



Is OmniChannel Retailing The Way of the Future?

GlobeSt.com catches up with Rick Chichester, president and CEO of Faris Lee Investments, to discuss e-commerce, an effective and efficient way of shopping and omnichannel's impact on financing.

By [Natalie Dolce](#) | July 23, 2019 at 04:00 AM

Customers want brands representing their values. So says Rick Chichester, president and CEO of Faris Lee Investments, who recently talked with GlobeSt.com about all things omnichannel and the impact it has on financing.

GlobeSt.com: Some blame E-commerce for some retail store closings. Is E-Commerce really the reason?

Rick Chichester: The simple answer to that question is no. In retail, omnichannel or cross channel content strategy is a multichannel sales approach that seeks to provide customers with a seamless shopping experience whether that experience is online, on mobile, on desktop, or at the brick-and-mortar stores. In fact, E-Commerce is the reason why many new retailers are experiencing substantial growth. The ones that haven't embraced that strategy yet might be putting their business at risk especially moving forward.

GlobeSt.com: Why is omnichannel retailing the way of the future?

Chichester: The internet provides access to products and research at a time and place convenient for the consumer. It is an effective and efficient way of shopping. Brick-and-mortar is more intentional. It provides an experiential environment and atmosphere. Many people believed that the rise of the internet would result in the extinction of brick-and-mortar based on the rationale that retail stores would not be able to compete. In my view, this is not accurate. The convenience of the internet is not destroying brick-and-mortar, it makes it more relevant by providing brand loyalty.

Harmonized retail, which is the integration between physical stores and technology will be necessary for the future. We are already seeing the trends in today's market. E-commerce firms are moving rapidly into brick-and-mortar such as Amazon launching the Amazon Go concept and opening the initial store in Seattle as well as Walmart also increasing its omnichannel presence. The integration of physical stores and technology is critical for success and future growth.

GlobeSt.com: How will the omnichannel retailing impact real estate?

Chichester: Retail has always been changing and dynamic. We anticipate the stores' footprint to be smaller and spaces more intimate and experiential. The way the consumer navigates between online and brick-and-mortar is becoming more fluid. With omnichannel, the focus is on having the right set

of channels for customers to engage including retail and real estate. As the millennial population grows and becomes more influential in their consumption habits, they will represent 30% of total retail sales or \$1.4 billion dollars. We anticipate consumption to be across platforms and channels. As a result, the integration upon multiple platforms is key.

Customers want brands representing their values. Small brands have the flexibility to meet the expected customer's values and provide the intimacy the consumer seeks. Therefore, we have noticed a rise in smaller brands in the marketplace. For example, Patagonia stands for sustainability and social responsibility. Amazon understood that concept of brand's intimacy and the importance of integrating online shopping with the physical aspect. Brick-and-mortar brings intimacy, daily needs, and social interaction that online shopping is missing. The market has demonstrated the importance of the correlation between these two worlds. Many customers buy online but return in store because they find customer service, the personal experience or direct interactions that they cannot be provided online. The physical experience builds brand loyalty. Whereas e-commerce provides access and effective transactions.

GlobeSt.com: What impact will omnichannel retailing have on financing?

Chichester: Lenders will need to keep up with the complexity and ever-changing world of retail, the business, and the financial relevancy of each retailer located within a center. It is not a simple rent to sale ratio, it is the relevance of the tenants. Many lenders will be looking for the strength of the cross channel relationship and tenant diversification within each center.

The future for retail is exciting. The physical space and technology integration is necessary as they are mutually supportive. It is not competitive. Brick-and-mortar revitalizes online success and needs to embrace technology to provide the customer with a complete shopping experience to build and create stronger brand loyalty.

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