



# **Cross-Channel Marketing Benchmarking Analysis**

**Project Sponsor**

***Footlocker.com***

**Authors**

**Marianne Armstrong**

**Luke Bohac**

**Kurt Peter**

**Flora Qu**

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## Executive Summary

For multi-channel retailers like Foot Locker, successful cross-channel retailing is vital to strong financial performance: research shows that cross-channel consumers spend more, generate higher profits, and exhibit greater loyalty than their single-channel counterparts.

The primary research conducted by the UW-Madison E-Business Team examines numerous aspects of cross-channel retailing from four perspectives: visibility, communication, service, and social/mobile. While there are key building blocks to cross-channel retailing, like store locators, cross-channel promotions, and equitable pricing, new facets of cross-channel retail are emerging, and there are a myriad of ways in which Foot Locker can differentiate itself.

The team analyzed a variety of specialty mall retailers, department stores, and a mass merchandiser, but there were no clear “winners” across all cross-channel dimensions. In general, the larger retailers, Wal-Mart, J.C. Penney, Sears, Macy’s, and Best Buy, outdo the specialty mall retailers in the area of cross-channel visibility, both online and in-store, as well as their service options, including seeing in-store product availability online and offering in-store pick up. Sears has made great strides in the service dimension, and is the only retailer we studied that offers its customers the convenience of reserving items online and in-store kiosks to place online orders directly from its stores without incurring shipping charges.

In regards to the communication dimension, the specialty mall retailers excel in their use of online and in-store loyalty program opt-ins to establish a basis for communication with their customers. However, most retailers need to strike an appropriate balance for the frequency of their communications, and potentially allow their customers to select their frequency preferences. Furthermore, there is very little consistency in how retailers assess their customers’ satisfaction; Gap and Sears are doing this well by requesting feedback on purchase receipts.

As for social media, most retailers merely have an obligatory presence on social media sites, and most references to shopping seem forced. In contrast, Wal-Mart has been most effective at synthesizing community with retailing through social media with unique sales for its fans, philanthropic giving campaigns, as well as other useful features.

This project identified several opportunities for Foot Locker to enhance its cross-channel retailing by improving its existing tactics and progressing into new areas that offer differentiation from competing retailers. The report contains specific recommendations for Foot Locker in this regard.

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