

# How to Blend the Physical and Digital Worlds for Retailers to Increase Sales

Arguably the most important goal for any business owner is to maximize sales. Thanks to the internet, retail store owners can now sell directly to the public both in terms of who walks into their store and anywhere around the world.

But to maximize sales can be a tricky task. Selling in the physical world is a different approach compared to the digital world. For retailers who are looking to make the most out of both, it will require careful planning, patience, and persistence to elevate both areas properly.

This is known as the “phygital” approach. And for many business owners who struggle with either physical or digital sales, it is one that requires a different mindset to fully accomplish.

## The Phygital World

The term “phygital” is a combination of physical and digital. It’s a new term used to help retailers think of both efforts as the same. And while phygital is a new term, it is really an extension of older terms such as holistic and multi-channel.

Although they may seem separate, the physical and digital sales worlds are strongly connected. While many consumers seemingly live online when it comes to making purchases, there is still a strong need for many consumers to visit stores directly.

By taking the phygital approach, you can incorporate the best of both physical and digital sales approaches to maximize the sales potential of your retail business. The first step is the realization that physical and digital sales are not competing against each other. They are working towards building your profit margin. Once you see both worlds as essentially the same, you can get them to work together. But the first step is to maximize the potential of both.

## Physical Retail Sales

Selling face-to-face to customers goes back several thousand years. It is the oldest form of selling. And despite the inroads made by digital sales, it is still one of the most effective and desired by many consumers.

However, it is also true that digital sales have changed the way many people shop. The key to understanding success in the physical sales world is to emphasize its advantages. Physical sales thrive on the following:

- Brand Loyalty
- Customer Experience
- Raising Awareness

Many consumers want to see the product in-person before they buy. That's not possible with digital sales. By promoting the advantages that physical sales offer, it can help bolster customers coming through the door. But even the most ardent believer in the physical approach will have to embrace the digital world as well.

## **Digital Retail Sales**

Although relatively new compared to physical sales, digital sales have created a sea-change in the marketplace. Today, a consumer does not have to leave their home or go further than their smartphone to make purchases. In 2022, approximately 15% of all retail sales were conducted online. Unlike physical sales, digital sales rely on the following:

- Familiarity
- Secure Purchasing
- Impulse

As powerful as digital sales have become, they tend to focus on items that consumers are mostly familiar with. This is because they do not have a chance to see, touch, or even try out the item before purchase. Familiarity is quite important in this line of sales.

Add to that a secure environment where credit card numbers can be trusted to be kept private. And the increase in impulse buying when customers see something they've wanted, and you have the essence of digital sales.

But to combine both physical and digital, you must employ the right methods that complement each other.

## **The Phygital Approach**

Let's use the example of a retailer who opens a store and a website at the same time. In the old days, if they did not have customers coming through the door right away, the business would be in trouble. However, if they have a website that is making sales, then they are making some profits and moving items out of their inventory.

One advantage of the phygital approach is using the digital world to alert consumers to what is available in-store. These can be alerts which pop up as consumers pass near the store or for those who sign up for an alert service.

But there are other methods available where the physical and digital worlds can meet and work together to generate more sales.

Buy & Pick Up: This is arguably the most obvious approach. You buy the item online and then pick it up at the store. This offers a huge advantage to consumers who normally must wait days for their item to be shipped. Instead, they can pick it up at their convenience and enjoy the item quickly.

Shop & Ship: The opposite of buy and pick up, this is where consumers pay for the item while in the store, but have it shipped to their home. All sales are managed digitally, so that consumers can simply use their smartphones for the purchase.

The main advantage is for items that normally must be shipped or delivered. For example, large furniture, vehicles, and the like are obvious choices. However, the service can be expanded to items that may not be in stock but can be delivered once it reaches inventory.

All Digital Sales: Where customers shop in the store and make the purchase digitally. Amazon Go has been a leader in this form of phygital shopping. The main advantage is speed as customers simply buy the item and walk out the door. Plus, the need for cashiers is less as well.

In a phygital world, retailers can create a personalized experience for the customer where they can recommend products based on the past information of the consumer. According to a recent McKinsey report, personalization can increase revenue growth by 15% and marketing spend efficiency by 30%. As a phygital experience provides a personalized experience with speed and convenience, it can translate into better sales and operational efficiency.

For retailers who are looking to create a phygital world that maximizes sales, the key is to take the right approach that compliments consumers who are comfortable shopping online and in the store. This means doing your research to find out the most about your customers' shopping habits. This will help you adjust the amount of physical and digital approaches until you find the right balance that works for your store. It may be a higher reliance on shopping online or more alerts that brings in the foot traffic. Whatever approach you choose, you need to blend both approaches properly to maximize sales potential.

### **About the Author:**

Elias Amash, President of GRIP, is an industry veteran with more than 30 years of experience in global sourcing, manufacturing, distribution, retail merchandising, fulfillment, marketing, technology, and operations. He is a trusted partner to hundreds of retailers and has "leveled up" the industry with GRIP's undying commitment to offering only the highest levels of service to its customers. Amash has published several books: 8 Skills That Pay Off Forever, The Top 10 Most Important Lessons, The Retail Advantage: How to Win the War with Amazon, Retail Survival: Who Lives, Who Dies and Why, The 50 Most Important Lessons in Life, The Future of Retail, Importing from China: The Good, The Bad, and The Ugly, and 101 Bright Ideas: Winning Tactics to Increase Retail Sales.

### **About GRIP:**

GRIP was incorporated by Charles Amash in 1980 and has grown into one of the nation's top suppliers of innovative products to the retail industry. Located just south of

Grand Rapids, Michigan, GRIP features a 200,000 sq ft state of the art warehouse facility including a 2,000 sq ft product showroom. GRIP carries a product line of over 1,000 specialty tools, tarps, automotive, cargo control, cleaning, LED lighting, magnetics, outdoors, household items, impulse and general merchandise. GRIP has a proven track record of excellence in supplying retail clients with innovative products, timely fulfillment, and world-class customer support. At GRIP, everything is about earning your business...one customer at a time. It's about building relationships and fostering business partnerships that will last long into the future. Our goal is to have Customers for Life. The future at GRIP is exciting and we're hoping that you can be a part of it as one of our many Customers for Life.

**Where to get educated:** GRIP Retailer Education [www.gripretailer.com](http://www.gripretailer.com)

**Check out our Company Website:** <https://www.gripontools.com/>

**GRIP Online Catalog:** <https://gripontools.dcatalog.com/v/Grip-Catalog-2023/>

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