OMNI-CHANNELS: A TRANSFORMATION FROM MULTI-CHANNELS

Rajesh Gahlawat[*]

ABSTRACT

The retail practices and the consumer behavior patterns are continuously changing which are the key attributes in the retail industry to bring transformation. With the increasing use of the internet (2017: 331.77 million; 2018: 369.01 million, and 407.11 million forecasted in 2019), and the smartphones; the lifestyle and the shopping behavior of the public is changing. Hence the retail industry is modifying it selves to new methods. Customers are upgrading their purchasing behavior. In spite of depending on the single way, they are adopting the multi-channels or can be said as the "Omni-Channels." More and more number of customers are added over the online shopping every year. By following the Omni-channels, the customers visit the physical store, examine the product (product size, colour, style, code etc.) and finally do online shopping which is popularly known as "browsing offline but buying online". This kind of increasing tendency of shoppers, the brick-and-mortar stores are losing their identity and bearing loss. Omni-channel retail, which is essentially characterized by the integration of various channels is to support cross-channel consumer interaction.

KEYWORDS: *Multichannel Retailing, Mobile Retailing, Omni-Channel, Customer Behavior.*

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Introduction

The retail practices and the consumer behavior patterns are continuously changing which are the key attributes in the retail industry to bring transformation. With the increasing use of the internet (2017: 331.77 million; 2018: 369.01 million, and 407.11 million forecasted in 2019), and the smartphones; the lifestyle and the shopping behavior of the public is changing. Hence the retail industry is modifying it selves to new methods. Customers are upgrading their purchasing behavior. In spite of depending on the single way, they are adopting the multi-channels or can be said as the "Omni-Channels." More and more number of customers are added over the online shopping every year. By following the Omni-channels, the customers visit the physical store, examine the product (product size, color, style, code etc.) and finally do online shopping which is popularly known as "browsing offline but buying online".

Today, the capability of the simultaneous use of several consumer-store interaction channels constitutes the dominant characteristic of the "omni-channel" retailing phenomenon, which builds on the well-established multichannel retail infrastructure, mainly developed since the commercial exploitation of the World Wide Web. "Omni" is a Latin word meaning "all", "universal". We observe that the definition was extended to the point that it involved not just the simultaneous use of channels, but the experience that derives from the integrated combination of them. The last attempt to define the term was by Levy, et al. (2013, p.67), who introduced "omni retailing" as: "a coordinated multichannel offering that provides a seamless experience when using all of the retailer's shopping channels". They all agree that the prevalent notions are integrated/seamless experience using all channels. By studying the available academic literature we admit that these concepts are not new. In fact, they have appeared at multiple disciplines and research areas since the very beginning of the e-commerce era. The following sections of

[*]   Assistant Professor, Department of Commerce, Shri L. N. Hindu College, Rohtak, Haryana, India.

this paper aim to conduct a thorough review of the existing literature on this emerging and highly promising topic, as well as provide some directions for empirical research designs. Specifically, the paper attempts to clarify the main differences observed between multichannel and omni-channel retailing, placing particular emphasis on the role of Information and Communication Technologies (ICT). Finally, the paper identifies managerial implications that arise due to the shift to omni-channel retail practices.

Review of Literature

From the studies it is clear that customers are switching to the multi-channels as well to the omni-channels. From the previous section, it is evident that a literature review in omni-channel retailing should include studies from multiple disciplines, since omni-channel refers to the use of both physical and online channels combined with the delivery of seamless shopping experiences. However, it should be noted that due to space constraints, the present study elaborates on an indicative list of relevant key references on that topic.

- **Multichannel Retailing**

Multichannel retailing is when a company provides numerous ways for customers to purchase goods and services. This marketing strategy could include selling through traditional outlets such as catalogs, brick-and-mortar stores, mail, and telephone. Multichannel has dealt with several concepts, such as: strategy, pricing, consumer decision-making process, channel cannibalization, service quality, brand loyalty, customer satisfaction, multichannel attribution, channel mix optimization, channel switching, customer experience, coordination, integration, synergies. The last seven of them are the most relevant to omni-channel by definition. The review of the relevant literature reveals that the origins of omni-channel arise from the notion of "click 'n' mortar".

Specifically, in 2000, Otto & Chung wonder how e-commerce techniques can be combined with traditional physical retailing, in order to enhance the value of the shopping experience. They named this concept "cyber-enhanced retailing" and propose e-commerce practices that can be used in conjunction with conventional retailing. Customer experience was also addressed by Burke (2002). He conducted an empirical quantitative study investigating how consumers want

to shop online and offline, including 128 different aspects of the shopping experience. He found out that shoppers were fond of shopping features that assisted them in multichannel shopping (e.g. research online – purchase in store, shop online – pickup in store) and concluded that retailers should integrate channels so as to assist consumers to move transparently between them. Similarly, Görsch, D. (2002, p.757) showed that "the goal of multi-channel integration must be to provide a superior customer experience that is consistent and seamless across channels". Also, Shankar et al. (2011) suggested that a seamless shopping experience leads to satisfaction and shopper retain, which can be achieved by providing "the same information in the same style and tone across the channels" (p.33).

On the other hand, studying a different selection of online & offline shopping channels duringat home (TV, catalogs, and the web), Joo& Park (2008) discovered that there is no cross-channel synergy among in-home channels and that firms should clarify the role of each channel and link the channels appropriately. Furthermore, Kwon & Lennon (2009) conducted a quantitative research and underlined the significance of seamless integration and consistent image management in multichannel environments.

We believe that omni-channel environments pave new grounds for scientific exploration in this direction.

- **Mobile Technology/Retailing**

Mobile retailing is the fastest-growing retail sector, forecast to be responsible - on current trends - for 30.1% of online sales in Europe by 2016 and 36.5% in the U.S. 'Mobile retailing' is defined here as retail shopping where merchandise is purchased using smartphones, tablets or other mobile devices. While traditional multichannel & E-Commerce literature contributed to the foundation of the omni-channel concept, additional literature in other areas provided useful knowledge regarding the simultaneous use of channels, which is the ultimate form of omni-channel and constitutes the prevalent behaviour of "omni shoppers" (consumers that utilize all channels simultaneously). Indicatively, in 2001 Kourouthanassis et al. proposed a business and technology framework, exploiting emerging ICT, mobile commerce technologies and the RFID, in order to integrate all available channels and the supply chain, providing innovative in-store, home and on-the-move scenarios/services. Elaborating on pervasive retailing concepts, Kourouthanassis et al. (2007) re-evaluated the 2001 concept from a user experience perspective and found out through a field experiment that it can be greatly enhanced by pervasive retailing technologies (smart shopping carts, RFID, etc). Then, Andersson & Nordmark (2008) bridged

online and offline channels by transferring e-shop elements into an in-store electronic kiosk and discovered that it assisted sales. Finally, van Ittersum et al. (2013) experimented with smart shopping carts utilizing tablets and investigated if consumer spending was influenced by such technology applications. They found out that as far as budget shoppers are concerned, shopping experience enhancement leads to repatronage intention. Regarding mobile commerce perspectives, van der Heijden (2006) introduced a mobile decision support system to accommodate in-store purchase decisions, while Westerman et al. (2007) compares a similar system in-store and on the internet. Along these lines, Xu et al. (2008) through an ethnographic study discovered that augmented reality in mobile applications enhance the in-store shopping experience. Furthermore, Karpischek et al. (2009) test an NFC-based mobile sales assistant for salespeople utilizing focus groups. According to their findings, the application wasn't considered to provide benefits for them, which was attributed to the fear of replacement by machines. Similarly, Jan-Willem et al.(2010) applied an interdisciplinary approach in order to explore how mobile recommendation agents influence consumer behavior. They suggested that retailers should provide wifi access, QR codes and similar technologies in order to gain competitive advantage and elevate the shopping experience. They concluded that service-oriented shoppers appreciate convenience in cross-channel shopping and desire self-service in stores. Finally, Ahearne & Rapp (2010) point out a different perspective in multichannel retailing: the role of social media, user-created content and complementary technologies and their exploitation by salespeople.

- **Omni-Channel Retailing**

The omni-retailing term was first discussed by Bodhani (2012) and defined by Levy et al. (2013, p.67) as reported in the introductory section of the paper. Specifically, Bodhani (2012) related it to retailers-shoppers connection across multiple traditional and non-traditional channels. Then, in 2013 she used the term in conjunction with Augmented Reality in omni-channel retailing(Bodhani, 2013a) and with Point-of-Sales systems threatened by cybercriminals (Bodhani, 2013b). As far as omni-channel is concerned, Aubrey & Judge (2012) discussing about brand strategy and innovation, suggested that omni-channel strategy should be adapted in order for brands to cope with consumer preference & loyalty. At the same year, order online – pick-up in-store in the context of omni-channel was the subject of a Thesis in a Portuguese University (Rosa, 2012). The following year, one of the most inspiring papers about omni-channel was published (Brynjolfsson & Rahman, 2013), dealing with omni-channel concepts and strategies. Finally, at the present year several studies were published showing the dynamics of the subject. Specifically, Bhalla (2014) attempted to clarify the differences between multichannel and omni-channel using an applied case study approach, whereas Williams (2014) admitted that while his focus was on social commerce, omni-channel should be taken into consideration since retail touch points have converged into it.

Conclusion

It is clear that customers are largely adopting the different type of shopping methods to make their shopping convenient. Thus they go for the omni-channels. It should be clarified, however, that these research initiatives are not exclusively positioned in the Marketing discipline but also vary from Information Systems integration to business processes reengineering and organizational culture changes. In sum, it should be reminded that the main objective of the paper is to summarize and to present through an integrated approach the relevant to the omni-channel retailing phenomenon key studies and corresponding calls for future research, as well as to highlight some indicative managerial propositions that deal with the "new retailing agenda". The approach followed by the present study is multidisciplinary in nature since the topic investigated appears in Marketing, E-Commerce and Information Systems research outlets. The multidisciplinary nature of the topic is also reflected on the review of the relevant literature as well as on the calls for future research reported at the present section of the paper. Therefore, it is recommended that, due to the multiple disciplines and domains that are actively involved in the investigation of the omni-channel concept, research initiatives on that topic should exploit concepts and methods from all these areas following multidisciplinary research approaches.

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