

The Halo Effect.

The "Halo Effect" is the term applied to the benefit some retailers are now able to measure and quantify from integrated, multi-channel touchpoints with their customers.

The debate whether Internet and catalogue sales are incremental or are cannibalising the core retail business, as separate channels for consumers to shop from, is over. In the heady days of the dot.com boom, where young pretenders to established brand thrones were viewed as a realistic threat, some retailers followed suit and "threw up" a website so they weren't left behind. As a result, the web site was viewed as an independent channel which had to pay its own way.

Those retailers with a combination of channels (the most established being web, catalogue and store) are now recognising that their customers will dip in and out of each channel, at various stages of their buying behaviour, and that their average order value is significantly higher than customers who shop from just one channel. Examples of such retailers are Argos and Next. Importantly, these retailers, recognised as amongst the most successful in the UK, are also working hard to apply the principle of "anytime, anyplace, anywhere" to the whole shopping experience. By offering a multitude of touchpoints their customers can enquire online or by phone, browse online or through the catalogue, shop, collect, take a delivery option and return through the shop or a courier. These services are increasingly being enhanced by new technology, such as kiosk and mobile, which also require integration with the retailer's platform. This includes the ability to track the source of the contact, and identify it by type.

The key to measuring this halo effect is to track and match customer touchpoints as they flit about, across, in and out of channels, tracking what they are doing and what the ultimate end result is. This by definition must include capturing customer information at point of sale and return of products in the store, requiring integration of customer details' captured at the fill. It is essential to match whether a customer enquired on the web, rang a contact centre and then visited the store, or any other combination, to truly understand the leverage, value and profitability of multi-channel retail.

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