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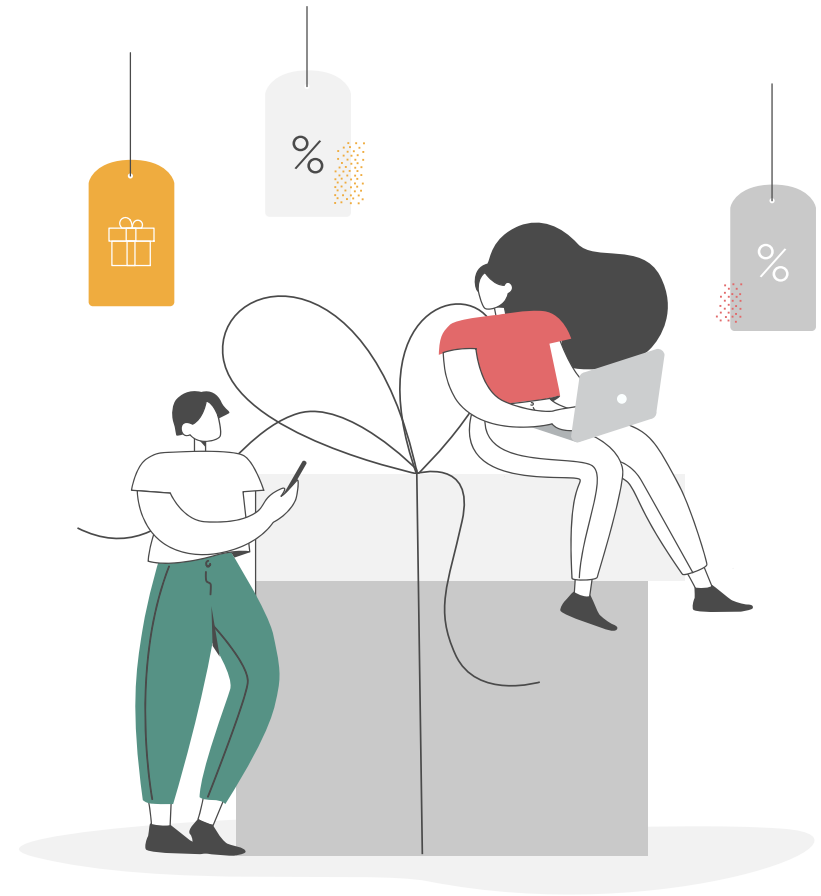


How Uniqlo uses O2O to enhance the overall customer experience

Case analysis series – research, analyse, and learn from others

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WHAT IS O2O MARKETING?

O2O marketing is a way brands use digital marketing strategies to bring foot traffic into physical stores.

In reverse, it also helps brands to leverage their offline channels and interact with their consumers digitally. O2O marketing allows consumers to connect with the brand online and offline, ensuring a unified retail experience is delivered.

Founded in 1949, Uniqlo is renowned for providing high-quality casual-wear clothing at affordable prices. Its brand promise is well integrated into different functions within the company, from product planning, production, distribution to marketing and customer services. Taking these functions in-house allows Uniqlo to fully control the entire business process, adjusting different aspects such as product design and production to align with customer demand.

Uniqlo also places a strong emphasis on its customer experience, managing every touchpoint of the customer journey to make sure it aligns with its overall brand promise. In just 24 years, it has grown to be the largest apparel chain in the world. Let's take a look at its O2O strategy to explore how it unified the experience across multiple touchpoints.



Source: Gettyimages

Uniqlo app bridges the gap between offline and online shopping experiences

Uniqlo has an O2O strategy that seamlessly integrates its online touchpoints with offline channels. It does that mainly via their mobile app, using it as the hub to bridge the gap between their e-shop and retail stores. Uniqlo plans out a clear journey for its customers, and each channel is interconnected with the next so customers can carry on a designated journey with a pleasant and seamless shopping experience.

There are two different parts to the Uniqlo shopping experience: online to offline and offline to online. Let's take a look at each of them and how the two parts are connected via the mobile app.

Integrate digital touchpoints to move customer along the journey

Uniqlo connects many touchpoints, from social media channels, such as Facebook, Instagram and YouTube, to the mobile app, website or e-store, and encourages customers to carry out the journey from one stop to another.

Here is an example for consumers who enter the journey via Facebook.

Uniqlo Hong Kong & Macau
Sponsored · 6

【🎉 #12月11日至17日: 網絡旗艦店周年祭 🎉】
長時間哋屋企有乜嘢做? 緊係上我哋網網絡旗艦店掃貨啦! UNIQLO網絡旗艦店兩周年啦~為咗感謝大家嘅支持, 一連7日推出精選超值優惠 🎁 天氣凍咗咁多, 一於就趁呢個時候入手冬季商品! 我哋仲有多個驚喜禮遇帶俾大家, 快啲碌落去睇吓係咩! 或者Click入去 https://s.uniqlo.com/FW20EC_Anniversary 都得㗎!
特別企劃 📺
HE... See More

3日限定
特別企劃 2 會員特別限定禮遇
全店同享優惠券, 共渡冬日節慶

立刻成為UNIQLO及csl. 5G Lens App會員, 並透過專用APP領取以下優惠券*, 與您摺愛親朋一起共渡冬日節慶。

- HEATTECH上身類內衣? 折優惠券 (全店通用)
- Club Shopping \$50 優惠券
- Now E \$20 折扣券

凡單次購物*之顧客, 即可
限定毛
網購
每5
數量
先
換完即止。

網絡旗艦店周年祭
12月11日至17日

網絡旗艦店/ 12月11日至17

Source: Uniqlo Facebook

12:35

Uniqlo Hong Kong & M...

兩大創新科技 開展夏日出遊新選擇

Uniqlo Hong Kong & Macau
Clothing (brand)
27 locations in Hong Kong, Hong Kong

Shop Now
m.uniqlo.com.hk

Jennifer, Jacqueline, Eric and 323,567 others like this

Home Photos Stores Community Video

About

<http://www.uniqlo.com.hk/>

See what Uniqlo Hong Kong & Macau is doing in Messenger
Get Started

Source: Uniqlo Facebook

12:36

Uniqlo Hong Kong & M...

Home Photos Stores Community Video

Shop

\$299

\$99

麻質混紡 V 領吊帶連身... Raglan 休閒圓領 T 恤 [...]

\$79

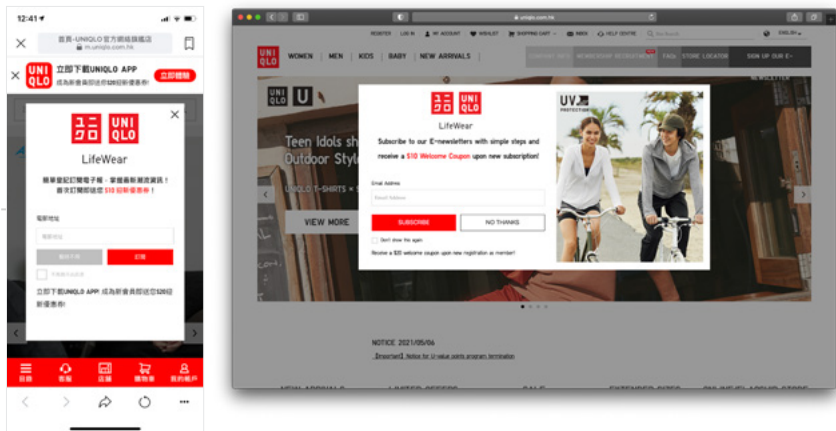
\$199

輕型棉質短褲 434976 麻質混紡短褲 437259

See all >

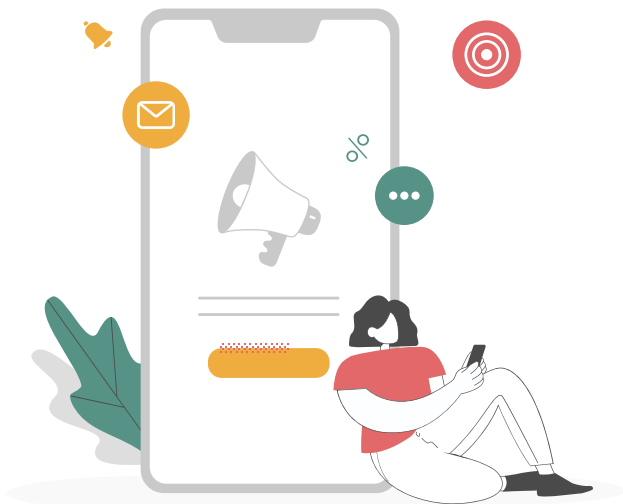
Shop Now
m.uniqlo.com.hk

If you visit Uniqlo's Facebook page, you will see a prominent CTA button linked to their online store. Scrolling down their page, the same 'Shop now' button will appear again, positioned at the bottom this time.



Source: Uniqlo mobile app, Uniqlo website

Clicking on the 'Shop now' CTA button from your mobile device takes you to their website, where a top banner shows up encouraging download of their mobile app. If you are on desktop, the Uniqlo website shows a popup with a welcome offer when you subscribe to their newsletter.



Source: Uniqlo e-newsletter

Once you subscribe to their newsletter, you will receive a welcome email. The email features a download banner for their mobile app so you can stay connected with Uniqlo on the go, and a welcome offer for a \$20 discount and free shipping on your first online purchase if you become their new member.

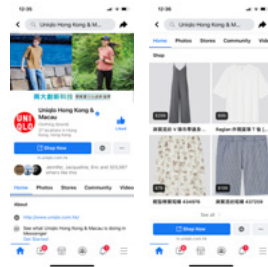


Source: Uniqlo website

If you wish to make a purchase on their online store, you will need to log in or register for an account, and become their member.

THE SEAMLESS JOURNEY – UNIQLO'S DIGITAL TOUCHPOINTS

Uniqlo's digital touchpoints are integrated so customers can consistently interact with the brand regardless of which channels they started their journey and move seamlessly through the next stage of the customer journey.



AWARENESS
RETARGET ADS
ON SOCIAL MEDIA
CHANNELS



CREATE EASE
CTA TO
ONLINE STORE



**RESPONSIVE
OFFER**
DOWNLOAD APP
OR GET A
DISCOUNT



**NEWSLETTER
SIGNUP**
WELCOME OFFER
IN EMAIL



**LOGIN OR
REGISTER**
TO MAKE
A PURCHASE



UNI QLO APP

DOWNLOAD OUR UNIQLO APP
Receive a complimentary **\$20 Coupon** upon newly signing up as a UNIQLO member!

Download on the App Store | GET IT ON Google Play

FREE DELIVERY ON YOUR FIRST PURCHASE

WELCOME GIFTS

EXCLUSIVE WELCOME COUPON
Receive a complimentary \$20 coupon upon newly signing up with your mobile number to become a UNIQLO member. The coupon can be used upon a single purchase of \$200 in UNIQLO Hong Kong & Macau physical stores or Online Flagship Store.
[View more >](#)

*With only one single delivery method per transaction. A single delivery method means one of the following: delivery, S.F. pick-up point, store pick-up, or store pick-up with warehouse transfer.

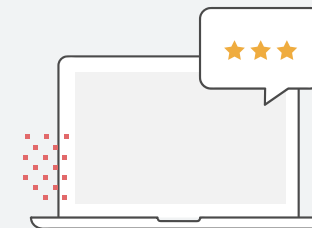
FREE DELIVERY ON YOUR FIRST PURCHASE
Enjoy the Free Delivery of your first online purchase!
[View more >](#)

Source: [Uniqlo website](#)

THE UNIQLO MOBILE APP AS THE HUB

As stated by [eConsultancy](#), “81% of shoppers conduct online research before they commit to a purchase, meaning that a large proportion of shoppers might not yet be in the mindset to make a purchase.” Uniqlo knows this very well so it tries hard to capture all consumers regardless of their purchase intention and preferred channels. Uniqlo does this by aggressively encouraging membership enrollment. As shown previously, Uniqlo combines different welcome offers to entice newsletter subscription and membership incentives so that prospects can stay connected, even when they’re on the go via the mobile app.

”
81% of shoppers conduct online research before they commit to a purchase...



Source: eConsultancy

MEMBERSHIP BENEFITS



APP MEMBERS EXCLUSIVE PRICE

All customers can enjoy the APP Members Exclusive Price from selected items at UNIQLO Online Flagship Store. To enjoy the App Members Exclusive Price in physical stores, scan the member ID barcode when check-out to enjoy the exclusive offers from selected items!

[View more >](#)



BIRTHDAY COUPON

Once you successfully register as a UNIQLO member and fill in necessary personal information, you can be entitled for a birthday coupon*.



PURCHASE UPON \$250 FOR FREE DELIVERY

Free delivery on all orders upon purchase of HK\$250 with a single delivery method*!

*A single delivery method means one of the following: delivery, S.F. pick-up point, store pick-up, or store pick-up with warehouse transfer.



FULL PRODUCT LINEUP & ONLINE EXCLUSIVE EXTENDED SIZES

Enjoy purchasing the full product lineup whenever & wherever. Extended sizes such as XS & XXL are now available in a variety of products.

[View more >](#)

Source: [Uniqlo website](#)

The mobile app is the focal point of Uniqlo's O2O strategy. Connecting their digital channels with their physical retail stores serves multiple purposes:

1 Membership centre

Once you become a member, you can access your membership details and benefits via the mobile app. You can view details such as membership points, purchase history and give product reviews on prior purchases. Members can also access exclusive offers and discount coupons via the app. For instance, Uniqlo offers app-only exclusive prices on select items, speciality products, and 'online-only' designs and sizes.

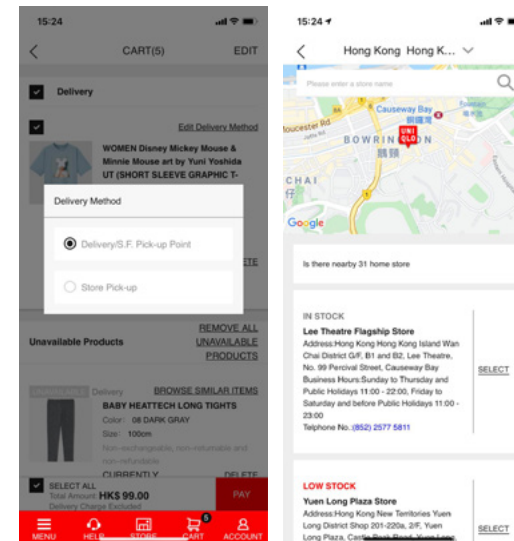
2 Database for product information and stock availability

As customers shop via the mobile app, they can get product information at their fingertips. If they want to make a purchase, they can check if an item is available online or at a physical store based on their preferred location.

3 Order and delivery options

Customers can choose to complete a purchase via the app, with the option to have the order delivered to their address or for pick-up at a nearby store.

Through the mobile app, Uniqlo can continue to nurture consumers at different stages of the buyer's journey, be it consumers with purchase intent or at the initial researching stage. Converting consumers to members provided them with reasons to engage with the brand and activate their customer journey. The mobile app is specially designed for easy navigation, and ultimately, encouraging purchase.



Source: Uniqlo mobile app

Sending digital traffic to brick-and-mortar stores

Customers that want to make a purchase online can choose to have the products delivered to a nearby physical store. By providing a click-and-collect option, Uniqlo can drive more foot traffic to its retail stores. On the other hand, customers can benefit from the convenience of not having to wait for delivery and save on shipping fees. From time to time, Uniqlo would also provide incentives like cash coupons to convert digital shoppers into offline buyers, with the goal of increasing the purchase volume of in-store shoppers.



Uniqlo mobile app promotional banner for a \$30 discount coupon. The banner features a smartphone displaying the Uniqlo app interface, a hand icon pointing to the app, and the text: "累計消費滿 1000 U 值專享 \$30 線下門店優惠券* (消費滿 \$300) 詳情請按此 ▶". Below the banner, the text reads: "12月會員優惠券於 12月1日 10:00 am 正式開搶!".

12月會員優惠券於 12月1日 10:00 am 正式開搶!

累計消費滿1000 U值之會員有機會獲得活動優惠券乙張。於香港及澳門實體店單次購物滿\$300，可即時享用減\$30優惠*！優惠券數量有限，先到先得，送完即止。

Source: Uniqlo mobile app

Understanding the fact that many shoppers still prefer the sensory and social aspects of in-store shopping, Uniqlo tries to link the in-store experience to the digital environment so both online and offline journeys can complement each other.



Source: Facebook

Enhance in-store shopping experience digitally

If you visit a Uniqlo store, you will notice many signages with QR codes all over. From the entrance, and product shelves, to the fitting rooms, and the cashier counters. Uniqlo invites customers to scan these QR codes to access product information, check product styles, and stock availability.

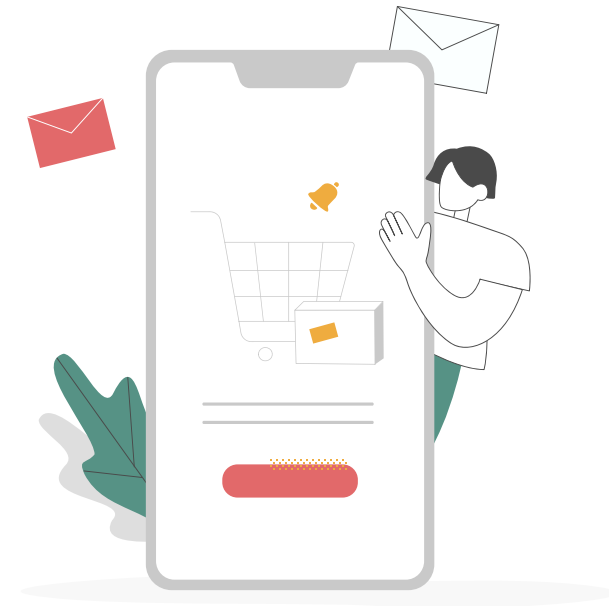


Source: Uniqlo store

Uniqlo also recently launched a new service called Store Order, which helps customers check on product availability of their desired item(s) at another store location, and they can also place an order instantly. This service aims to serve customers who need special sizes, speciality items, or if they can't find a particular product in one store. They can even arrange to pick up their order at a different store within the same day, free of charge, making it a lot more convenient and easier to access a wider range of products.

Most importantly, it ties the whole in-store shopping experience back to its mobile app. They can also repurchase orders made in physical stores, through the mobile app anytime without worrying about products being out of stock.

By syncing the in-store experience to the digital environment, Uniqlo can boost their mobile app usage, membership recruitment, and sales. By making the customer experience a convenient, efficient, and time-saving one, this also brings value to all Uniqlo customers.



Capture more data with an O2O strategy

One great advantage of having an O2O strategy is it gives Uniqlo access to customer data at each point of the customer journey. For foot traffic directed by initiatives through digital channels like ads and incentive programmes, Uniqlo can easily track down data like impressions, clicks, email signups, mobile app downloads, page views, add-to-cart, etc, and connect it to every customer's profile for a more holistic view of the demographic, social, behavioural and purchase data.

Challenges with connecting the data dots

Uniqlo undoubtedly placed a significant amount of effort into data collection and data unification to eradicate data silos. When data is siloed, it hinders its capabilities to fuel marketing strategies. However, unifying data into a single system does not guarantee success in implementing multi-channel marketing and sales campaigns. Successful campaigns still require an immense effort in data export, analysis, and import as preparation. To streamline all these preparations, companies have to recognise the need to execute integration projects.

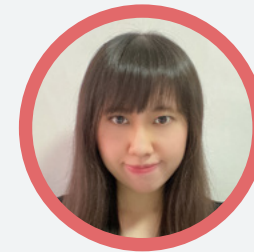
Integration projects are challenging and exhausting for many companies as the project scope is likely to span across departments and stakeholders. Each department and stakeholder specialise in a respective field, making it challenging to manage the project. To overcome this obstacle, companies often take a bottom-up approach to identify their business objectives or analytic purpose before engaging in any integration initiatives.

APSYS Professional Services Consultant Karena Tseung commented that

"Uniqlo is very successful in running its O2O strategies. It uses online and offline marketing to complement each other. It is ingenious in taking advantage of getting access to data through their touchpoints. Various types of gathered data, such as demographic, behavioural, and purchase data, can better understand their customers and further improve their marketing effort. We have worked with many brands in the past, and the common pitfall lies with them not being able to fully utilise data to optimise their marketing campaigns. We strongly advise retailers to learn from Uniqlo and get started to adapt similar omnichannel marketing strategies."

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**Uniqlo uses
online and offline
marketing to
complement
each other.**



Karena Tseung, APSIS Professional Services Consultant

PUTTING DATA TO USE

With data integration in place, it opens doors for companies to analyse and interpret data more effectively to create customer segments. Segments act as translators that convert raw data into information to fuel O2O strategies. A few examples of these are:

- 1 Customer purchases a t-shirt at a physical retail store
- 2 They receive app, social media, or EDM push for relevant "Suggested for you" promotion with discount code.
- 3 Customer can use discount code to purchase again via online or offline store

Data used: physical store transactional data, app data, social media data, EDM data.

"It is evident that the data collected throughout the entire customer journey has helped Uniqlo move their marketing campaigns to another level", commented Karena. "It is a great way to complete the buyer's journey while enhancing the customer experience as a whole, and it's a win-win for both parties".

If you have just started creating customer segments and groups, the Recency, Frequency, and Monetary (RFM) method is an excellent method to adopt. Here are some common questions to ask when engaging with RFM:

Recency:

What is the duration between activities?

When was the last purchase?

When was the last visit to the website or use of a mobile app?

Frequency:

How often does the Customer make a purchase?

How often has a customer transacted or interacted with the website during a particular period of time?

Monetary:

Who are the top spenders?

Who are the customers with high spending powers?

Who are the price-sensitive customers

Allocating tiers within these three dimensions help brands systematically understand the habits of their customers and create individual personas. The mix and match of the above metrics along various online and offline customer journeys allow successful companies to assemble customer groups that are most relevant for their business objectives and retention goals. The result - optimising the shopping experience so that customers will return more often, and with a larger purchase volume each time.

TO WRAP UP

Uniqlo understands the importance of O2O, integrating its online with offline channels through its mobile app to create a unified customer experience. The app bridges the gap between its physical and digital touchpoints, providing a seamless in-store experience and staying connected with customers on-the-go.

One important aspect to point out is that Uniqlo can harness the power of data and take the opportunity to gather data at each step of the customer journey to further analyse and learn how to enhance their offering.

Uniqlo emphasises its brand value and places customer experience as the centre of its offering. From product planning, production, distribution to marketing and customer services, Uniqlo makes sure their products align with their customers' demand.

Interested in adopting a similar digital strategy for your retail business or need more ways to improve your current marketing practices? We are here to help—get in touch with us for a marketing strategy consultation.

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