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## **Multi-Channel 101 – An introduction to multi-channel marketing**

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Multi-channel marketing is the tactic of reinforcing your brand message by utilizing numerous channels to sell to customers. Not just for large retailers, small to medium eCommerce businesses can reap the benefits of multi-channel marketing and should examine strategies to do so.

As Multi-channel marketing has become “par for the course” in online retail, retailers need to serve customers in multiple channels to stay competitive. Due to rising customer expectations, retailers must provide a consistent experience that allows customers to shop via the method that they feel most comfortable. Whether the method is over the phone, by mail, online, or at a brick and mortar storefront – retailers that facilitate customers to shop via multiple channels typically get a higher level of customer value.

The numbers speak for themselves. In a cross-channel study by JC Penney, the company found that internet only shoppers spent \$121 per year, retail only spent \$194 per year, catalog only spent \$242 per year - **while a customer who shopped all three spent over \$1000 per year** (source: ebusinessiq.com).

In a separate study of over 500 retail and enterprise businesses, consulting firm The Aberdeen Group found that 38.4% of respondents classified “multi-channel customers” as **significantly more profitable**.

### **So where to start?**

So multi-channel consumer behavior generates incremental profits - but where do you begin if you are a small online retailer? How do you progress your online business towards this new opportunity and take advantage of these developing trends?

The first step for an online retailer would be to evaluate the creation and distribution of a print catalog. A print catalog and an online store work extremely well with each other, as the strengths in each channel complement the other's weaknesses. Consumers typically browse the catalog as they shop for products and then frequently go online to purchase them.

The tangible nature of a print catalog makes it great for product browsing, as it is readily available and visible for weeks on end. Another plus is that competitive offerings are

limited when merchandising via a catalog, making the catalog even more valuable in niche markets.

Small to medium online retailers should examine the costs for development, including: list management, creative design and layout, distribution processes, and postage fees. Conversion rates in catalogs frequently trail their eCommerce store counterparts however, so utilize conservative conversion metrics when developing your ROI model.

Within the first page of the catalog, consider outlining your unique value proposition (Why would a consumer shop at your store?) and provide details to your cross-channel policies (how orders can be placed and returned etc). Make sure to include your URL (ex. <http://www.yourstore.com>) in bold writing on every page in the catalog and include catalog "quick shop" numbers (usually 5 digits) so shoppers can quickly locate exact products viewed in the catalog on your website.

### **Unique strengths within each channel**

Now although catalogs can be great selling tools, they are sometimes limited in their ability to provide deep levels of customer interactivity. Product content and imagery may be limited by catalog page space constraints, leaving the shopper with unanswered questions. In businesses with large assortments, not all products can make it into the catalog. This can also create consumers being unaware of products that may meet their needs.

It is for these reasons why the web works so well with a catalog. The eCommerce store can tailor the user experience to meet the scenario needs of a visitor, while offering a complete selection of all products. The eCommerce store is able to reduce purchase hesitation by educating the customer through enhanced content, while simultaneously generating action through time sensitive promotions. Online components such as buying guides, comparison charts, or visualization tools, instill confidence on core product benefits – while cross/up sell functionality increase the average order value (AOV) of the sale.

Similar to how the catalog promoted the eCommerce business, it is important that the site promote the catalog as well. Online stores should provide the "quick shop" search capabilities mentioned earlier, provide the capability for a consumer to request a print catalog online, and also have a rich media version of the catalog online that can be emailed to a friend or family member.

When utilized together, an eCommerce store and a catalog can be a powerful way to drive incremental product demand. To maximize the potential of your online business, consider a multi-channel approach to meet the expectations and build the overall loyalty of your customer base.