

Target And Walmart Should Seduce Customers Back Into Their Stores

What should be on the top of priority lists for [Target's](#) and [Wal-Mart's](#) new leaders?

Each of them — [Brian Cornell](#), Target's new CEO, and Wal-Mart's new head of U.S. operations, [Greg Foran](#) — inherits a stale business. And they need to do some clean up from past woes – e.g., customer data security (Target) and labor (Wal-Mart). So these new chiefs are looking to digital technology to change their companies' trajectories. They are focused on improving their e-commerce capabilities so they can compete with online retailers like Amazon. And they know that mobile apps, personalization technology, and social strategies are critical to servicing today's connected customer.

But more importantly, Target's and Wal-Mart's leaders need to continue to drive customers to their stores. Too much focus on digital shopping risks turning their real estate assets into dead weights, like those that are holding Sears and JC Penney down. Target has nearly 2,000 stores in the U.S.; Wal-Mart operates twice as many. Analysts urge the companies to close stores but, as the venerable department stores have discovered, there aren't a lot of real estate buyers for traditional big box assets. And the fact remains that their physical stores are these companies' strongest advantage over online competitors.

So Target and Wal-Mart need to make shopping brick and mortar more important, interesting, and exciting – they need to bring sexy back (well, at least as sexy as shopping with a shopping cart can be.) Instead of simply trying to replicate what can be done when shopping online (price comparisons, product research, social sharing, etc.), these brands need to give people compelling reasons to choose to go to their stores. People must be seduced back in love with brick-and-mortar. And even high volume, low margin mass merchants like Target and Wal-Mart can attract mainstream consumers with exclusive experiences.

The appeal should begin with exclusive product – product that can't be purchased online. In their efforts to provide a seamless omnichannel shopping experience, Target and Wal-Mart have worked hard to make their products available for purchase any way customers want. And, indeed, a uniform assortment across channels is an important baseline to meeting customers' expectations. But a sense of discovery and distinctiveness could be added to the store experience through extra exclusive in-store selections — perhaps special buys or locally-sourced products. When customers learn that a few unique items are rotated in and out of the stores on a regular basis, they have more reason to shop them more frequently.

Exclusive services can also draw people in. Some Target and Wal-Mart locations already include service businesses like pharmacies and photo finishing, but what about services for merchandise in their stores – e.g., mobile phone set-up or furniture assembly?! Of course mass merchant margins don't allow for high touch service across the board, but in a couple of select departments, helpful service could draw people in. Target has seen success from staffing a Beauty Concierge in select stores; I could see similar expert consultation be valued by Wal-Mart customers in health aids and medical products for example. Try-before-you-buy is another form of store-only service. From groceries to sporting goods, giving customers the opportunity to sample and try out products would reduce the perceived risk they feel when purchasing online and increase the perceived value of going to the store. And it would make the shopping experience more useful and fun.

Store traffic can also be generated by exclusive promotions. As with products, consistent pricing across channels is important — but this shouldn't preclude other promotional activity that draws people to stores. Target already does this in one way with its Dollar Spot promotional area – it might consider adding a similar special section distinguished

by products with limited time only availability or pricing. Maybe it's time to bring back the Blue Light special?! Imagine the delight shoppers might feel upon learning that they can get a discount in a specific department or on a brand of products for, say, the next 30 minutes.

Drawing people back to stores is ultimately about making them destinations. While Target and Wal-Mart need to develop their technology chops, they also need to bring creativity and innovation to core value of shopping at retail as well. Customers still value experiences that are possible only in-store – and it would be a waste, not to mention a costly expense, to operate retail real estate assets simply as product fulfillment centers.

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