How Digital Transformation Influenced Retailers’ Distribution Channel Strategy? Online & Offline – Heading Toward an Integration

Author Details: Hiba Hishi
DBA Student-Beirut Arab University

Abstract
In this world of digitization, digital marketing is a trend that is far-reaching across the Globe. The development of digital marketing is rising daily with the perceptions of Internet marketing that is twisting into an essential stage of digital marketing. Consumers have conventionally made purchase decisions physically at the store shelf, giving institutional retailers vast authority to discover about and control manners and favorites. This paper work aims to provide an overview of literature on digital transformation and retail distribution strategy looking for a potential influence and relation between both concepts. It spots light on the Key Drivers for Digital Transformation, its importance, the barriers and 2020 latest trends.

Key words: digital transformation, brick and mortar, online retail, offline retail, Omni-channel

Introduction
In 1963, President John F. Kennedy said “Change is the law of life. And those who look only to the past or present are certain to miss the future”. A profound statement that recognizes change as an inevitable event across history and unsurprisingly reflects our current status where digital transformation is driving one of the biggest and major disruptions in history across the entire world including industries, jobs, consumer behavior, cultures, processes, and business models.

Among other industries, the retail industry was tremendously disrupted and transformed. Choosing and embracing the best distribution strategy was never harder especially upon witnessing the constant growth of online sales while brick and mortar sales still holds the largest share of the pie by far.

Retailers struggled to find the right among both channels before they understood that it’s not an either/or scenario yet an integrated approach, supported, shaped, and fuelled by digital transformation; called the Omni-channel strategy. A strategy that combines the best of both worlds to satisfy customer emerging need for a seamless and consistent experience across all channels.

And despite the fact that retailers are in different positions in their journey of transformation, COVID-19 has disrupted and accelerated the whole situation calling for an extremely fast pace of adaptation and transformation else they will be risking their viability and entire existence.

Chapter 1. Digital Transformation

Digital transformation is no longer a choice! A statement that is currently communicated and shared almost by all great minds in any organization. Actually, it is an emerging approach that is pressuring leaders to set an urgent action plan for an agile digital transformation, else they will be risking their organization viability.

As mentioned by John Hagel, Co-Chairman of the Centre for the Edge at Deloitte, “There is a tendency to see digital technology as an opportunity or choice. However, the mounting pressures of a rapidly shifting business landscape, are turning digital from a choice into an imperative. The longer a business waits, the more marginalized it will become”.

However, urgency without clarity proved to be a guaranteed recipe for failure. Accordingly, before setting and implementing any digital strategy, leaders must understand what digital transformation actually includes especially that many reports conveyed an alarming confusion in the interpretation of digital transformation among organizations and within organizational teams.

It’s understandable that digital transformation will vary across industries based on the different challenges and demands. It will be different for medical care versus education versus finance versus retail versus hospitality ...; however, there are common concepts that must be clarified to secure successful implementation and transformation.

1.1 What is Digital Transformation

“Digital is a loaded word that means many things to many people” says Jim Swanson, Senior...
Vice President/CIO and Head of Digital Transformation at Bayer Crop Science. "Say 'digital' to one person and they think of going paperless; another might think of data analytics and artificial intelligence; another might picture Agile teams; and yet another might think of open-plan offices." (Swift, 2019).

Even some leaders claimed that the wide and broad use of digital transformation as a term makes it unhelpful. Therefore it would be very hard to identify one official definition or meaning for digital transformation that applies to all organizations across the different industries. However, one of the most common and shared definitions for digital transformation is “it is the integration of digital technology into all areas of a business resulting in a fundamental change into how businesses operate and how they deliver value to customers beyond that. It’s also a cultural change that requires organizations to continue to challenge the status quo, experiment often, and get comfortable with failure. This sometimes means walking away from long-standing business processes that companies were built upon in favor of relatively new practices that are still being defined” (Roundtable Discussion: Digital Transformation - Computer Measurement Group, 2020). Actually “It is not only enhancing traditional methods, but reimaging them for a digital age to meet changing market expectations” as discussed by Konrad Jarocinski (2020), advisor and speaker in innovation and digital transformation.

Agile Elephant (2015), a digital transformation and social business consultancy, went beyond and suggested that “Digital transformation is the process of shifting your organisation from a legacy approach to new ways of working and thinking using digital, social, mobile and emerging technologies. It involves a change in leadership, different thinking, the encouragement of innovation and new business models, incorporating digitisation of assets and an increased use of technology to improve the experience of your organisation’s employees, customers, suppliers, partners and stakeholders”. This suggestion intersected with Swanson (2018) who claimed that “In the center of it all is leadership and culture. You could have all those things – the customer view, the products and services, data, and really cool technologies – but if leadership and culture aren’t at the heart, it fails. Understanding what digital means to your company – whether you’re a financial, agricultural, pharmaceutical, or retail institution – is essential”. In parallel, Brian Solis (2019), a world-renowned digital analyst and anthropologist, defines digital transformation as “the evolving pursuit of innovative and agile business and operational models — fuelled by evolving technologies, processes, analytics, and talent — to create new value and experiences for customers, employees, and stakeholders”.

1.2 What are the Key Drivers for Digital Transformation

While digital transformation is considered now among top business priorities for any thriving organization, this topic is not new yet it has been around for the last decade. However the factors and key drivers standing behind it are now much more matured and thus pushing for agile transformation.

Among these drivers, as discussed by Simon Kucher & Partners (2019), a strategy and marketing consultants, there is the human behavior that is constantly changing. Customers now are more demanding with higher expectations, and further needs. Digital technologies that used to be assessed as nice-to-have innovations turned to be must-to-have ones with significantly growing availability and affordability. Consequently, the world digital environment is more mature and ready for the transformation process. Moreover, the data explosion that the world is currently living within including the big data impact and the importance of leveraging it is another key driver for organizations to move rapidly toward digital transformation. In addition, Howard Tiersky (2017), the CEO and founder of FROM the digital transformation company, explained that while the growing need for agility represents also an important driver to go for Digital transformation, the importance of customer insights and the benefits of artificial intelligence are another key factors too.

1.3 Why Digital Transformation is Important

“Businesses don't transform by choice because it is expensive and risky. Businesses go through transformation when they have failed to evolve.” (King, 2013).

Digital transformation has been seen, for a long time, as an added value or an ambitious
strategy to implement for organizational evolution and development; however, this reality has been dramatically changing a few years ago along with the rapid technological developments moving digital transformation from being an option to being an imperative need for survival and resilience. Furthermore, digital transformation “has a tremendous return on investment when done right. Companies building their strategy around the core of digital transformation are winning their markets. Today, company’s future vision must include digital transformation; otherwise it will need to face a risk of staying behind the market as competition leaps forward” (Jarocinski, 2020).

This rapidly growing importance has been acquired for several reasons. First, digital transformation helps companies to achieve their ultimate goal of reducing cost, and increasing profitability through digitalizing the process which in return leads to reducing errors, increasing efficiency, and improving productivity. Second, it delivers data-based insights, related mainly to all aspects of customer behavior, which optimize business process and operations for achieving outstanding performance. Third, it enables organizations to enrich the customer experience, create value for them, and increase their satisfaction through its seamless, responsive, and efficient digital channels. Fourth, it enhances the penetration of unexplored markets and thus targeting new customers which allows the organization to expand its share in the market. Fifth, it secures a smooth collaboration and teamwork between organizational departments which in return boosts the company’s productivity. Sixth, it retains upgraded skillset and fosters knowledge among the staff who are forced to stay updated while constantly using and integrating new technological tools in the market within their operations. Seventh, it reinforces a supportive culture for innovation and agility in work. Eighth, digital transformation provides decision-makers with real-time, sufficient data to make robust, intelligent, and fast enough decisions.

1.4 What are the Building Blocks of Digital Transformation

As a result of this significant key factor, organizations are increasingly embarking on digital transformation; however realizing its importance is not enough for going through the transformation process successfully. It’s very important for organizations to understand the building blocks for digital transformation so that they can drive through effectively.

MIT Center for Digital Business and Capgemini Consulting (2014), an industry-funded research center, conducted an in-depth study and find out that for any digital transformation there are three key areas formed of nine building blocks.

The first key area is enhancing the customer experience. This area is formed of three building blocks: “customer understanding, top-line growth, and customer touch points”. Customer understanding refers to analyzing customers’ behavior and identifying their buying patterns throughout their digital footprint across different digital and social media channels. Top-line growth denotes better customer service through digitally enhanced customized sales processes and tools like customized CRM software, concept stores, digital plugins...etc. While customer touch points building block is concerned with enhancing customer service through delivering a coherent and integrated experience across the organization’s multiple channels besides providing self-service digital tools.

The second key area is transforming the operational process. This area is formed of three building blocks as well: “Process digitization, worker enablement, and performance management”. Process digitization represents improving organizational performance via automating different business functions including HR, operations, finance, marketing, purchasing, R&D ... using different software and apps. On the other hand, worker enablement implies working anywhere along with better, broader, and faster communication across departments which fosters collaboration and inspires innovation across the organization. While performance management refers to better decision making and enhanced resource management due to live data sharing besides the extended involvement of different stakeholders through digital communication tools.

The third key area is transforming the business model which constitutes of digital modification of business, new digital business, and digital globalization. Digital modification of business imposes a change in the way organizations do business like finding ways “to
augment physical with digital offerings and to use digital to share content across organizational silos”. New digital business highlights “the introduction of digital products that complement traditional products”. While, digital globalization refers to the enterprise integration and shift toward global operations due to “global shared services for finance, HR, and even core capabilities like manufacturing and design” (Westerman, Bonnet and McAfee, 2014).

![Building blocks of the digital transformation](https://www.mit.edu/research/digital-transformation.png)

**Figure 1: Building blocks of the digital transformation**  
Source: MIT Sloan and Capgemini Consulting Study 2014

### 1.5 What are the stages of Digital Transformation

Throughout their journey toward digital transformation, organizations go through different stages to realize true and successful transformation where each stage implies different course of action and requires different set of resources.

According to Brian Solis (2019), there are six stages of digital transformation. He called the first “Business as Usual”. According to him, organizations at this stage “operate with a familiar legacy perspective of customers and employees supported by dated processes, policies, models and metrics. This foundation limits initial digital transformation efforts by framing it in yesterday’s existing constructs”. The second stage called “Present and Active”. Solis explained that at this stage “pockets of experimentation drive digital literacy and creativity within respective groups. These pockets are strewn across the organization, operating in silos such as IT, marketing, customer service, etc. Each evolve at different paces in different ways”. While the third named Formalized. According to Solis, at this level “experimentation becomes intentional while executing at more capable levels. Change agents rise to help Initiatives become bolder and reach beyond disciplines. They strive to earn executive support for resources, technology and air cover”. As for the fourth it is the “Strategic” level. Solis suggested that at this stage “cross-functional collaboration becomes intentional to develop roadmaps that prioritize key initiatives beyond any one silo. A center of excellence forms to help guide groups and business units ready to invest in digital transformation while also earning executive buy-in”. The fifth stage is “Converged”. Solis discussed that at this stage “official digital transformation management teams assemble where ownership, responsibility and accountability and assigned. Enterprise-wide initiatives are funded and staffed. Digital
transformation teams gain direct lines of reporting to the C-Suite and eventually the board”. While the last stage, according to Solis is called “Innovative and Adaptive”. According to him the digital transformation in organizations at this stage is “an ongoing effort affecting all aspects of the organization. It encourages new models and roles to scale digital transformation and also lead innovation efforts. Cultures become less rigid and risk-averse and more agile and progressive”.

In parallel, Tony Saldanha (2019) president of Transformant, a consulting firm specialized in assisting organizations through digital transformations, suggested a similar model of five stages. First stage is the “Foundation”. Saldanha explained that at this stage “enterprises are actively automating internal processes, such as selling, manufacturing, or finance — using SAP, Oracle, Salesforce, or similar platforms. This is more automation (also called digitalization) than transformation, but it provides the digitalized foundation necessary for future evolution”. Second stage is the “Siloed”. According to his model, at this level “individual functions or sections may start to use disruptive technologies to create new business models. But these efforts are siloed: there is no overall company strategy driving transformation. The third stage is “Partially Synchronized”. Saldanha discussed that during this phase of transformation “the enterprise leader, owner, or CEO has recognized the disruptive power of digital technologies and defined a digital future state, and the organization itself has started rowing in the same direction. But the enterprise has not completed transforming to a digital backbone or new business models, nor has the agile, innovative culture become sustainable”. However, the fourth level “Fully Synchronized”, as suggested by Saldanha, “marks the point where an enterprise-wide digital platform or new business model has fully taken root. However, it is still one technology (or business model) change away from being disrupted. To be successful at this stage, it’s important to restructure the digital skills and capabilities of the organization”. The final stage suggested by Saldanha is called “Living DNA”. According to him “This is the step at which the transformation becomes sustainable”. He suggested that “Netflix is the best example of Stage Five digital transformation. It reinvented its business model from mail-in DVDs, to streaming media, to original content, and to global personalization—all within a period of 20 years”.

1.6 What are the Barriers to Digital Transformation

Perhaps the most challenging part in digital transformation is moving from vision to effective execution. George Westerman, the Principle Research Scientist with the MIT Sloan - Initiative on the Digital Economy, once said “When digital transformation is done right, it’s like a caterpillar turning into a butterfly, but when done wrong all you have is a really fast caterpillar”. In fact, not all organizations succeed in their digital transformation, and even for those who thrive it’s not for the same pace or level due to different barriers or challenges they face during their transformation journey.

A study done by Harvard Business Review and Scout RFP (2016), showed the top 10 barriers that organizations are facing while going through the different digital transformation stages. The first and the most common barrier was organizations’ “inability to experiment quickly” due to the unprecedented speed of digital innovations. The second-ranked barrier was “legacy systems” where organizations struggled or failed to replace their legacy systems with the new technology. The third one was organizations’ “inability to work across silos” as they are used to work in an inward-looking competitive environment, that lacks effective communication and resists the sharing of information. As for the fourth-ranked barrier it was represented by the “inadequate collaboration between IT and lines of business”. The fifth one was related to organizations’ culture. While digital transformation necessitates a culture that embraces the change, welcome innovation, and encourage calculated risk; organizations’ transformation attempts were blocked by their “risk-aversive culture”. The sixth barrier was a result of the deficiency in organizations’ “change management capabilities”. As for the seventh, eighth, and ninth barriers, these were due to “lack of corporate vision for digital, lack of talent/skills required, and insufficient budget” ranked consecutively. The tenth barrier was “cybersecurity” risks that put organizations’ security measures in question.

HBR findings intersected later on with Gartner’s (2018) outcomes, a global research and
distribution channels strategy is... a principal... He... products? In contrary, it’s as... their companies without any other choice... vacay... es ready... business school. According to Mulesoft the seven... intersect with those of... party findings... global IT leaders, 9,000 consumers, and third... trends for 2020... platforms forecasted 7 digital transformation... company specialized in providing integration... Furthermore, Mulesoft... 2020... for 2020... (TOP Digital Transformation Trends for... and artificial intelligence and machine learning, multi-cloud computing, partnering with IT to turbocharge the business, co-creating value with external stakeholders, fuelling business performance with APIs”.

Indeed all stakeholders were able to predict and forecast top digital transformation trends for 2020; however none of them was expecting such unprecedented disruption that turned, within weeks, a trend into an imperative must-to have resource for survival. COVID-19 transformed everyone behavior and mainly customers behavior which left companies without any other choice rather than going digital to understand that behavior and to respond with the proper customer experience accordingly. Perhaps the boldest examples come from retail industries that were pressured to rapidly respond and modify their business model, mainly their distribution strategy, relying on digital solutions to match the emergent new required experience.

Chapter 2. Retailers’ Distribution Channels Strategy

Once Erik Nordstrom, President of Nordstrom said: “Retail is a customer business. You’re trying to take care of the customer—solve something for the customer. And there’s no way to learn that in the classroom or in the corner office, or away from the customer. You’ve got to be in front of the customer”.

While most retailers understand the core of retail business, many of them oversee the importance of distribution channels that practically put them in front of their customers. However, successful retailers recognize the importance of distribution channels’ strategy needed to support company’s overall strategy, and appreciate it as an imperative factor for winning that strategy.

Retail distribution channels strategy is mainly concerned in answering the question: Where does your retail business sell its products? It includes how retailers “put their inventory, product and service out for sale to their customers via online and offline channels” (Managing your distribution channels effectively, 2015).

However, choosing between both channels is not easy at all. In contrary, it’s as Tom Shackleton (2016) stated: “making a choice...
between selling online through an ecommerce store, and selling in a traditional bricks-and-mortar location can be incredibly difficult. Not only that, but it’s also one of the most important decisions your business will ever have to make. Whether you sell online or offline will change how you interact with customers, market your products and hire new employees”. While online retail keeps steadily growing, offline in-store shopping still exist and counts for the biggest part of the overall retail pie. So how retailers can choose the best for their business? And do they really have to choose?

2.1 Why E-commerce – Online Retail

In parallel to the digital disruption our world is experiencing, the retail business has been influenced and thus evolved at a phenomenal rate during the last decades. Some brands, created or transformed their distribution strategy to rely solely on online-virtual stores as a result of numerous advantages and benefits associated with this distribution strategy.

First, “setting up an online store comes with significantly lower startup costs than a traditional physical store, with no need to pay for a large physical space and all of the ongoing costs that can entail” including operating, personnel, inventory management, branding cost…etc. “as a result, retailers can get started quickly, with less capital investment and start selling straight away” (Shackleton, 2016). As Jullien Hufford (2019), suggested “e-Commerce basic store can be up and running in just a few clicks. E-Commerce platforms like Shopify, BigCommerce, and Squarespace use pre-made templates to create your store. They take care of hosting, PCI compliance, platform maintenance, and more. Marketplaces like Amazon or eBay just require you to set up an account before you start selling”. Second, a virtual store save retailers from the possibility of choosing the wrong location that could literally hamper their success. Third, online stores give retailers the opportunity to sell across the whole country and even the world, in contrary to physical stores that are usually limited to the geographical area operating in. Its online presence allows it to serve niche markets that usually face obstacle to find a seller for products they need. In addition, online stores can drive huge traffic and attract lot of new customers through enhanced SEO (search engine optimization) ranking. Fifth, e-commerce is highly appreciated for its convenience and easiness where shoppers are eligible 24/7/365 to buy their products and to pay online “whenever and wherever they like, whether that’s at their desk during a lunch break or late at night while tucked up in bed with a smartphone” (Williams, 2019). Actually, this saves shoppers a lot of time, energy and transportation cost as well. Sixth, online stores enable customers to browse freely, as long as they need, without any direct sales pressure while looking for product information, comparing it with other products’ features and prices, besides checking out others’ reviews before making their final buying decision. Knowing that positive customer reviews and high ranked ratings boosts stores’ sales tremendously. On the other hand, online retailing allows retailers to provide sellers with huge information and key product content that is barely possible to equip employees with it in any physical store. Eighth, with online retailing it’s very easy to keep an eye on customers’ behavior because as explained by Hufford (2019) “online selling lets you collect first-hand data by tracking customer interactions. You’ll have a constant feedback loop of actionable insights to continue to innovate your customer experience”. Ninth, “online retailing allows for a complete integration of reporting tools such as Google Analytics, which provide statistics and critical metrics to retail successfully online. These tools make it very easy for business owners to gain valuable insights to their businesses” (ONLINE RETAILING ADVANTAGES AND KEY BENEFITS, 2015).

2.2 Why Brick & Mortar – Offline Retail

Despite all the online retailing advantages, physical stores proved to be resilient, dominant, and highly needed for any retail business success. Brick and mortar, a term used to distinguish between businesses that hold or lease retail shops and those that operate solely online; the offline and the most popular shopping channel, still exhibits many cemented benefits and advantages over online stores.

First, physical stores play a vital role in building the brand locally, enhancing its image, and emphasizing it as a trustworthy brand. As stated by Kozinets (2002), “the role of physical stores in enhancing brand image is well-established in the ethnographic marketing literature and in the popular press”. Also, Walter Isaacson (2011), “in his biography of Steve Jobs, emphasizes the brand-building role of the Apple
Stores”. However, many authors stressed the importance of store location. Thankaraju (2019), in his book Retail Management: An Effective Management Strategy for Retail Store Managers, considered location “a unique factor which the competitors cannot imitate. Hence, it can give a strong competitive advantage”. Besides, Shay (2016), the principal of the Profits Plus Solutions firm, recommended to “make your store stand out as a visible, accessible fixture in your community … make local work to your advantage … do it by being the “eyes on the ground” as opposed to the “data in the clouds.””. On the other hand, physical stores as discussed by Shackleton (2016), “gives instant access to passing trade, without having to invest in a marketing budget”. Second, for many customers, brick and mortar shopping experience represents convenience, gratification up to inspiration as it allows them to physically interact, sense, inspect, and try products before buying them especially those items of non-digital features yet of fit and feel attributes. Third, offline stores enable customers to fulfill their instant gratification, and sudden urgent needs with an immediate and free pick up for desired products, in contrary to online shopping that usually needs few days for a charged delivery with a possibility to get them damaged. In addition, with physical stores customers would not be concerned about privacy and payment security issues even upon buying with a credit card, because “putting credit card information online can be a tedious task, compared to swiping a card in-store” (Lesonsky, 2019). Fifth, customers’ returns that represents an inescapable fact of the retail world, for purchases from physical stores are much easier and safer than the hassle and complication customers face upon returning online purchased items. Sixth, retailers benefit mostly from impulse purchases in brick and mortar stores, as most customers usually spend more than they had planned while being in-store; whereas online shoppers “may search for that $5 item to add to their carts to get free shipping” (Lesonsky, 2019). Seventh, physical stores allow customers to have physical-human interaction with salespeople and thus seeking their expert guidance and advice in making a choice. Eighth, physical stores enable brands to craft a unique in-store experience, show off their customer service, and to present themselves in a creative way in front of their customers. Especially that within the emergent competition with online retailers, brick and mortar retailers are pushed like never before to innovate, transform and enhance that experience to hold, attract, and convince clients that their physical visit is worth it. This outstanding experience includes a sensory experience, of music, colorful displays, refreshments, scents, lights, and sights that virtual shopping will never be able to deliver. Besides, social experience where stores’ atmosphere encourage shoppers to create moments and to engage and entertain with others. As an example some stores “are experimenting with other new ways such as customer controlled music options, being pet friendly, and having fun novelties like photo booths or entertainers to get people through their doors. The evolution of VR is even starting to emerge in the shopping experience. There are many stores using this technology to play a role of keeping people in their brick and mortar stores” (The Future of the Online vs. Offline Shopping Battle, 2019).

Chapter 3. Omni-Channel - The Influence of Digital Transformation on Retailers’ Distribution Strategy

Edwards Deming once said “It is not necessary to change. Survival is not mandatory”. Currently, “there’s a huge shift taking place right now and it’s disrupting entire industries, businesses and jobs around the world - it’s called Digital Transformation. The old way of doing things is changing and companies now need to adapt to digital innovations, new emerging technologies, changing cultures, and new business models and processes in order to compete and survive” (Ross, 2017).

Undoubtedly, the retail business is among those disrupted industries and perhaps it’s under more pressure than most of them. It’s enough to look at popular retailers like Woolworths, ToyRUs, and HMV that have waned out of business or declared bankruptcy to acknowledge the severe need of retailers to understand the new market reality and to transform rapidly. The new reality that is driven by the customer and its transformed habits out of digital disruption.

As explained by Jennifer Lund (2020), the Chief Marketing Officer at SupperOffice, “mobile devices, apps, machine learning, automation and much more allow customers to get what they want almost exactly at the moment they need it. These new digital technologies have caused a shift in
customer expectations, resulting in a new kind of modern buyer. She’s constantly connected, app-native, and aware of what she can do with technology”. According to Jennifer (2020) “Today’s consumers are not tied to a single channel. They browse in-store, shop online, share feedback through mobile apps and ask questions for your support team on social media networks”. This intersects with the Harvard Business Review study on 46,000 shoppers’ findings (2017) that showed 7% Shop online exclusively, 20% shop in-store exclusively while 73% use multiple channels. Obviously, modern buyers are not picking the best between online and offline channels yet enjoying the convenience of both and looking for a seamless Omni-channel experience. An experience that as defined by Square (n.d.) “meet people on the channels where they are shopping and buying, whether it’s in a physical store or an online store or on social media, and connecting the dots between those channels. The purpose is to keep customers moving around within the brand ecosystem, with each channel working in harmony to nurture more sales and engagement”. And digital transformation “offers organizations an opportunity to understand the modern-day buyer, engage with them and deliver on their expectations of a multi-channel customer experience” (Lund, 2020).

However, the major challenge as suggested by Jordan Ekers (n.d.), the Chief Customer Officer and Co-founder at Nudge Rewards, “is removing friction from online and offline experiences in an Omni-channel world. It’s very important for retailers to understand that it is no more about online vs. offline. Whatever channel strategy they used to adopt they must know how to combine the best of both worlds and converge these two platforms to deliver their customers a consistent and seamless experience they are looking for. Yet “success isn’t achieved by following a prescribed mix of online and offline commerce” as explained by Ben Samuel (2019), VP EMEA at Nielsen. According to him “it’s attained by gaining a deep understanding of consumers and meeting their unique needs through relevant, Omni-channel experiences that empower consumer choice. Marketers need to connect the dots to see what exactly is driving sales, and understand the influence of online and offline factors on conversions to succeed in such a highly competitive climate”.

Samuel proposition perfectly matches the findings of a study done by Altimeter Group (2018), regarding the “Leading Trends in Retail Innovation” that revealed five commonalities among leading retailers that thrived to deliver a seamless experience to their customers. First, “they constantly map the customer journey to create frictionless customer experiences”. Second, “they invest and engage into deep consumer research”. Third “they prioritize innovation to target connected consumers”. Fourth, “they cultivate the necessary digital skills to build a future-ready organization”. Fifth “they invest in formal innovation programs”.

Definitely, delivering an Omni-channel experience is not an easy mission for retailers, and looks to be easier said than done. Yet with manipulating and implementing the right technology it would be much feasible and achievable. Retailers have great opportunities to connect with their clients in new and innovative ways; however as Kurt Ramcharan (2020), the Marketing and Communication Director of Beyond Technologies, noted “It’s crucial to recognize that retailers shouldn’t implement technology for technology’s sake. It should support the customer experiences you envision”.

A good example of successful Omni-channel strategy practitioners are Amazon and Disney. “Amazon is taking their digital marketplace to the streets and creating an experience that flows naturally from online to offline (O2O). You can now order your groceries directly on AmazonFresh and pick them up at local stores. The experience transcends typical barriers and allows the customer to keep their experience the same throughout each touch point. They no longer have to go to the store and spend hours looking or forget to buy. Instead, they just log in to Amazon and order their groceries, finding the same, seamless pickup experience when they arrive. That data then gets transferred back to their app or account online for even deeper integration” While Disney through its app “is one of the best Omni-channel examples with a full-fledged experience. Disney’s various customer touch points are so interconnected that the user experience never ends … You buy a ticket, download the app, scan your Fast passes, check ride times, and explore customized content before even setting foot in the park. Once you're at the park, you can locate
Disney characters on a live, interactive map. You can get your picture taken at the store, have it show up on your app, and purchase when you get home. The entire experience is a never-ending sensory overload of the Disney brand that contains one critical factor: Consistent, seamless integration” (Orendorff, 2018).

Otherwise, as John Chambers (2015), Executive Chairman at Cisco System said: “At least 40% of all businesses will die in the next 10 years… If they don’t figure out how to change their entire company to accommodate new technologies”.

Chapter 4. COVID 19 –Opportunity for an Omni-Channel World after Crisis

While COVID-19 is disrupting and transforming our world in an unprecedented way, the retail industry is stunned while passing through an exceptional load of stress, frantically trying to thrive and survive. Across the world, retailers mainly brick and mortar are suffering. Their stores are either shut down for safety reasons or hit by dramatically-reduced footfall due to yesterday vague terms, today new norms of self-quarantine, social distancing, and community spread. On the other side, online shopping has significantly spiked pushing e-commerce kings like Amazon to ask for an extra 100,000 employees to keep up with the unprecedented increase in demand.

Indeed, the long term consequences of the pandemic COVID-19 are still unknown and the answer to the question of what might a post-COVID-19 retail landscape look like is hard to answer; however shaping consumer behavior for several months and probably forever will definitely be the significant mark of it. According to Mckinsey study in China, “consumers are likely to opt for online shopping even after the outbreak ends, especially for categories such as groceries and personal care. This trend is likely to continue long after the lockdowns are called off as people would still be apprehensive to visit crowded areas like malls or supermarkets” (Business Insider, 2020). Similarly, Lauren Freedman (2020), the president of the e-tailing group and an ecommerce pioneer stated “amid the coronavirus pandemic, cars will become safe havens for shopping and mobile devices will be central. Shoppers will use smartphones to locate products before heading to stores, while in stores to make purchases and to enhance efficiency during these chaotic times”. This implies as suggested by Aneesh Reddy, the Co-founder and Chief Executive officer Capillary Technologies, “that retail is at an inflection point - and this is the start of “A New World Order” in terms of how consumers shop and the way the retail industry operates”.

Retailers should be ready to their industry’s transformation, where every one of them willing to thrive, will probably have no other choice than embracing an Omni-channel distribution strategy. This was prevailed in the findings of a study done recently by Mckinsey (2020) for over 100 million shoppers in China that stressed “not to just sell online” rather to “engage your customers digitally end-to-end”. According to the study “Chinese consumers increasingly demand an Omni-channel experience, meaning they want more than to be sold to online. One premium apparel retailer has deployed a range of solutions, including enabling sales reps to use WeChat groups to reach out to VIP customers with individualized products (supported by a CRM system), launching social media shows with Key Opinion Leaders (KOLs), and ramping up content marketing. The bottom line is that companies must engage the entire organization to prepare for an Omni-channel world. This requires a digital network architecture, backed by a dedicated operational set up, KPIs, and objectives and key results (OKR) frameworks that can help the organization define goals and track outcomes”. In parallel, Prasenjit Banerjee (2020), Senior Customer Success Engineer at Mulesoft, suggested that “the customer journey map has evolved across most industries over the last few decades. The customer interaction touch points have increased significantly, such as mobile, social, call center, store kiosks, and much more — providing more ways for a customer to interact with a business. Organizations can look at these increasing touch points as a strategic opportunity to create a connected Omni-channel experience for their customers. However, for some organizations, the Omni-channel experience is tactical and limited in scope — such as building a mobile app in addition to the website. Organizations that take a holistic approach to their Omni-channel strategy with a 360-view of their customers will be the ones to succeed through
COVID-19 and emerge favourably to continue to meet changing customer expectations”.

However as Rupert Murdoch, the media mogul and the founder of News Corp, said in 1999 “the world is changing very fast. Big will not beat small anymore. It will be the fast beating the slow”. Transformation has never been faster than now, and disruption will not wait for any late responder. Therefore, disregard retailers’ goals, plans and approach for implementing an Omni-channel experience it has to be faster than ever because as suggested by Reddy (2020), “the leaders would be agile retailers, who upgrade to an Omni-channel ecosystem and constantly introduce innovative shopping experiences by analyzing the new buying behavior. They would be closely followed by the survivors - pure-play digital platforms who have their own e-store and are sell on major online marketplace platforms” while “the laggards in this race would be the pure-play offline retailers who are still waiting it out with the hopes that old buying habits and the demand will be restored post the lockdown period”. Reddy (2020) went further to propose that “Only the agile ones will survive. Only the ‘Truly Omni-channel’ ones will prosper”. On the other hand, Joel Goodson (2020), the Content Marketer at Detego, suggested that “no one really knows. We are in uncharted waters, and for now, retailers are just struggling to ride the wave to the other side”.

Chapter 5. Conclusion

Charles Darwin once said “It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change”.

Amid the unprecedented digital disruption, accelerated by COVID-19 outbreak implications retailers should be ready faster than ever to adapt to their industry’s next normal. The next normal that is shaped and tailored according to customers’ evolving behavior and the emerging need for a unified seamless experience across multiple communication channels. The Next normal that requires retailers to show agility and resilience in bridging the gap between online and offline channels heading toward an integrated distribution strategy that equalizes between channels in an Omni-channel World.

Undoubtedly, everyone was talking about the coming new world, and all confessed that the world was turning digital. However, as Brian Silos (2020) stated “crises awakened the sense of urgency for change and the need for digitization. It’s also opening minds, breaking down walls, and resetting priorities”.

Retailers, disregarding their position in the road of transformation, will need to understand the new reality, embrace the change, adjust the strategies and implement it as fast as they got overwhelmed with this unprecedented wave of disruption.

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