



## A CASE STUDY ON OMNI CHANNEL PRESENCE IN RETAIL

**Prof. Jyotsna Mehta**

*S.S. Jain Subodh Management Institute, Jaipur, Rajasthan, India*

### INTRODUCTION

An Omni channel strategy helps retailers to create a seamless experience for customers across marketing channels. Its scope covers online as well as offline interactions with the customer. For example, you can sell your product using social media online, and the company's loyalty program is available to the customer throughout. Or a restaurant can allow diners to order using QR codes on a website, and in a physical location, and the experience is inter-connected at every step. Ranging from sophisticated multi touch campaigns to lavish dining and in-store experiences, large and small businesses are embracing the Omni channel business model.

### UNDERSTANDING THE CONCEPT OF AN OMNI CHANNEL STRATEGY

In order to stay relevant, businesses must deliver a cohesive and consistent brand experience across all marketing channels, whether they're accessed digitally, in physical locations, or both. It's really all about integrating the digital and physical presence. That is why an effective Omni channel strategy is significant.

The concept of Omni Channel business itself is evolving. Three years ago the expectation from an Omni channel was 'buy online, pick up in store'— called BOPIS in the retail sector. Now the Omni channel approach has expanded to the service sector along with retail. A good example of this expansion can be seen in the context of restaurants. This is seen in single ordering platforms that let you do on-demand delivery, order pickup, and offer shipping, on the same platform. Take the example of a wine supplier who ships bottles of wines and offers pickup and delivery options from the same platform that offers an in-store experience. Thus an integrated experience is created and is the essence of an Omni channel strategy that drives value for businesses.

### BUSINESSES ARE FAST ADOPTING OMNI CHANNEL STRATEGY

The contemporary business world is replete with examples of how businesses are gravitating towards Omni Channel models. Online retail giant Alibaba picked up stakes in

Chinese supermarket chains Hema and Bailan. Amazon bought out grocery chain Whole Foods for a huge 13.7 billion dollars. Walmart- the world's largest brick and mortar supermarket chain bought out US based e-commerce Company for \$3.3 billion. These strategic deals clearly indicate the need, both off line and online for an Omni channel business model. There are clear indications that retailers who don't have an Omni channel business model will lose customers. In a move towards an Omni channel strategy Amazon's investment arm, Amazon NV Holdings LLC, picked up 5% stake in Shoppers Stop for \$179 crore. The small step towards an Omni channel business with Shoppersstop.com helped them acquire 4.5 million customers per month.

Shoppers Stop has over 80 physical stores and online stores and over 8 million visitors per month whereas Amazon.in gets over 400 million visitors per month. So the plan for Shoppers Stop is to build a multiplier effect-so while, Shoppers Stop will focus on building a catalogue, Amazon will bring in the traffic. Shoppers Stop hopes to grow its online revenue to 10% from the current 1%.

Other Indian retail companies such as Landmark retail and D'mart are also moving towards building an Omni Channel business. Even online retailers such as Urban Ladder, Pepperfry, CaratLane and Lenskart now have Omni channel strategies. Interestingly, while a store like Shoppers Stop aims to reach to more cities and consumers through online retail, online players are launching offline stores to get customers to touch and feel their products. Take the example of Lenskart, which has over 500 physical stores where consumers can visit, view and try the products on offer and then transact online, A new debate has also emerged regarding whether it makes sense for a multi brand store like shoppers stop to not only have a vibrant Omni channel presence but also a partnership with Amazon which is also multi brand. Only 15% of revenues of Shoppers Stop come from its private and exclusive brands. For single brand retailers like Zara and H&M which are powerful brands as well as retailers, Omni Channel works well.

While many retailers personalize engagement in varying degrees, the ones who pursue omnichannel personalization go beyond basic retargeting and "me too" segmentation. Sephora, for example, offers rich in-app messaging, personalized push



notifications, and the ability to book in-person beauty consultations from phones. In-store technology allows “cast members” to access a customer’s favorite items and suggest new products that align with the customer’s profile. Customers can also use scanners to match products to their specific hair color and skin type. Its Beauty Insider loyalty program taps unified customer data and links offers across email, web, and mobile to drive online and in-store purchases. Achieving this level of personalization requires great data-management capabilities and process integration but they certainly help Sephora to achieve greater value. In fact, data showed that customers who visited the retail website within 24 hours of coming to the store were thrice as likely to make a purchase and the order values were 13 percent higher as well.

An Omni Channel strategy in food and grocery will not be easy in India as consumers want fresh food and the cost of delivery is high. While the investment of Amazon in Whole foods in the US is right on target because grocery stores are not very accessible in the US. In India, mom and pop or local kirana stores, and vegetable vendors are available literally at the door step, so online grocery stores have a very limited audience.

### What makes an Omni channel strategy successful?

It is important to understand the elements that can help to customers what they expect while also providing opportunities to delight them. The four distinct pillars of a successful Omni channel approach include:

1. **Sales:** The Sales strategy directly influences the Omni channel strategy and can help you prioritize the channels that make the most sense for your audience.
2. **Marketing:** Marketing messages must look consistent across your different channels. A unified Omni channel marketing strategy helps customers feel connected to the brand on each channel it appears.
3. **Fulfillment and logistics:** Order fulfillment helps customers get what they bought from you. It is an important part of the Omni channel experience and reinforces the promise made by the brand.
4. **Operations:** To do Omni channel well, you need a system that ties all of your channels together. Square can help you turn your Omni channel ideas into reality with integrated tools that work together.

### How can an Omni channel Strategy take your marketing to the next level

#### 1. Understand your customers.

The first step toward creating an effective Omni channel strategy is to understand who is the customer and their buying behavior. You may do this with a simple survey that asks people about their shopping and dining preferences. You can ask customers how they discover new products and menu items (social media, in-store shopping, word of mouth) or what type of items they would buy in person rather than online. The information will help to focus efforts on specific channels. For

example, if many customers report that they discover new items on Instagram, you know you should focus on your Insta presence.

#### 2. Offer Wi-Fi in your physical store/location.

Consumers do product research even when they are at a physical location. Research from Google found that 61% of people use their phones when in a restaurant or a bar. If you offer in-store Wi-Fi it will help customers in their buying experience. In-store and in-restaurant research can be made easier, by using QR codes that link to online product and nutritional information.

#### 3. Sell on diverse platforms.

You should try to sell and market your products wherever your customers shop, browse, or search for information. Customers usually navigate between several channels to purchase an item — brick-and-mortar locations; social media; online marketplaces such as Amazon and Etsy; company website; review sites etc. While you diversify, remember to keep your customer experience consistent. As consumers move across different channels, they should find similar branding and pricing.

#### 4. Launch educational content.

High-quality, engaging content is important to educate customers, answer questions, and instill trust across channels. The more compelling content you can create to explain why purchasing from you is a good choice, the more you’ll sell. Content marketing campaigns come in many forms like blog posts, social media, guides, customer reviews, and live stream video.

#### 5. Integrate social media into your storefront.

Try to integrate social media into your store experience. For example, a dressing room can have a display that lets customer’s access product reviews of what they’re trying on. Encourage customers to take photos of what they purchases and post it on Instagram.

#### 6. Integrate online purchases with in-store pickup.

People love to save on shipping costs. Try turning your brick-and-mortar store into a fulfillment center for your online channels so people can pick up their products without paying for shipping.

Research shows that almost three in 10 shoppers prefer to pick up items curbside or in a physical store instead of getting delivery because they can get those purchases quicker. And over a quarter of consumers, who would rather pick up their items directly report that they also shop in stores after the pickup, continuing the Omni channel sales cycle.

#### 7. Leverage your expertise

Small businesses have an advantage in Omni Channel. Since you’re homegrown, you likely have loads of expertise about your products and industry. Leverage that in your business by offering tutorials and workshops. Online, integrate live chat or even the chance to video chat with an expert into your website.



## CONCLUSION

Clearly, an Omni channel selling strategy can help you reach more customers and deepen their loyalty by making the experience with your brand feel consistent and accessible. And it's an approach that's a natural fit for small businesses, since the levers and tools that can help you tie your channels together are already within reach.

Omni channel marketing is the future of retailing but one needs to wait and watch to see how deftly Indian retailers can crack the code.

## QUESTIONS

Q1) What do you understand by Omni channel marketing? How is it different from multi channel marketing?

Q2) Conduct a SWOT analysis for company practicing Omni channel Marketing Strategies.

Q3) Do you think that the food and grocery sector should adopt an Omni channel business model in India? Discuss the future of Omni channel strategy for the Indian Retail Industry.