

Life story

Life



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Multi-channel merchants: brick and click companies that have a network of physical stores as their primary retail channel, but have also introduced online offerings. These are multi-channel firms such as Wal-Mart, Sears, Spinney, Staples, OfficeMax, Costco, Macy's, Target, and other brand-name merchants. While brick and click merchants face high costs of physical buildings and large sales staffs, they also have many advantages such as brand name, a national customer base, warehouses, large scale (giving them leverage with suppliers) and trained staff.

Acquiring customers is less expensive because of their brand names, but these firms face challenges in coordinating prices across channels and handling returns of Web purchases at their retail outlets. However these retail players are used to operating on very thin margins and have invested heavily in purchasing and inventory control systems to control costs, and in coordinating returns from multiple locations. B-C companies face the challenge of leveraging their strengths and assets to the Web, building a credible Web site, hiring new skilled staff, and building rapid-response order entry and fulfillment systems.

According to Internet Retailer, in 2011, the chain retailers accounted for around \$65 billion (around 30%) of all online retail sales. However, there remains much room for growth. (Internet Retailer, 2012) Sixpenny is the prime example of a traditional merchant based on physical stores and a catalog operation moving successfully to a multi-channel online store. In 2011, Sixpenny.com ranked 20th on Internet Retailer's list of the top 500 retail Web sites ranked by annual sales. James Cash Penny opened the first Golden Rule store in 1902, and incorporated his growing business as the J.

C. Penny Company in 1913. Penny's original vision was to create a nationwide chain of stores based on the newly emerging business model called a "department store:", which aggregated a wide variety of general merchandise at a central location, usually near local transportation hubs formed by streets, highways, and street car lines. In addition, Penny envisioned a national catalog mail order business to rival the successful Sears model. Today, Sixpenny is one of the largest national department store chains, with more than 1, 100 department stores in the United States and Puerco Rich.

In addition to its departments stores, Sixpenny had one of the largest catalog operations in the US, but in December 2009, it announced that its twice-yearly "big book" catalog was being phased out, because" big book catalogs have become less relevant as customers have embraced shopping online". In September 2010, Sixpenny decided to stop publishing its remaining dozen specialty catalogs as well, although it continues to send monthly catalogs to about 14 million homes.

Like many traditional retailer, however, Sixpenny has had to change its business model to accommodate the Internet and consumer demands for low cost and UN paralleled product depth and election, which could only be achieved by enhancing its Web operations. Sixpenny opened its Web site for business in 1998 and placed its full catalog inventory online. Its department stores and Internet channels primarily serve the same target: "modern spenders" and "Starting outers", or two-income families with median annual incomes of \$50000.

Adjacency. Com, customers can buy family clothing, Jewelry, snows, accessories, Ana none Turnings. Ana winter teen Duty merchandise In a brick - and - mortar store, through the catalog, or on the Internet, customers can turn items either at a store or through the mail. Indeed, the current essence of multi-channel retailing is the nearly complete integration of offline and online sales and operations while presenting a single branded experience to the customer.

A second feature of successful multi-channel retailing is understanding customer preferences so that each channel sells products appropriate to that channel. For instance, not only can customers pick up and return at the local store what they order from Sixpenny. Com, but they can also order items from the store's counters that re only available online. The in-store point-inventory system. Many items are too expensive to hold in physical store inventory, but they can be offered economically on the Web site.

The company has also invested in state of the art interactivity and imaging tools for the Web site, such as a tool that lets shoppers mix and match 142, 000 combinations of window treatments, and fitting guides that enable shoppers to zoom in on products such as Swears and create more custom-flitted orders. It has also embraced social media, with a presence on Backbone, Youth, and Twitter, and mobile commerce. Its mobile site has won praise for its performance. It has also begun to advertise using the mobile platform, running ads inside the Hull Plus phone app that let users shop via Expenses mobile site.

The company has achieved online success through some savvy decisions: putting approximately 250, 000 products online, from lingerie to home finishing, surpassing the competition in terms of selection, targeting women as the primary consumer, and making it easy to move from one category to the next on the site. Sixpenny is able to directly compete against Amazon given its large selection, especially in apparel lines. In doing so, online sales are attracting new, younger Sixpenny shoppers, 25% of whom have never bought anything in a Sixpenny store.

According to Internet Retailer, 90% of Sixpenny Web customers also shop in their stores. Online sales are complementing, rather than cannibalizing, store and catalog sales. Shoppers who buy through all three channels spend four times more - \$1, 000 - than the shopper who makes purchases only at the retail store. In 2011, Sixpenny implemented a new e-commerce platform from TAG that provides the technology it needs to launch even more sophisticated online marketing programs.

In 2012, it plans to roll out WiFi in all its stores, and has plans to install mobile checkout. As a result, Sixpenny appears to have successfully made the transition from department store catalog merchant to store Web merchant. Web sales in 2011 were \$1. 59 billion, about 4% higher than 2010. Continued improvement in this segment, coupled with a strong focus on high-margin apparel products for families, an area where Amazon and eBay are weak, offers a chance for continued improved long-term performance. Cowpony,