Introduction

The term "brick and mortar" refers to a traditional street-side business that offers products and services to its customers with a face-to-face interaction in an office or store that the business owns or rents. The local grocery store and the corner bank can stand out as examples of brick and mortar companies.

A brick and mortar location can offer an enhanced customer experience compared to other methods, such as online shopping. Customers actually get to handle the merchandise or try it on for size in the case of clothing, giving them a greater sense of a product's features and benefits. Some shoppers also prefer the face-to-face interaction they have with sales clerks and other store personnel, especially if they have questions or problems regarding the product or in price value.

Brick and mortar retailing can offer a number of benefits as well as drawbacks for both store owners as well as customers. To expand on this advantage, brick and mortar stores, especially smaller operations, can further compete with the likes of Amazon and Walmart by using data they already have and then using that data to create a customer experience which customers can't get in online shopping or in a huge box store. The data that we actually gather from the shoppers in turn create a real-time picture of what's in stock and where it is in the store. Keeping aside the merits of these small stores, we need to see the cause of detriments and try to solve them.

The Evolution of Brick and Mortar Stores

These retail stores have undergone significant transformation over the last two decades. E-commerce has definitely changed the industry, but it certainly hasn't doomed it. There's plenty of demand and ample opportunity for businesses that are willing to evolve with the times.

Data and analytics have a way of levelling the playing field. They give retailers access to information and insights that allow them to improve supply chain efficiency, enhance inventory management, and deliver greater customer experiences to shoppers who crave personalization. Retailers that aren't afraid to embrace data will benefit from competitive advantages in these areas.

Why Data Analytics?

The biggest and most vital question is: what's the most effective way of transforming a store? How can retailers of brick and mortar store know what works and what doesn't? How best to collect the data necessary for enriching the shopping experience while bringing the online and offline worlds closer together?

Fortunately, the data of what's on our shelves is available to us. We can keep track of everything by having our sales staff check on items as they travel around our store, and then check what's there against expected stocking levels. Oh, wait but that would take a lot of employees and they'd all need some kind of terminal to know expected stocking levels.

So, how do we collect the data we actually need? And more importantly, how do we make it available to shoppers who want to know whether we have a specific item in stock? The answer, of course, is more and more data. But we need to collect it without using more employees.

This article explains the main areas related on how brick-and mortar retailers can achieve their transformation into big market stores. Some even say these brick and mortar stores are dead now. So, we will also have an opinion on it. And finally look into the necessity of data analytics for developing a well competitive store and then secondly, its implementation in today's reality market.

Are brick and mortar stores dead?

As we all know e-commerce is growing drastically at a much faster rate than traditional retail, but the reality lies in the state that vast majority of purchases still happen in brick-and-mortar stores. No doubt digital shopping lets shoppers buy from almost anywhere and lets retailers profile and track shoppers, generating insights to personalize their offer and optimize their portfolio. Yet brick-and-mortar stores have enduring appeal thanks to their strong social aspect. People can go with friends, and interact with other shoppers or sales staff. They can taste new food, experience product demos or try on shoes to see how they fit. And, of course, if they see something they like, they can have it right away.

So, it can be well said that even as brick and mortar stores may take some time initially to adapt themselves to changing times, yet they will never go away.

Our Approach

One approach, known as Omni-channel, is for retailers to seamlessly bring together physical shopping experiences with digital channels and services, so that each strengthens the other and this is leading to transformation of digitalization of brick and mortar stores very quickly. By applying digital technologies it's possible to better understand shopper behaviour, and to then optimize store formats and operations in a way that enhances and even personalizes the shopping experience.

For brick and mortar retailers, improving the in-store experience is very critical in today's competitive market. And the best way to do so is the implementation of data analytics because it can improve merchandising through tracking. To do so, sensors, beacons, and mobile applications are used to track customer movements throughout the store. Once this data is collected it's then analysed for insights around how to deliver excellent customer experiences, where to focus attention and what leads to consumers coming back to shop again in the future.

Reasons

(Data Analytics + Brick and Mortar Store)

- Perhaps one of the most critical facts about customers is their journey –i.e., an overall look at their entire experience with the store and its available product brands. From communications to prices and in-store experience, purchases and their interactions with ads.
- Getting a full view of this helps reduce cart abandonment, increases the likelihood of closing a sale and helps retailers understand how to best guide customers to complete the buying process.
- Using analytics in the supply chain is one of the more recent ways retailers are up growing their game. The data can be used for everything from product tracking to improved quality, real-time inventory management, and better forecasting.

- It's also speeding up delivery of goods – something consumers have come to expect.
- Making better decisions at this level of the operations not only cuts down on costs but it also has the ability to impact the bottom line.
- In the end, retailers who leverage the power of data analytics will continue to win more customers.
- A deeper connection to their desires and needs and stronger bonds formed using actionable insights from data are all key to increasing sales in the competitive marketplace.
- Retail lighting infrastructure and sensor networks allow retailers to gather and analyse extremely valuable data on shopper location and behaviour. This enables them to optimize store formats, raise levels of personalization and engagement, and ultimately enhance sales.

- There's lots of room to improve on those experiences for smaller retail operations. The challenge, of course, is how to get the data from the shelves and put it where shoppers can find it. And as soon as this challenge is identified, it'll land on the IT administrator's desk.

Using Data Analytics

In other words, brick-and-mortar retailers can now work towards becoming as data-rich on shopper behaviour as online stores. In this way they remove the guesswork, and reduce the risk when implementing or refining new store formats in a single store or throughout a chain. This makes perfect sense. In most physical stores, transactional data is only gathered at the cash register. But everything that happens before that moment, both outside and inside the store, is also valuable information for understanding the customers and predicting their experiences and choices of items they buy.

What did they look at but not buy? What path did they take through the store? Which store departments are visited during the same shopping trip? These are some of the basic questions whose answers are most important for analysing our business growth. By applying e-commerce-style analysis to these, and hundreds of other similar questions, stores can significantly improve business results.

- Implementation of Wi-Fi is the latest and easy technology to improve customer experience. Wi-Fi is becoming ubiquitous, with more and more public places offering guest networks to connect to. Wi-Fi allows brick-and-mortar retailers to build an improved in-store shopping experience by applying analytics to personalize customer engagement.

- Having customers connect to a guest Wi-Fi network is also beneficial for retailers to capture data, develop shopper profiles, offer personalized promotions, and build loyalty by giving shoppers exactly what they want.

- It's a win-win for both customers and retailers; customers are willing to give their personal information and shopping habits if they get something for it in return, such as a promotion.

- Analytics can also create Omni-channel customer engagement. If a shopper provides their email in-store at check out and uses the same email when they shop on the store's website, that activity can be added to their customer profile. Using this method, if a shopper abandons an item in their online cart, the retailer can close the sale by sending an offer to the shopper's phone to use in-store the next time they come in.

- If brick-and-mortar stores can couple them in-person customer experience with real-time offers and advanced targeting, they could potentially win over a percentage of the shoppers companies like Amazon depend on, causing a significant impact to those companies' revenue.
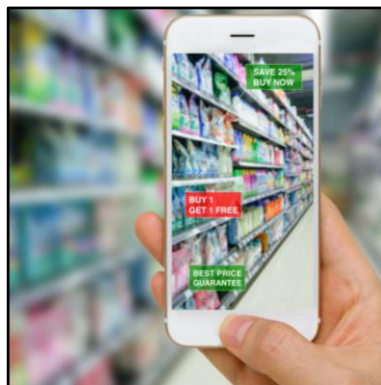
- A survey by mobile loyalty company SessionM found that 90 percent of consumers said they use their phone while shopping in stores, which gives traditional retailers the opportunity to incentivize customers while they shop, just like online retailers can. Stores could offer their customers unique promotions and suggestions in real time, helping

provide the personalization that not only is expected but helps drive sales.

- We are helping retailers to gather and analyse extremely valuable data on shopper behaviour, both through sensors integrated into lighting infrastructure, Bluetooth Low Energy (BLE) beacons and through indoor navigation & location-based services. This information can enable retailers to learn more about shoppers, so they can optimize store formats and enable targeted communication on general or individual level.

How to Get Started with Analytics

- Set up Wi-Fi for customers so you can begin to collect information, like email addresses and dates visited.
- Leverage location data to target prospects who have visited your competitors or who frequent your store's vicinity.
- Offer personalized "in-store only" offers to the email addresses you've obtained to drive repeat transactions.
- Remember to check state and federal laws with regard to the collection and use of data and information.

Data and analytics are the missing links for brick-and-mortar businesses. With an established audience and higher spend averages, traditional retailers just need to add personalization to their efforts in order to compete more fiercely with online retailers such as Amazon.
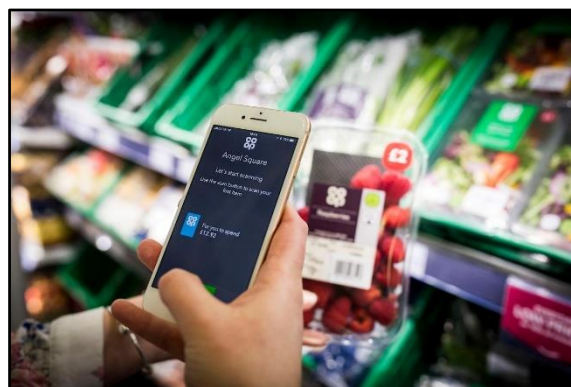
The Final Words…

Of course, having access to this data also opens up a world of possibilities that could give the brick-and-mortar store a new edge over e-commerce giants, even ones as big as Amazon. If they have an item in stock where customers can touch it and where they can immediately have it, then that's something e-commerce vendors can't do. And when a customer needs a product right now, price is less of a factor than availability.

Having all of the data in our inventory as it goes from being ordered to being received to being sold can also tell us a lot about how we're doing as a store. We can find out if a product is selling out faster than our planning said it would and then make ordering adjustments. We can also tell when a product is no longer selling, and can also easily and quickly locate products that have been recalled. If we're friendly with our customers, we can map this data to a customer relationship management (CRM) system and match unique or specialty items to specific customers or groups and further cement their loyalty.

Retailers who use Big Data Analytics could increase their operating margins by as much as 60%

These are all steps that the big online retailers and the big box stores already do, usually with custom-developed systems. However, tools such as the Trax Retail Watch system are allowing smaller retailers to employ similar methods, and giving them new ways to compete and provide a better shopping experience while still leveraging their primary edge: direct interaction with the customer. This is something we can't do online, even with AI-powered chatbots, and it's a critical edge that only an IT staff with a good understanding of the organization's data can deliver.