

OMNICHANNEL RETAILING: ELEVATING CUSTOMERS' SHOPPING EXPERIENCE

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ABSTRACT

Customers who prefer to shop online rather than in stores have climbed dramatically in recent years, demonstrating that online shopping is increasingly dominating retail growth. For organisations to communicate with their customers, they must take a customer-centric strategy. Retailers provide alternative channels at each point of the customer journey so that customers can choose their favourite channel. The use of smartphones and tablets for goods purchases has expanded considerably. Customers expect businesses to link online and offline experiences since they no longer want to finish their purchase journey in one channel. As a result, new retail channels and touchpoints have emerged that influence customer behaviour. Omnichannel is a creative strategy to improve customer purchasing experiences while avoiding the downsides of multichannel selling. Customers benefit from multichannel marketing. Customers can communicate with companies/retailers via several touchpoints through omnichannel, which strengthens the bond between the company and its customers. The motivations for enabling omnichannel retailing, how it benefits both retailers and customers, creating an omnichannel strategy and omnichannel retailing trends were all discussed in this research.

KEYWORDS: Omnichannel Retailing, Channel Integration Quality, Customer, Touchpoints.

1. INTRODUCTION

Traditionally, channels have been viewed as intermediaries who assist manufacturers in distributing and transferring items to end customers. Businesses normally employed one of three channels prior to the Internet's commercialization: physical stores, call centres, or catalogues. A single channel is the foundation of traditional retail. It is based on a specialised distribution infrastructure and a single sales channel. Retailers own only brick-and-mortar stores or internet stores. However, as the digital age ushered in a slew of new sales channels, single-channel sales became increasingly scarce. Companies did, however, use several channels to deliver service to their clients on occasion.

The rise of new channels via which consumers contact with shops is influencing the purchasing environment. To obtain product information, verify it, and/or make a purchase, consumers can use a combination of channels. People can now buy products and services through a multitude of channels, including the internet, mobile devices, social media, and traditional brick-and-mortar stores, thanks to technological improvements. Nowadays, the bulk of purchasers shop across various channels.

Multichannel buyers, according to research, spend more money, buy more products, and are more loyal than single channel shoppers, but organisations who employ several distribution channels as part of their marketing plan confront more difficult challenges. In the classic two-way marketplace, customers purchase things from either offline stores or e-commerce sites. However, in today's world, technological advancements are causing customers' habits to change. Consumers are actively using cell phone devices to seek for and compare products and services as a result of automation.

As a result, customers may be more sensitive to price and quality disparities across different channels. By allowing varied intermediaries to be interconnected, automation allows organisations to efficiently manage their networks and allocate resources. Customers' behaviour patterns are shifting from single or multi-channel shopping to omnichannel retailing as a result of changes in personal qualities and retailing strategies. In conclusion, digitalization and automation appear to have a significant impact on customer attributes, the retailing environment, and follow-up habits.

Customers today interact with businesses via online, mobile, and offline channels, thanks to the ongoing development of digitalization. As a result, a trend toward "omnichannel" retailing has occurred. Due to the features of the virtual environment and shopping, the terms multichannel and omnichannel are frequently conflated. The term "omnichannel" is thought to have evolved from "multichannel." While multichannel views channels as distinct domains, omnichannel strives to bring all of the data from many channels together to provide an uniform and seamless experience for customers.

2. DEFINITION OF OMNICHANNEL RETAILING

According to Rigby (2011), Omnichannel retailing is defined as "integrated sales experience that melds the advantages of the physical stores with the information-rich experience of online shopping"

According to Ailawadi and Farris (2017) omnichannel marketing "often encompasses not just the channels of distribution through which a supplier's products reach the consumer but also the channels of communication - owned, paid, and earned.

According to Verhoef et al., (2015), Omnichannel retailing is defined as "synergistic management of the numerous available channels and consumer touch points, in such a way that the consumer experience across channels and the performance over channels is optimised".

3. Review of Literature

Since World War II, two retail revolutions have wrought substantial changes in the industry: the mall/shopping centre idea and the World Wide Web. By the late 1990s, the Internet and traditional brick-and-mortar retailers had become fierce competitors in the retail market. The consumer received considerably different values from these two markets. Traditionally, the selection procedure was based on the desired consumer advantages (CBS). Consumers have proven that the convenience of purchasing online is the most important benefit they want. This study looks at the ever-evolving omnichannel marketplace and the differences between CBS and the omnichannel marketplace. Consumers' self-reported satisfaction with their overall anticipation of their hybrid consumer experience (HCE) with a brand, as well as online and brick-and-mortar transactions. (Kim, 2002).

The delivery of the retail consumer experience is becoming increasingly complex, necessitating consistent performance across several touchpoints (Pantano and Viassone, 2015). Thus, a consumer's journey can begin with an Instagram ad, continue with a physical store visit while checking inventory on his/her smartphone, try on a garment, check social media reviews, discover his size is out of stock, and finally complete a purchase with home delivery via the store's digital kiosk. Indeed, channel integration claims a rethink of the entire value chain from logistics to CRM to product co-creation across sectors, emphasising on an immersive customer-centric vision (Ishfaq *et al* 2016).

Nonetheless, scholarly study on luxury businesses' digital strategies or the intersection of this topic with omni-channel studies is practically non-existent, leaving a significant gap between practise and academia unfilled (Larraufie and Kourdoughli, 2014). Despite the rapid growth of electronic commerce, sales figures are far from the only factor to consider when developing a digital strategy for omni-channel integration in the luxury market. Indeed, with 6 percent of transactions conducted online and the remaining 68 percent having had digital effect along the customer journey (McKinsey and Co, 2015), discounting the importance of cross-channel interaction would be deceptive. Especially since luxury customers demand consistent, personalised brand experiences as well as perceptual influences like scarcity and social symbolism in addition to high-quality standard products (Vandergriend, 2016).

Such an occurrence necessitates organisations developing the finest possible customer service and relationships, as well as the ability to precisely track individuals they are attempting to engage, something that was once nearly solely handled in-store (Fubini, 2016).

4. Main body of Knowledge

The main body of knowledge is divided into three major sections-motivators that influence development of omnichannel reetailing, benefits of omnichannel retailing, creating an omnichannel strategy and trends In Omnichannel Retailing.

4.1 Motivators That Influence Development Of Omnichannel Reetailing

4.1.1 Drivers related to marketing

In the digital age, shops must provide a unique experience for customers by mixing physical information with online content. It also encourages improvements to the purchasing experience, such as faster online transactions and social media strategies. A higher valuable experience is the result of more consumer interactions. Increasing market share by combining offline and online data (e.g., physical surroundings, virtual environment, smartphone apps) and taking advantage of client segmentation opportunities across several channels. Utilizing social media to enhance brand awareness, as well as applying analytical tools to better understand customers and improve product offers, can help improve product features and brand recognition. Enhancing product advertising and delivering transparent pricing, enticing sales offers, and personalised content on several platforms for different groups, as well as creating separate product service packages and loyalty systems, can all be used.

4.1.2 Drivers in the logistics and supply chain

To improve cross-channel distribution, increase supply chain efficiency, lower operating costs, and streamline order fulfilment. Create an integrated information platform to track inventory in the supply chain. The procurement of all channels should be centralised. To increase supply chain, traceability, and flexibility, create independent distribution centres for high-speed order fulfilment, product exchange, and returns. Create an integrated information platform that can provide real-time data and respond quickly to changes, as well as coordinated information systems or distribution hubs, to reduce supply chain risk.

4.1.3 Drivers relating to organisational management

Market research and demand analysis should be prioritised to improve corporate competitiveness. For specialised markets, a greater emphasis on product expertise and development is required. Boost your supply chain's efficiency. The organization's structure and corporate incentives should be changed to encourage business innovation, and a greater emphasis should be placed on information exchange.

4.2 Benefits Of Omnichannel Retailing

4.2.1 Increased client retention

Customers want to buy in the most convenient method for them, therefore an omnichannel experience is the ideal approach to handle the various options available to them. According to Mgage, companies who use a consistent omni channel marketing approach see a 13 percent increase in client retention rates each year.

4.2.2 An increase in turnover

According to a study published in Harvard Business Review, omnichannel clients are 30 percent more valuable. Similarly, when it comes to client retention, it's important to remember that repeat customers provide 40% of revenue, even if they only make up 8% of the total base.

4.2.3 Increase in the quantity of references and suggestions

Regardless of how much money a firm spends on marketing and advertising, nothing beats the power of word of mouth. According to Forbes, a Nielsen study found that 92 percent of customers trust recommendations from friends and family over all other forms of advertising.

4.2.4 Increased efficiency

By providing customers with a comprehensive and consolidated database that is accessible via any channel, you can increase the visibility of your items and promotions while also providing them with all the information they require. Remember that 81% of people look at and compare posts from their friends before visiting to a real business.

4.2.5 Improved customer satisfaction

The omnichannel strategy isn't just about going one way. Customers, in other words, expect you to not only check and buy, but also to provide excellent service through whatever channel they pick.

4.2.6 Improved customer data collecting

A business will be able to track its clients throughout all of its channels and, as a result, better understand them by understanding their preferences: the product cards they've looked at, the offers they've clicked on, and so on. This enables for further personalization of messaging and promotions with each client, making them feel valued.

4.2.7 Bringing the offline and online worlds together.

It is no longer sufficient to have an online and offline presence; everything must be linked. The ultimate goal should not be to increase sales in a certain channel, but to enable purchases to happen organically and smoothly in the channel that your consumer prefers. Some fast food businesses, such as McDonald's and Foster's Hollywood, offer discounts and promotions to their consumers via mobile apps, which they may use in their actual stores by just showing the staff their smartphones. This form of connection at all levels strengthens client relationships and encourages them to participate and interact with your organisation on their own terms.

4.3 Creating An Omnichannel Strategy

4.3.1 Increase the number of individualised services.

In today's environment, personal communication is critical, and customers expect firms to understand their requirements and objectives. Personalizing the customer experience through CRM systems and in-store technologies should be the first step in any solid omnichannel strategy.

4.3.2 Emphasize the importance of generating exceptional in-store experiences.

Stores are being redesigned already, and this tendency is projected to continue. Offering in-person experiences that engage customers and grow brands is the future of retail. There is a need to consider the company's voice and what kinds of experiences could meaningfully and creatively reinforce that voice.

4.3.3 Make use of interactive media

Business leaders expect interactive technologies to improve the in-store experience by increasing engagement and giving shoppers with relevant information, according to the Coresight report. The most crucial approach to engage with shoppers, according to 22% of respondents, is to use AI, AR, and VR.

4.3.4 Focus on personnel training and reskilling.

The skills required for the future of retail are changing as well. Consider retraining and reskilling store employees so they can better support the new omnichannel experience. When lockdown measures were implemented, some businesses transformed their employees into personal concierges or stylists. In the new environment, agility is essential.

4.3.5 Put money into consumer research.

To fine-tune your omnichannel experience, use actionable data. In the new world, data reigns supreme, and it's the gasoline that powers the personalization essential for a successful omnichannel approach. Make sure you have the tools you need to develop a data-driven approach.

4.3.6 Create a client journey map.

Check for any dead ends and just green lights. Put yourself in the shoes of the customer as they explore the various touchpoints while developing an omnichannel strategy. Every channel must be optimised such that the consumer is at the centre of the experience.

4.3.7 Increase the amount of time you spend on social media.

Companies must meet their clients where they spend the most time, thus social media outlets must not be overlooked. Businesses can use social media to gain market intelligence and improve their engagement on social media platforms.

4.3.8 Use artificial intelligence (AI) and chatbots to improve customer service.

Customers demand 24-hour service and quick solutions to their problems, therefore use AI and chatbots to quickly resolve regular concerns.

4.3.9 Gather and analyse data in order to identify brand enthusiasts.

One of the most significant advantages of an omnichannel strategy is the abundance of data it provides. Don't let this information go to waste: use it to identify and cultivate brand ambassadors.

4.4 Trends In Omnichannel Retailing

4.4.1 Augmented Reality

One of the most appealing aspects of buying in a store is the ability to see how something will look before purchasing it. Using augmented reality (AR) applications, online shoppers may see how your products will fit into their lives or locales. Ecommerce retailers, for example, are using AR technology in a variety of ways: Preview placement to see how sofas and televisions would fit in a customer's living space, social media filters to see how items like hair colour will look on them instead of a model, and virtual try-ons to see how garments and accessories will look on their body instead of a model

4.4.2 Unified mobile and in store experiences

We all have busy schedules and try to save time, which is why we value the convenience of our mobile devices while shopping in-store. Customers in huge stores, for example, no longer like scouring multiple aisles for a small item. They want to be able to pull out their phone, open an app, and look up the exact location of the items they want. They'd also like to know how many of those items are currently in stock. It would be amazing if retailers could offer a discount or promotion. Retailers who can mix mobile and in-store experiences will have a huge competitive advantage.

4.4.3 Instagram Checkout

You can provide a smooth buying experience for your Instagram users by using Checkout on Instagram, which eliminates the need for them to exit the app. When someone is going through their feed and comes across a picture of a product they like, they can tap to obtain more information and then place an order right from their phone.

4.4.4 Using Live Video to Advertise Your Products

Using live video to market your products is another major social media trend. When you promote items on Facebook Live Shopping, you can live stream them. You may also include photographs, a brief description, and a price in your live broadcast so that viewers can get all of the information they require without having to leave the video.

4.4.5 Digital Wallets

For a long time, digital wallets such as PayPal, Apple Pay, and Google Pay have been available. They've become even more important as consumers' preferences for security and convenience have expanded. They also provide a measure of security that may encourage customers to trust you. When customers notice that an online store allows their chosen payment method, they are less likely to leave without checking out. Since the epidemic, contactless payments have grown in prominence, making omnichannel a trend that is here to stay.

4.4.6 Buy Online, Pick Up In-Store (BOPIS)

BOPIS, also known as click-and-collect, is a fantastic way for retailers to connect their offline and online activities while also offering customers a contactless order fulfilment option. Since the outbreak began, it's attracted a lot of attention and best of all, it's a trend that will last long after things have returned to normal.

4.4.7 Same-Day Delivery

Customers who don't want to pay for delivery since they need their things as soon as feasible should choose this option. In reality, many retailers are adopting the B2B2C model, cooperating with partners to deliver unique value-added services that improve client experiences.

5. CONCLUSION

Both omnichannel and multichannel marketing strategies have the ability to reach out to potential customers across multiple channels. Companies may need to implement an omnichannel strategy in order to meet rising customer expectations and technological advancements. When deciding between omnichannel and multichannel, businesses should prioritise omnichannel operations above multichannel. This will increase client engagement, revenue, and user feedback, all of which are incredibly valuable to any business. It helps to consolidate action plans, attract clients through a personalised approach, customised discounts, and social platforms, and boost conversion through the use of information. When converting from multichannel to omnichannel retailing, a company must weigh the financial benefits as well as the costs. Service providers must ensure that information given across several networks is consistent, and that customer service is current and relevant. The customer journey is being redefined by omnichannel experiences, which provide businesses and customers with better, more natural ways to interact. Companies like Amazon, Disney, and Starbucks have upped the standard for omnichannel experiences, and smaller businesses must adapt to stay up. The current moment provides a fantastic opportunity to do so, since many stores and touchpoints are just begging to be reinvented. Companies that can come up with innovative strategies to implement an omnichannel strategy will gain customers and prosper in the long run. Those that don't will find themselves lost in a maze of disconnected silos, empty shelves, and disgruntled customers. Now is the moment to take action.

6. PRACTICAL UTILITY

Customers who prefer to shop online rather than in stores have climbed dramatically in recent years, demonstrating that online shopping is increasingly dominating retail growth. For organisations to communicate with their customers, they must take a customer-centric strategy. Retailers provide alternative channels at each point of the customer journey so that customers can choose their favourite channel. The use of smartphones and tablets for goods purchases has expanded considerably. Customers expect businesses to link online and offline experiences since they no longer want to finish their purchase journey in one channel. As a result, new retail channels and touchpoints have emerged that influence customer behaviour. Omnichannel is a creative strategy to improve customer purchasing experiences while avoiding the downsides of multichannel selling. Customers can use omnichannel to reach out to you in a variety of ways. The motivations for enabling omnichannel retailing, barriers to adoption, how channel integration quality drives customers' experience in an omnichannel environment, the difference between multichannel and omnichannel retailing, how companies can shift to an omnichannel retailing strategy, companies that adopt omnichannel retailing, how it benefits both retailers and customers, and omnichannel retailing trends were all important findings which will help in increasing customer satisfaction.

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