

Michael Zimmerman's Hedge Fund on the Online-Offline Retail Convergence

NEW YORK, NY, USA, March 29, 2014 /EINPresswire.com/ -- Amazon goes offline while retailers scramble online - Michael Zimmerman's hedge fund [Prentice Capital](#) believes customers want to combine pure online shopping with visiting stores.



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Michael Zimmerman

CEO [Michael Zimmerman of hedge fund](#) Prentice Capital and Chairman of retailer dELiA*s notes that it's not all plain sailing for online-only retailers: without a physical store, shops are reliant on couriers or the postal system to deliver purchases, and failed package delivery has long bedeviled online retailers.

Online retail giant Amazon is borrowing a tactic from

traditional retailers, quietly installing large metal cabinets "Amazon Lockers" in grocery, convenience and drugstore outlets accepting packages for customers for later pickup. And Amazon is trying another method of selling its items: via vending machines in airports and some malls around the country.

Could this signal a convergence between online and offline retailing?

Zimmerman firmly believes customers want to combine pure online with visiting shops. Stores have a big role to play; typically more than two-thirds of sales combine stores with online elements, such as collecting Internet orders in-store, researching online or scanning items with smart phones to read reviews.

Retailers need strong branding and well-planned online & mobile shopping platforms, says Zimmerman, who has long held the view that the online-offline consumer convergence will put even more pressure on offline retailers to build a strong online retail presence.

Despite fewer shoppers in store, Zimmerman believes sales are increasingly driven by sofa shoppers wielding tablet computers. Considering that an estimated 64 million new iPhones and iPads are already in consumers hands during the last quarter of 2013, the new year could be a breakthrough year for mobile shoppers.

With parabolic mCommerce sales trends, retailers that do not provide consumers with a

seamless shopping experience are leaving a significant amount of money on the table. A recent Deloitte study(1) that found customers who shop across channels spend three times more than store-only customers, and a small but growing percentage of revenue comes from online customers who only shop on mobile devices.

Michael Zimmerman's Prentice Capital is a financial investment advisory firm specializing in investments in the U.S. consumer retail sector. [Prentice Capital Management](#) LP is headquartered in Greenwich, and was founded in 2005 by Zimmerman.

Citations:

(1) "The changing face of retail" Deloitte, 2013

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