

## OMNI CHANNEL PRESENCE – AN INEVITABLE PARADIGM SHIFT FOR RETAILERS IN POST PANDEMIC

**Dr. A.Michael John,SJ and Mrs. Shyamala.K**

<sup>1</sup>Assistant Professor, Xavier Institute of Business Administration, St Xavier's College Palayamkottai.

<sup>2</sup>Research Scholar, Xavier Institute of Business Administration, St Xavier's College Palayamkottai.

### **Abstract**

E-Commerce is a vastly growing industry that plays an inevitable role in connecting consumers and business irrespective of their location. The current ongoing pandemic doesn't make things easier for the retailers owing to the closing of shutters for safety precautionary measures. The tenacious rise of E-Commerce and the practical fear of shopping physically have made marketing a challenge for the retailers. The demand for Omni channel presence from consumers has driven business towards a strategy that encompasses both brick and mortar and E-Retailing presence. This review article aims to show how moving to an Omni channel presence can be beneficial to retailers in the long term. Extensive review of literature establishes the major advantage of this approach being the usage of customer's perspectives and interests to optimize the consistency of the retailers marketing strategy and also to increase the revenue generation. The consumers buying behaviour from physical store to online presence has possibly made the shift in the paradigm and transitioning to Industry 5.0. For a retail store, an online presence definitely contributes to being a synergy rather than being a substitute to the physical store.

**Keywords:** E commerce, Post Pandemic Marketing, Omni channel Presence, E tailing.

### **Introduction**

The Covid19 pandemic has been a significant upturn of the way marketing was done pre pandemic days. The crisis caused by the pandemic has been both a boon and bane to the retailers worldwide given the opportunities and threats it has created. With the pandemic looming on, it has forced numerous retailers to look into alternative marketing strategies which may be beneficial keeping in mind better profitable returns. A remarkable striking alternative would be to transition towards online presence with the number of consumer's preference towards shopping from the luxury of their home space for safety concerns.

The increase in the technological adoption of consumers has prompted an even exponentially rising market for E commerce. Consumers are not easily satisfied with the traditional single channel marketing, so there is a drive for the brick and mortar stores to go online and E-Tailers looking into establishing a physical store front. Online channels are treated as a distinct, separate channel without integration to the existent bricks-and-mortar business model.

### **Changing Face of Retail Industry**

The undulated effect of the COVID-19 pandemic has been felt across the globe and the retail industry is no exception to the downfall. With the pandemic in place, customers will now prefer to move most of the whole purchasing cycle online than before. Virtually every commodity and industry will need to be prepared to fulfil the demand digitally. As per Coresight report, in 2020, consumer spending on reality technologies is projected to reach \$7 billion, and distribution and services spending on the technologies could reach \$4.4 billion. Chopra, S. (2018) has stated from his study that to be successful, a firm must target price or service conscious customers using different channels based on the demand uncertainty, value, and information complexity of the product being sold.

A physical channel should be used to serve frequent and predictable needs in a cost effective manner. The online channel should be used to provide variety and serve sporadic needs at low cost. The physical channel can also serve as a showroom and pick up location for the online channel to improve customer service and decrease cost. The hybrid amalgamation of a physical channel for basic needs and an online channel for niche needs is found to be more effective when it comes to serving consumers.

Roggeveen, AL, Sethuraman, R (2020) in their article have stated that not only the short-term needs during the crisis are required to meet but the long-term implications need has to be recognized and addressed in the course of a sustained digitalization strategy. Many new behaviour are expected to be built which are adopted by consumers as well as by retailers may last and even become “the new normal”.

A customer and a retail channel interrelate primarily in terms of three flows – information, product and funds. A retailer provides product and pricing information to the customer who then places an order. The order information is used by the retailer to move the product to the customer. Finally, payment is transferred from the customer to the retailer. The conventional usage of different channels for each flow helps classify the components of Omni channel retailing.

## Challenges in Integrating Online and Offline Channels

The accomplishment of Omni Channel retail hinges on completely integrating and managing all channels effectively. The integration when not done efficiently can erode the investment made in the transition and spiral down to a drastic failure.

Gallino, S., & Moreno, A. (2014) have stated in their article that Online–offline integration efforts are challenging for companies. The retailer must integrate inventory systems, warehouses, marketing campaigns, pricing strategies, etc. Even before these integration attempts are made, retailers often struggle to discern what is really available at their stores or warehouses. The following are the major challenges encountered when transitioning from offline to online retail space:

- **Inventory Management**

The supply-demand gap can prove costly in terms of missed orders and result in poor service. Retailers need to arrange the inventory management to make the inventory visible across channels. Along with it, order handling should also be rationalized so that all orders are fulfilled lucratively.

- **Warehouse Locations**

The locality of warehouse should be optimal to the retail network, store locations, distribution, and shipping channels. Contents of a warehouse should be organized in such a manner as to keep stock more accessible to employees who manage the packing and shipping. This keeps inventory fluid and can help perk up the inventory turnover ratio.

- **Overstocking**

Over-ordering and duplication of stock by overestimating potential sales will be dangerous and can end up blocking the working capital. The usage of a good inventory management system, will address the under stocking or overstocking issues.

- **In-store stock allocation to online channels**

The “bird in hand” approach isn’t the best one in Omni channel retail. Instantaneous sales to brick-and-mortar store customers can end up sabotaging the online sales of that product in case of low inventory. Reducing the inventory availability of fast-moving items on online channels and keeping the supply steady through timely orders to vendors can help rectify the issue.

- **Channel-specific returns**

Consistency in systems across channels is a big advantage. This makes the process easier, competent and altogether amusing to the customer to be able to buy through one channel, receive it through another and return it through a third.

- **Technology**

Making technology work for the advantage of business, instead of the other way around by creating the process and then looking for technology to fit it by starting with the best industry practices supplemented by the best matching software. Technology can help smoothen out the entire process and also analyze best-and-worst performing stores and channels. The real-time updates obtained from the systems help make decisions immediately. Harnessing technology and automation is the best way to mitigate the Omni channel retail challenges.

- **Software adoption by Employees**

The pace at which the employees seize and adopt the software goes a long way in neutralizing Omni channel retail challenges. The learning curve- how difficult/ easy the employees may find new software, impacts order fulfilment for days to come. Running an Omni channel pilot in a trial location to understand which software and which strategy is the best fit could be beneficial.

- **Ignoring stock-takes**

Undertaking regular stock inspection as this ensures the most correct figures on the systems. In spite of having multiple systems, the actual stock may not always accurately reflect system figures. Frequent stock-taking accounts for misappropriations and damages in addition to exchanges and returns.

- **Selecting the right partners**

Collaborating with the right shipping, logistics, and especially drop-shipping partners is critical for successful order fulfilment. Customers expect speedy delivery and regular updates on shipping status. Along with all these measures, a company should rethink its customer engagement programs and strategies.

Going Omni channel requires a multi-level customer engagement and retail marketing strategy. This should typically include:

- Understanding of customer behaviour
- Data analysis of buying behaviour
- Retail marketing suitable for your target market
- Consistent, recognizable branding, marketing and messaging
- Tracking customer-centric KPIs such as customer lifetime value, profitability and engagement levels
- Predicting demand through sales history by channel
- High inventory visibility

## Technologies Adapted for Omni Channel Marketing

The main goal of Omni channel retail is to provide the end user with a flawless and continuous flow at every touch point with which they communicate when they're investigating or making a purchase from the business. Omni channel retail is just about a requirement for brands that want to be successful these days. The following are some of the most pioneering technologies of 2019, how they're shaping retail and E-Commerce, and how the retailer can shape them to deliver ideal Omni channel retail experience.

- **IoT-Connected Devices**

Household smart devices, smart watches, phones, and wearables—the number of IoT-connected devices consumers can use to interrelate with E-Commerce channels only continue to expand. It is approximated that a typical person will own and use at least 15 connected devices by the year 2030. It is crucial to stay ahead of the game and the need to have an Omni channel strategy enable them to present personalized marketing and product content on established, new, and emerging IoT devices and platforms.

- **Roboticized Customer Service**

Robots were once a fabrication of creative imaginations, but in the current scenario, robots—specifically chatbots—can handle upto 85 percent of customer interactions and require almost no effort from a human driving force. For brands with E-Commerce outlets, chatbots are an imperative Omni channel tool for delivering personalized, on-demand customer service that's available 24/7.

- **Augmented Reality**

Augmented reality (AR) technology enables a shopper to use the camera on their smart device to superimpose digital elements onto their physical surroundings. Popular retailers who are taking advantage of IoT as well as AR to blur the line between physical and digital shopping experiences are IKEA and Converse.

- **In-Store, Digital Payment Options**

Providing digital payment options in physical locations is one of the most persuasive examples of how Omni channel retailers can blur the lines between in-store and ecommerce experiences. It seems like pretty much every large technology manufacturer is equipping their smart devices with cardless, contactless payment options.

- **Recommendation Engines Personalize the Shopping Experience**

Recommendation engines use algorithms, A/B testing, and sometimes artificial intelligence-powered machine learning to predict and recommend products a

shopper may like based on what they've purchased in the past or what a similar shopper has purchased. Many smart businesses are upping the ante by plugging in data like what consumers looked at and purchased in-store. Recommendation engines enable businesses to provide one-to-one, or personalized, marketing on a large scale. This personalization is a must-have in a period when 78 percent of shoppers are more likely to make a buy when the brand provides significant content.

### **Advantages of Omni channel Marketing**

The outcome of a successful campaign utilizing integrated Omni channel business processes can ultimately lead to improved customer experience, increased customer loyalty, increased brand visibility, better analytics, accurate target marketing and high customer retention.

- **Improved data collection and analysis**

With an Omni channel strategy, customer data can be you can collected and unified from disparate channels and systems like cookies, device IDs, shopping carts, social media, mailing lists, point-of-sale (PoS) systems, loyalty and referral programs, etc. With the aid of this information, a bird's eye view of the consumer who engages with your brand can be maintained. Using the data collected customer behaviour, interests, and goal can be analyzed for enhanced campaign design that will eventually lead to higher switch over rate.

- **Better customer segmentation, better campaign designs and targeting**

Omni channel marketing offers the probability to tailor messages for individuals or for specific audiences. This level of personalization can lead to enhanced customer experiences, improved conversions, and superior customer loyalty, all of which lead to boosted revenue over time. Analysis of consumer data will help find the ideal shoppers and segment them according to their intention. This information will empower the retailer to create better campaign designs. Successful Omni channel marketing strategies lead to increased awareness from your target market. If your brand is marketed first, customers are at least familiar with your brand name and products or services. This can help give you a significant advantage over the competition.

- **Greater synergy across all departments and channels**

Omni channel marketing tends to create a better synergy across all channels by engaging with consumers through any channel they prefer, as well as connect those conversations across channels — all without losing data or context. Moreover a customer can be acknowledged based on their individuality with personalized on-site and online experiences.

- **Better brand visibility**

Omni channel marketing helps place marketing message across all channels in a reliable and well-timed manner – be it mobile, online or in-store – whatever is most convenient for customers. Every time a customer encounters the brand, they are offered a seamless and personalized customer experience. This leads to healthier brand visibility, which means superior customer loyalty.

- **Cost Effectiveness**

With the insights obtained from the data collected, marketing campaigns can be driven and resources can be employed more efficiently. Analyzing the Omni channel data will also tell where and when to concentrate on a meticulous channel more than the others for a far more profitable return

- **Achieve higher ROI**

Benefits mentioned above ultimately lead to better customer engagement, which in turn leads to more conversions and higher ROI.

## **Conclusion**

The virulent disease scenario has shown an unprecedented effect on the psychology and behavior of consumers worldwide. Long term success for retailers would be made possible by adapting new channel integration trends, figuring out shortcomings and converting the consumer demands to a lasting online and offline realm. Gere, C.(2021) has stated that an Omni channel strategy will require the entire organization to adopt a culture which is customer centric with more focus on a strong organizational articulation where the human factor—not only customers will be a fundamental axis. It is high time for retailers who are committed to creating a diverse landscape of online and offline touch points to seek in-depth insight into consumers, their shopping habits and personal preferences, along with current and potential future trends and opt in for Omni channel marketing.

## **References**

- Chopra, S. (2018). *The Evolution of Omni-Channel Retailing and its Impact on Supply Chains*. *Transportation Research Procedia*, 30, 4–13.
- Roggeveen, AL, Sethuraman, R .(2020). *How the COVID pandemic may change the world of retailing*. *Journal of Retailing* 96: 169–171.
- Gallino, S., & Moreno, A. (2014). *Integration of Online and Offline Channels in Retail: The Impact of Sharing Reliable Inventory Availability Information*. *Management Science*, 60 (6), 1434-1451.
- Gere, C.; Gonzalez-Lopez, F.; Herskovic, V.(2021). *Omnichannel Customer Experience and Management: An Integrative Review and Research Agenda*. *Sustainability* 2021, 13, 2824

*Deloitte China, Omni channel marketing refers to a consistent marketing experience across multiple touchpoints and platforms for all the customers*

<https://www.primaseller.com/blog/>, <https://www.contentstack.com/>, <https://www.contentstack.com/>,  
<https://www.techfunnel.com/martech/>, <https://www.stirista.com/>