. Dave has over 25 years of experience working with some of the best-known brands in retail and has incorporated these learnings into the StoreForce's solution. He is truly passionate about store operations. Prior to StoreForce, Dave was a founding partner of Karabus Management, which grew to become the second-largest retail-specific consulting firm in the world. While at Karabus, Dave had the experience of working with over 100 retailers.

About StoreForce



StoreForce has been helping specialty retailers around the world exceed sales performance goals and deliver exceptional customer experiences since 2010. StoreForce is a sales performance platform, underpinned by a specialty retail workforce management system. It is called “wfm+”, where the “+” represents a focus on positive sales growth and consistent delivery of the brand in your brick and mortar stores. This approach is entirely unique to StoreForce, and it is why the “+” also represents a foundational shift from the way traditional wfms approach labor planning in Specialty Retail.

For more insights and discussions about **wfm+** visit the **StoreForce Resources**

BLOGS & WHITE PAPERS



In the Age of Unified Commerce, We Need to Think of Stores Differently



Retaining Top Retail Sales Leaders



How Pooling Labor Enhances Customer Experience

CASE STUDIES



StoreForce is the Winning Bet at Marshall Retail Group



StoreForce, Perfect Fit for Growing Retailer Soft Surroundings



Success Story: LUSH Australia



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