

Creating Customer Experience

Omni-Channel and the One Customer Mentality

Due to the more or less unrestricted access to the Internet and the changing information search and purchasing behavior of the younger generation in particular, companies have to adapt their strategies to address customers in order to remain successful.

Dr. Judith Schloffer

Omnichannel is the promise to provide customers with a seamless shopping experience on all channels – whether in the shop, on the computer or on a smartphone. The goal for companies is not only to be visible and traceable, but also to be consistent at all customer contact points during the customer journey, to provide the same reliable information and to exploit fully the respective channel-specific advantages.

Adam Ellis talked in his presentation at the 294th Marketing Clubabend about the dynamic change in the industry's environment, what the challenges are to reach customers, as well as what companies need to know about their customers to react to the changed consumer behavior. He also gave insight on how



Zumiez, an international retailing company, is dealing with the changes in order to be successful in the future.

The Fourth Industrial Revolution

Adam Ellis started his overlook on the current situation in retail with the statement, that disruption is not new, but is accelerating due to new technology. In the past few years corner stores, catalogues, department stores and malls have already disappeared or are in danger of disappearing and retailers like Amazon entered the market. Closing stores is about technology making things more efficient. New channels are required. Inefficiency is being driven out of the market. The



market is resized relatively to technology, winners and losers are being created. In the end, a few big players will survive and small companies need to find a niche to be successful.

Adam Ellis used the Industrial Revolution to stress that change is not new, but happens all the time. By referring to Karl Schwab, founder of the World Economic Forum, Adam Ellis explained the history of change over the last decades. There have been several industrial revolutions and right now we are living through the Fourth Industrial Revolution. Previous industrial revolutions liberated humankind from animal power, made mass production possible and brought digital capabilities to billions of people. This

Fourth Industrial Revolution is, however, fundamentally different. It is characterized by a range of new technologies that are fusing the physical, digital and biological worlds, affecting all disciplines, economies and industries, and even challenging ideas about what it means to be human. The possibilities of billions of people connected by mobile devices, with unprecedented processing power, storage capacity, and access to knowledge, are unlimited and affect everyday living as well as the way people shop.

Technology has made possible new products and services that increase the efficiency and pleasure of our personal lives. Ordering a cab, booking a flight, buying a product, making a payment, listening to mu- ►

Foto: Fotolia/Rawpixel.com



Blue Tomato Store located in a shopping mall
Foto: blue-tomato.com/Pedro Becerra/STAGEVIEW.de



„Customers don't see themselves as 'omni-channel shoppers', they see themselves as your best customers. And this is what we call one-channel-mentality. Omni-channel is configured around retailers, one-channel is configured around the customers.“

Adam Ellis, MBA, Senior Vice President Global Retail Initiatives and Business Development, Zumiez Inc. und Managing Director, Blue Tomato GmbH
Foto: blue-tomato.com

sic, watching a film, or playing a game – any of these can now be done remotely. In the future, technological innovation will also lead to a supply-side change, with long-term gains in efficiency and productivity. Transportation and communication costs will drop, logistics and global supply chains will become more effective, and the cost of trade will diminish, all of which will open new markets and drive economic growth.

On the supply side, many industries are seeing the introduction of new technologies that create entirely new ways of serving existing needs and significantly disrupt existing industry value chains. Disruption is also flowing from agile, innovative competitors. Thanks to access to global digital platforms for research, development, marketing, sales, and distribution, they can oust well-established incumbents faster than ever by improving the quality, speed, or price at which value is delivered. Major shifts on the demand side are also occurring, as growing transparency, consumer engagement, and new patterns of consumer behavior (increasingly built upon access to mobile networks and data) force companies to adapt the way they design, market, and deliver products and services.

Overall, there are four main effects that the Fourth Industrial Revolution has on business: on customer expectations, on product enhancement, on collaborative innovations, and on organizational forms. Whether consumers or businesses, customers are increasingly at the epicenter of the economy, which is all about improving how customers are served. Physical products and services, moreover, can now be enhanced with digital capabilities that increase their value. New technologies make assets more durable and resilient, while data and analytics are transforming how they are maintained. A world of customer experiences, data-based services, and

asset performance through analytics, meanwhile, requires new forms of collaboration, particularly given the speed at which innovation and disruption are taking place. And the emergence of global platforms and other new business models, finally, means that talent, culture, and organizational forms will have to be rethought. Overall, the shift from simple digitization to innovation based on combinations of technologies is forcing companies to reexamine the way they do business.

Disrupted markets consolidate

What happens in retail is, that disrupted markets consolidate. Big players are all about convenience and price. For companies to be successful in this environment it is necessary to find a niche and offer specialties or specific knowledge, because only niche-players will survive.

The disruption in the Fourth Industrial Revolution started in the mid-1990s in the music industry. A famous example for the change is Tower Records, a retail music chain based in Sacramento, California, selling records, tapes and CDs. From 1960 until 2006, Tower Records operated retail stores in the United States, which closed when Napster, the first download program for music came along and revolutionized music consumption. During the 2010s the travel industry changed dramatically. After launching booking sites like Expedia or Travelocity 60 percent of the jobs in the travel industry were gone. In the digital age, we have become a generation of DIY travelers who plan, manage and book travel online. Another industry that started having troubles were book stores. In the early 1990s big book stores like Borders and Barnes & Nobles dominated the US book market. But at the time

when the megastores were winning on assortment, Amazon came along with a million SKUs and the competitive advantage of the brick-and-mortar retailers slipped away. As of now Amazon controls 63 percent of the book market in the US, even 95 percent of the digital book market, which is about 25 percent of the entire book market. They control also the audiobook market. Borders has gone out of business. Barnes & Nobles is still doing business but rather unsuccessfully. In the US disruption started hitting retail hard in 2015 with a lot of closures. By 2020 there will be all safe havens subject to digital disruption.

Amazon's ecosystem

According to Adam Ellis, for any retailer it is important to build a strong ecosystem. Throughout the years Amazon changed the dynamics of selling, came up with fundamental new ways of doing business and altered how customer satisfaction is measured. „They built a unique ecosystem and want the customer inside this ecosystem by making it so convenient for the shopper that they have no reason not to shop at Amazon“, stated Ellis.

One of the earliest signs that Amazon would be a disrupter to be reckoned with was 1-Click Shopping. Introduced in 1997, 1-Click eliminated the need for shoppers to re-enter payment information every time they made a purchase. That makes processes seamless and frictionless and connects the shoppers to Amazon.

In 2006 Amazon launched its cloud computing service, Amazon Web Services. It disrupted retail by providing small retailers and numerous start-ups with the server capacity they needed to compete with the big players – it effectively democratized e-commerce.

With Amazon's marketplace Amazon made it easier for smaller third-party sellers to start selling online and changed how one thinks about the economics of the retail business. Retail was historically about buying a product, marking it up and selling at a profit. Amazon sells products that other people own and they are making very significant, rich margins that they use to subsidize various approaches to customer retention.

Several aspects of selling were controversial when first introduced nearly two decades ago, but some are commonplace today. Two standouts are selling used books next to new and allowing shoppers to search inside the book. Search inside the book was considered by publishers and authors to be counterintuitive. Amazon's hypothesis was that if customers got a peek at a few pages, they would actually buy more, and their intuition was right. The technology became the digital



proxy for shopping for a book in a traditional store.

Another fundamental game changer is Amazon's breadth of assortment. Experts also deem free shipping and the unconventional return policies applied to select items noteworthy. Amazon simply tells shoppers to keep some items, as it is cheaper not to pay shipping costs for return shipments and that earns them a lot of good will.

Dynamic pricing allows for multiple price changes intra- and inter-day. Due to offering the lowest price, customers perceive Amazon as a price leader but, in effect, they are using technology to be the fastest follower of the price leader. Amazon created a price leadership position which brought an unparalleled level of transparency.

It is impossible to overlook how Amazon shaped customer buying with the development and expansion of processes such as automated emails, user-generated ratings and reviews and recommendations based on previous purchases. Amazon uses event-based communication to anticipate and eliminate customer questions and uncertainty better than anyone else.

Several experts believe that Amazon is responsible for creating greater transparency around user-generated content. The recommendations engine began with books. Though it can be difficult to get people to cross categories, recommendations became a clever way of telling customers 'If you like this book you might like this movie.' Amazon's growth would not have happened as fast without recommendations.

A membership/loyalty program that met with skepticism when it was introduced in 2005, Amazon Prime now boasts tens of millions of members around the globe. Amazon Prime Now takes it a step further disrupting the delivery system and providing same- ▶

Omni-channel is configured around retailers, one-channel is configured around the customers

Foto: Fotolia

day delivery to dozens of metropolitan areas – getting some products into consumers' hands in an hour or less. Therefore, Amazon also builds its logistics infrastructure to support super-fast delivery. The company is expanding its footprint of fulfillment centers, moving products ever closer to the consumer and using these vast distribution centers to disrupt fulfillment speeds. And inside fulfillment centers is yet another disrupter, Amazon robotics. At last report Amazon is using over 30,000 robots, including Kiva robots (acquired back in 2012), intelligent forklifts and machines capable of counting items on a shelf. Perpetually focused on shortening the last mile, Amazon is investing heavily in drones. Jeff Bezos first mentioned the prospect of drone delivery in an interview 2013, but he had been investing in it for some time – once again putting Amazon several years ahead of competitors.

Then there's Amazon Echo, a voice-enabled wireless speaker. This device pushes the envelope on conversation commerce, but it is more than that. Users can request music be played, order pizza, and add products to an Amazon.com shopping cart – all via voice command.

Amazon stores are innovative in that they turn traditional methods upside down. For most retailers their stores are considered primary touchpoints and the brand's extension online is perceived more like an endless shelf. Amazon's physical stores feature online book reviews as part of the display. The pricing approach is also an offshoot of the online store. Nothing in Amazon's store has a price. You have to check it

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Digital natives
view the internet and
technology as integrated
into their lives

Foto: Fotolia/Antonioguillen



with a smartphone because today's retail world is no longer about everyday low prices – it's about prices that change every millisecond.

Digital natives – the next powerful generation of customers

Nowadays customers have nearly unlimited instant access to information and connection. Digital technology has empowered the customer and created nearly perfect transparency making it easy to compare prices, services and product reports. Consumers can switch between digital retailers, brands and services. They just need a few clicks or swipes with their fingers.

One consumer group essential to understand for retailers targeting age groups 25 and younger are digital natives. Digital natives – also called Generation Z – are young people born after the mid-1990s. They view the internet and technology as integrated into their life, in fact, they do not know a world without the internet or instant connection. They do not see the smartphone as a tool, they see it as a source of inspiration.

Armed with their smartphones, digital natives have the pocket-sized power to search for top-tier quality at the best price. At their fingertips, there is the power to compare and analyze the best deals and designs from across the globe. This power of choice will ultimately shape future trends. Digital natives have an awareness that the possibility of finding the best price and potentially a better style could be just a few clicks away. When you have the power to research every option for dinner, flights, or a simple t-shirt, the need to make an informed decision becomes second nature.

Digital natives are realizing that with more advanced technology, there is no longer as strong of a need to travel to a mall or store to make purchases. Being able to make purchases online from the comfort of their home is more convenient for digital natives, and they don't want to be bothered with shopping in a physical store. For retailers it is no longer about outshining their competitor's window display so much as the allure of their homepage. With this group, the tangible store experience becomes mundane, perhaps a bit outdated, and simply inessential.

Businesses need to find creative means of adjusting retail both online and in-store to tell honest, sustainable, visually stimulating stories. This is where the whole idea of an experience comes into play. If you can captivate and enchant at both the threshold of the store and the virtual domain, digital natives are sure to notice. Hosting in-store events are powerful opportu-

nities to entice this crowd. This can be anything from concerts, charity nights, or an in-house stylist to offer individualized advice. Retailers can use powerful visual displays, captivating aromas or mood music to attract this group and make them visit a store. Generation Z requires this sort of individualized attention and the need to feel they are seeing something that is both trendy, useful, and a unique experience.

A Deloitte Digital study among consumers, who use digital devices to shop, show, that almost one-third of consumers say they spend more due to their use of digital during the shopping process. Most often, these shoppers end up spending more because they either perform product research (leading to the purchase of a complementary or higher-priced item) or take advantage of a discount or coupon found online, which causes them to buy more overall. People who use digital while they shop in-store convert at a 20 percent higher rate compared to those who do not use digital as part of the shopping process. Digital consumers are 30 percent less likely to use mobile devices to perform price comparisons in-store than they were a year ago. This may indicate that consumers are using digital more for inspiration and idea generation earlier in their shopping process, and not simply as a price comparison vehicle. In many ways, it demonstrates the growing sophistication of the consumer. Integrating digital into the customer experience has become a business imperative, and retailers who ignore this fact will likely be trapped in the digital divide – the gap that separates shoppers' digital needs and expectations from the experiences retailers are actually providing to them.

Consumer paths are unique

The customer journey often is not a straight line, but a circle, consisting of consideration, purchase, enjoyment, advocacy and re-engagement. It is essential to keep the customer in this circle to not miss out on business. The realm of discovery used to be in the store. Consumers used to walk into a store and a sales person used to show them new brands or products. This way of inspiring shoppers does not happen in the store anymore. They are looking everywhere for inspiration. Young customers are getting inspired by their friends or their social networks. When it comes to influencing the influencers, Adam Ellis concluded: "Re-engaging with the best customer and then engaging with their friends about you as a retailer is the most important thing."

When thinking about a customer's journey through multiple channels, it is necessary to be responsive to



customers, not channels. Adam Ellis put it this way: "Customers don't see themselves as 'omni-channel shoppers' they see themselves as your best customers. And this is what we call one-channel-mentality. Omni-channel is configured around retailers, one-channel is configured around the customers". So, it is not about the digital business, it is just business. It's not about e-commerce, it is simply commerce. Retailers need to cater customers how they want it, where they want it, and when they want it.

Zumiez: Business overview

After illustrating numerous challenges disruption in retail brings, Adam Ellis focused on Zumiez and their strategies to manage these.

Zumiez Inc. was formed in August 1978 and is a Seattle based corporation. The company including its wholly-owned subsidiaries, is a leading specialty retailer of branded apparel, footwear, accessories and hardgoods for young men and women in the age group of 12 to 24 years, who want to express their individuality through the fashion, music, art and culture of action sports, streetwear, and other unique lifestyles. Zumiez has succeeded in developing a brand image that their customers view as consistent with their attitudes, fashion tastes and identity that allows the company to differentiate themselves from the competition.

In 2017 Zumiez operated 690 stores: 654 in North America, 31 in Europe and 5 in Australia. Zumiez designs their stores to create a distinctive and engaging shopping environment that resonates with their customers. Their stores feature an industrial look, dense merchandise displays, lifestyle focused posters and signage and popular music, all of which are consistent with the look and feel of an independent specialty shop. Zumiez stores are designed with an „orga- ▶

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Speaker Adam Ellis, MBA
(Zumiez Inc.) and moderator
Mag. Alexander Zetzula
Foto: Oliver Wolf



Stores are stocked with couches and reflect the lifestyle of the target group

Foto: blue-tomato.com

nized chaos" theme that is consistent with many teenagers' lifestyles. To encourage customers to shop for longer periods of time and to interact with each other and the store associates and to visit the stores more frequently, the stores are stocked with couches and video games. The stores are constructed and finished to allow staff to efficiently shift merchandise displays throughout the year as the season dictates. The stores average approximately 270 square meters. For Adam Ellis, the stores are part of the trust principle: "Consumer see it as a trust validator, where they for example can return products." Data also show, that wherever there is a store, online sales increase. A store is also important for selling additional products to customers.

In 2012 Zumiez acquired Blue Tomato, one of the leading European specialty retailers of apparel, footwear, accessories and hardgoods. The great similarities between Blue Tomato and Zumiez are product strategy, business philosophy and cultural values. Synergies created in this way enable the two companies to pursue jointly their goals. Furthermore, Zumiez and Blue Tomato share the same values of competition and fun, as well as the active support and promotion of sport. In 2016 Zumiez acquired Fast Times Skateboarding. Fast Times is an Australian specialty retailer of skateboards, hardware, apparel and footwear. So, in 2018 they operate under the names Zumiez, Blue Tomato and Fast Times.

In 2017 Zumiez employed approximately 2,400 full-time and approximately 4,900 part-time employees globally. However, the number of part-time employees fluctuates depending on the seasonal needs and generally increases during peak selling seasons, particularly the back-to-school and the winter holiday seasons.

Zumiez seeks to staff the stores with store associates who are knowledgeable users of the products to provide the customers with enhanced customer service and to supplement the ability to identify and react quickly to emerging trends and fashions. Zumiez deep-rooted culture and their brand image enable the company to successfully attract and retain high quality employees who are passionate and knowledgeable about the products they sell. Zumiez's philosophy emphasizes an integrated combination of results measurement, training and incentive programs, all designed to drive sales productivity to the individual store associate level. They have developed a corporate culture that empowers the individual store managers to make store-level business decisions and consistently rewards their success. To preserve their culture, Zumiez strives to promote from within and provide the employees with the knowledge and tools to succeed through their comprehensive training programs and the empowerment to manage their stores to meet localized customer demand. While general guidelines for the merchandise assortments, store layouts and in-store visuals are provided by the home offices, Zumiez gives their managers substantial discretion to tailor their stores to the individual market and empower them to make store-level business decisions. They design group-training programs for their managers to improve both operational expertise and supervisory skills. Zumiez is committed to improving the skills and careers of their workforce and providing advancement opportunities for all employees. Comprehensive training programs are designed to promote a competitive, yet fun, culture that is consistent with the unique lifestyles they seek to promote.

Zumiez seeks to reach their target customer au-

dience through a multi-faceted marketing approach that is designed to integrate their brand image with the lifestyles they represent. The marketing efforts focus on reaching their customers in their environment, and feature extensive grassroots marketing events, which give their customers an opportunity to experience and participate in the lifestyles they offer. These grassroots marketing events are built around the demographics of the customer base and offer an opportunity for the customers to develop a strong identity with their brands and culture. Zumiez's marketing efforts also incorporate local sporting and music event promotions, advertising in magazines popular with the target market, interactive contest sponsorships that actively involve the customers with their brands and products, the loyalty program called "Stash", catalogs and various social network channels. Events and activities such as these provide opportunities for their customers to develop a strong identity with their culture and brands. Zumiez's immersion in the lifestyles they represent allows them to build credibility with their customers and gather valuable feedback on evolving customer preferences.

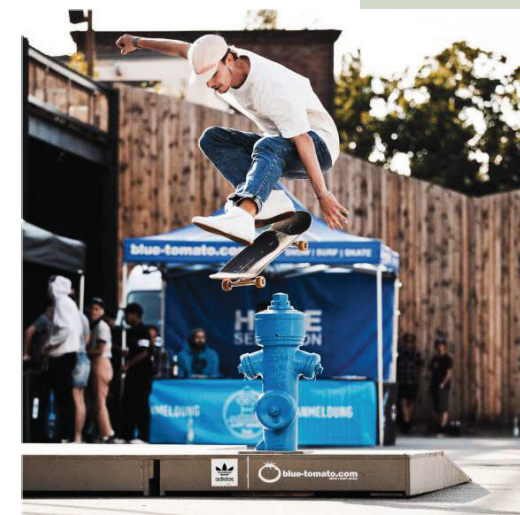
Zumiez employs an omni-channel sales strategy that integrates their stores with their e-commerce platform. There is significant interaction between store sales and e-commerce sales channels and they are utilized in tandem to serve the customers. Their selling platforms bring the look and feel of an independent specialty shop through a distinctive store environment and high-energy sales personnel. Zumiez strives to provide a convenient shopping environment that is appealing and clearly communicates their distinct brand image. They seek to integrate the store and digital shopping experiences to serve their customers whenever, wherever, and however they choose to engage with the company. When talking about the requirements of being an omni-channel retailer, Adam Ellis stressed that Zumiez was thinking about omni-channels „even before there was a word for it“, because Zumiez's consumers are 12 to 24 years old and embrace technology very early. When implementing an omni-channel strategy, two aspects were important for Zumiez: to have one inventory bucket the customer can see as well as transparent pricing, because having different prices in store and online makes customers lose trust. Starting in 2011, Zumiez has developed several programs to better satisfy their customers' needs with omni-channel retailing: With "Sold 1.0" customers could buy in store, but the products were out of the web inventory and shipped to the customers. "Sold 2.0" meant including all store inventory from 400 stores in the web

inventory and shipping products from stores. These first two programs made it possible to deliver products faster to the customer. The next steps improved convenience. Since 2014 it is possible to buy online and pay in store or buy online and pick-up the product in store. The last initiative implemented is to deliver the products to the customers personally by a store associate. Zumiez liked the idea of an employee knocking on the customer's door and delivering a skateboard to a kid. The employee then tries to sell the customer a helmet at the door and shows the kid in the driveway some tricks with the board. In 2016 Zumiez took all their inventory and pushed web orders with a value of about 90 million dollars out the stores. On the one hand, this increased the speed of delivery, because the shipping time has gone from three or four days to one or two days. On the other hand, it was convenient for customers to find a lot of products in stock at the store.

Zumiez follows a differentiated merchandising strategy. The breadth of merchandise offered through the sales channels exceeds that offered by many of Zumiez's competitors and includes some brands and products that are available only at Zumiez stores within many malls or shopping areas. Many of Zumiez's customers desire to update their wardrobes and equipment as fashion trends evolve or the season dictates, providing

The marketing efforts focus on reaching customers in their environment

Foto: blue-tomato.com/ Alexander Bardosch, adidas Skateboarding





Teamrider
Anna Gasser in action
Foto: Blue Tomato/Patrick Steiner

the company the opportunity to shift the merchandise selection seasonally. Zumiez believes that their ability to quickly recognize changing brand and style preferences and transition their merchandise offerings allows them to continually provide a compelling offering to their customers.

Timely and efficient distribution of merchandise to the stores has always been an important component of Zumiez overall business strategy. Domestically, the distribution center is located in Corona, California. At this facility, merchandise is inspected, allocated to stores and distributed to stores and customers. Each store is typically shipped merchandise five times a week, providing the stores with a steady flow of new merchandise. Zumiez utilizes a localized fulfillment strategy in which they use their domestic store network to provide fulfillment services for the vast majority of customer purchases. Internationally, Zumiez operates combined distribution and e-commerce fulfillment centers located in Graz, Austria and Melbourne, Australia respectively, that support the Blue Tomato e-commerce and store operations in Europe and the Fast Times e-commerce and store operations in Australia. Zumiez operates a distribution center located in Delta, British Columbia, Canada to distribute merchandise to the Canadian stores.

Zumiez increased its net sales to about 800 million euros in 2017. Historically, Zumiez operations have been seasonal, with the largest portion of net sales and net income occurring in the third and fourth quarters, reflecting increased demand during the back-to-school and winter holiday selling seasons. During 2016, approximately 58 percent of the net sales and all of the

net income occurred in the third and fourth quarters combined. As a result of this seasonality, any factors negatively affecting business during the last half of the year, including unfavorable economic conditions, adverse weather or Zumiez ability to acquire seasonal merchandise inventory, could have a material adverse effect on the financial condition and results of operations for the entire year

Zumiez: Building an ecosystem

Adam Ellis acknowledged that Amazon's ecosystem is powerful, but also has its weaknesses. He compared Amazon to a vending machine: „You go to their website, buy a product and go. They don't tell you any story. The only story they tell is, it is super-convenient, super-fast and super-cheap, but there is no experience with Amazon.” The big question for a retailer like Zumiez is to figure out how to compete with a retailer that does not have to be profitable. Since reducing prices is not an option for many retailers, niche players can compete with convenience and speed. So, telling stories to the customers that shopping is convenient and with a lot of speed is key.

Building on their competitive advantages, Zumiez will continue to differentiate themselves through their distinctive brand offering and diverse product selection in store and online, as well as the unique customer experience their sales associates provide to grow customer engagement. Furthermore, they will invest in marketing events and continued store growth.

Zumiez's goal is to be viewed by their customers as the definitive source of merchandise for their unique lifestyles across all channels in which they operate. The breadth of merchandise that Zumiez offers their customers exceeds that offered by many other specialty stores at a single location, and makes Zumiez a single-stop purchase destination for their target customers. No single third-party brand that Zumiez carries accounted for more than averagely 7 percent of their net sales. Zumiez believes that their strategic mix of apparel, footwear, accessories and hardgoods allows them to strengthen the potential of the brands they sell and affirms their credibility with their customers. Amazon has no bound on selection, but Adam Ellis is convinced, consumers still want a narrow selection of products: “This paradox in choice is an opportunity for Zumiez to have a competitive advantage. When customers come to one of our stores we have the chance to give them advice and help them to narrow down their choices. The number one experience is going into a store and meet a great sales person, that can tell

the customer all about the product. By telling unique compelling stories to the consumer they will shop with Zumiez. And next time when customers need a product, they remember this person and go back to the store and buy.” Therefore, Zumiez organizes up to four sales trainings and recognition events a year in a camp where about 600 employees meet and learn. During these events they learn how to sell and how to interact with the consumer. To give the employees more information on brands, often brand founders talk to employees about their story, their vision and their product. Then employees can tell these stories to the consumers and create unique experiences.

Furthermore, Zumiez seeks to maximize their comparable sales by continuing to integrate the store and on-line shopping experience. They believe that investments made in their omni-channel platform focused on creating a seamless shopping experience for their customer between the physical and digital channels is critical for their long-term financial performance. Consequently, Zumiez will continue to develop additional ways to execute their omni-channel experience and interact with their customers, which requires significant investments in IT systems and changes in operational strategy, including localization, on-line and in-store point of sale systems, an order management system, and transportation management system. These investments will be largely focused on the roll-out of their new Customer Engagement Suite to improve their efficiency and further enhance their omni-channel capabilities.

Zumiez places great emphasis on customer service and satisfaction, and have made this a defining feature of their corporate culture. Zumiez believes that a key component of their success is the brand exposure that Zumiez receives from their marketing events, promotions and activities that embody the unique lifestyles of their customers. These are designed to assist them in increasing brand awareness in their existing markets and expanding into new markets by strengthening their connection with their target customer base. One important aspect in creating customer experience with events comes from Zumiez's loyalty program “Stash”. Members don't get discounts, but earn points for exclusive merchandise and experiences for shopping and engaging with Zumiez. Members can use their loyalty points for one-of-a-kind rewards from their favorite athletes, artists, and musicians, limited edition merchandise from all their favorite brands, and once-in-a-lifetime experiences with their favorite brands and their ambassadors. For Zumiez creating experience in retail does not just happen in a store. It is about en-



Store associates are passionate about the products they sell
Foto: blue-tomato.com

gaging customers in things they love and customize experiences to customers. Their claim is ‘Get points for the things you already do. Gain access to stuff you can't buy’. For example, for a 17-year-old US loyalty program member going skiing in the Alps is an incentive and a good way to create a memorable experience. Data from the loyalty program are also used to re-target customers and re-engage with the them.

Zumiez intends to expand their presence as a leading specialty retailer of action sports, streetwear, and other unique lifestyles globally. To take advantage of what Zumiez believes to be a compelling economic store model, they plan to open new stores or acquire new store locations. In selecting a location for a new store, Zumiez targets high-traffic locations with suitable demographics and favorable lease terms. For mall locations, they seek locations near busy areas of the mall such as food courts, movie theaters, game stores and other popular teen and young adult retailers. They generally locate their stores in malls in which other teen and young adult-oriented retailers have performed well. Zumiez also focuses on evaluating the market and mall-specific competitive environment for potential new store locations. They seek to diversify their store locations regionally and by caliber of mall.

At this point, we would like to thank Adam Ellis for providing very interesting insights into the business challenges of an international retailer and the actions to take to be successful in a changing environment. Furthermore, we would like to thank Mag. Alexander Zezula who not only moderated the evening but also was instrumental in helping to bring about the event.

FACTS

zumiez

Zumiez Inc.

Trademarks: Zumiez, Blue Tomato, Fast Times

Net sales: 800 Million Euro

Employees: 2,400 full-time and approximately 4,900 part-time employees globally

Stores: 690 stores in total; 654 in North America and 36 internationally

PEOPLE

Eindrücke vom
294. Clubabend

Mag. Markus Kümmel,
Mag. Gudrun Kümmel
(beide bergfex) und
Mag. Matthias Zezula
(Brand Rechtsanwälte GmbH)



Oskar Jöbstl jun. (Pastini) und Komm.-Rat. Dipl.-Ing. Heinz
Michalitsch (Michalitsch Consulting)



Mag. Herwig Straka (emotion) und Mag. Hermine
Straka (Kastner & Öhler)



Jörg Wukonig (wukonig.com) und Thomas Winkler
(Global Express)



Norbert Wenzel (Leitner Spedition) und Rolf Hadolt
(Global Express)

294. CLUBABEND

Ort/Datum

Schlossberghotel,
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Referent

Adam Ellis, MBA, Senior
Vice President Global
Retail Initiatives and
Business Development,
Zumiez Inc., und
Geschäftsführer,
Blue Tomato GmbH

Moderator

Mag. Alexander Zezula

Fotos

Oliver Wolf



Manfred Rath, Univ.-Prof. Dr.
Thomas Foscht (Marketing
Club Graz) und Andreas Mau-
erhofer (CompanyCode)