

Brands turn to clienteling to connect in-store, online experiences

Article



Clienteling is a retail tactic that helps brands forge a deeper connection with customers via 1-to-1 relationships between store associates and customers.

 For example, store associates may keep detailed profiles on frequent customers, including what brands they prefer, past purchases, or any other relevant information. They can then use this information to guide customers through the shopping experience, recommending them specific products, brands, or styles.

- While traditionally a physical retail tactic, brands with ecommerce presence are also using clienteling to give digital shoppers an in-person experience.
- "Consumers are coming back to the stores, they want to touch the products, they want to see human beings, but they also want to engage digitally," Noam Paransky, chief omni and innovation officer, Tapestry, said during a CommerceNext event last month.

The extra mile: Clienteling is a popular tool among luxury brands that want to provide a best-in-class <u>customer experience</u> in and out of the store.

Italian luxury brand Zegna teamed up with Microsoft Azure to launch Zegna X, an AI-powered clienteling platform that lets customers mix, match, and visualize different clothing items.

- The tool offers 49 billion potential combinations of clothes and styles and is available in select brick-and-mortar locations, as well as online.
- Zegna will continue to focus on clienteling and the customer experience to "strengthen the long-term value" of the company, Ermenegildo "Gildo" Zegna, chairman and CEO of the Ermenegildo Zegna Group, said in an earnings release.

UK-based specialty retailer Veronica Beard ran a dedicated clienteling program last September to support its fall releases.

- The retailer found that every fourth interaction between an associate and a customer led to a successful sale, resulting in a 35% conversion rate. Of those sales, the majority (87%) were instore.
- Veronica Beard also found that customers who engage in clienteling have a higher average order value (AOV) than those who do not.
- Between June and September 2023, clienteling accounted for 9% of all store sales and resulted in a 1.26x increase in AOV.

Technical assistance: Digital brands outside luxury can embrace clienteling, too, with the help of solutions like Seer (used by Harvey Nichols, The Webster, and Saks), Tulip (which counts Lilly Pulitzer and Tapestry brand Kate Spade as clients), and Newstore.



- Menswear brand Untuckit was the first to pilot NewStore's clienteling solution, also used by Veronica Beard.
- Clienteling has not only boosted the retailer's bottom line, accounting for 11% of all stores sales over the past four quarters, but it's also become a "key marketing channel," Kaitlin Gottlieb, senior director of omnichannel at Untuckit, told ChainStoreAge.

Why it matters: While we expect total US retail sales will grow 2.8% this year, reaching \$7.405 trillion, many consumers remain cautious with their spending, requiring brands to get creative to encourage conversions.

- Clienteling can help brands strengthen their relationship with consumers, potentially increasing basket sizes and encouraging repeat purchases.
- It can also provide brands with valuable customer data, which can be used for further personalization.

This was originally featured in the Retail Daily newsletter. For more retail insights, statistics, and trends, subscribe here.

