



Omnichannel

A road to retail success or omni-fail



How many of you have heard about
omnichannel strategy before?



Overview

Definition

Importance

Successes

Failures

Potential Strategy

Discussion:
The Future

Definition

Denoting or relating to a type of retail which **integrates the different methods** of shopping available to consumers (e.g. online, in a physical shop, or by phone).¹

Omnichannel -- also spelled omni-channel -- is a **multichannel approach** to sales that seeks to provide customers with a **seamless** shopping experience, whether they're shopping online from a desktop or mobile device, by telephone, or in a brick-and-mortar store.²

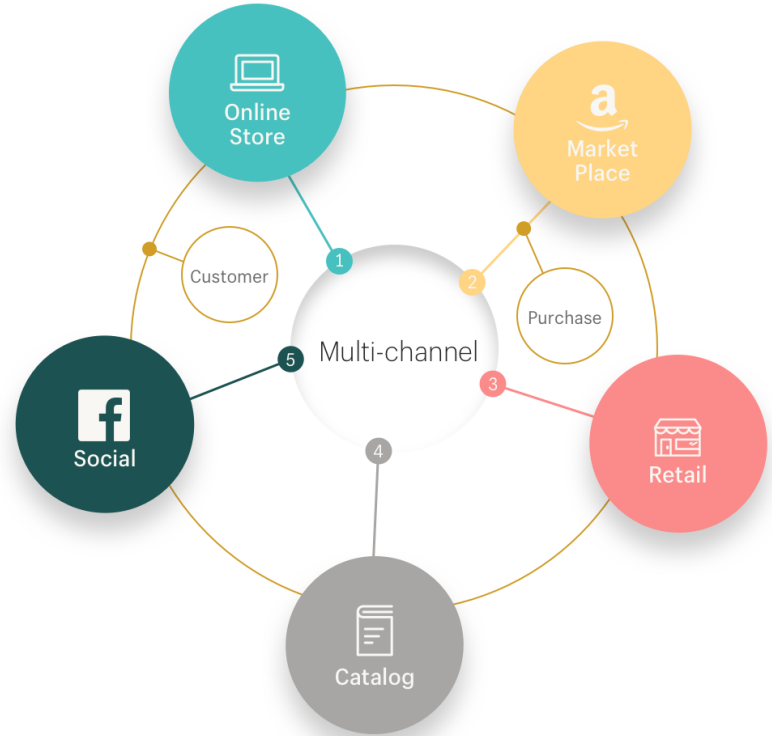
1 - <https://en.oxforddictionaries.com/definition/omnichannel>

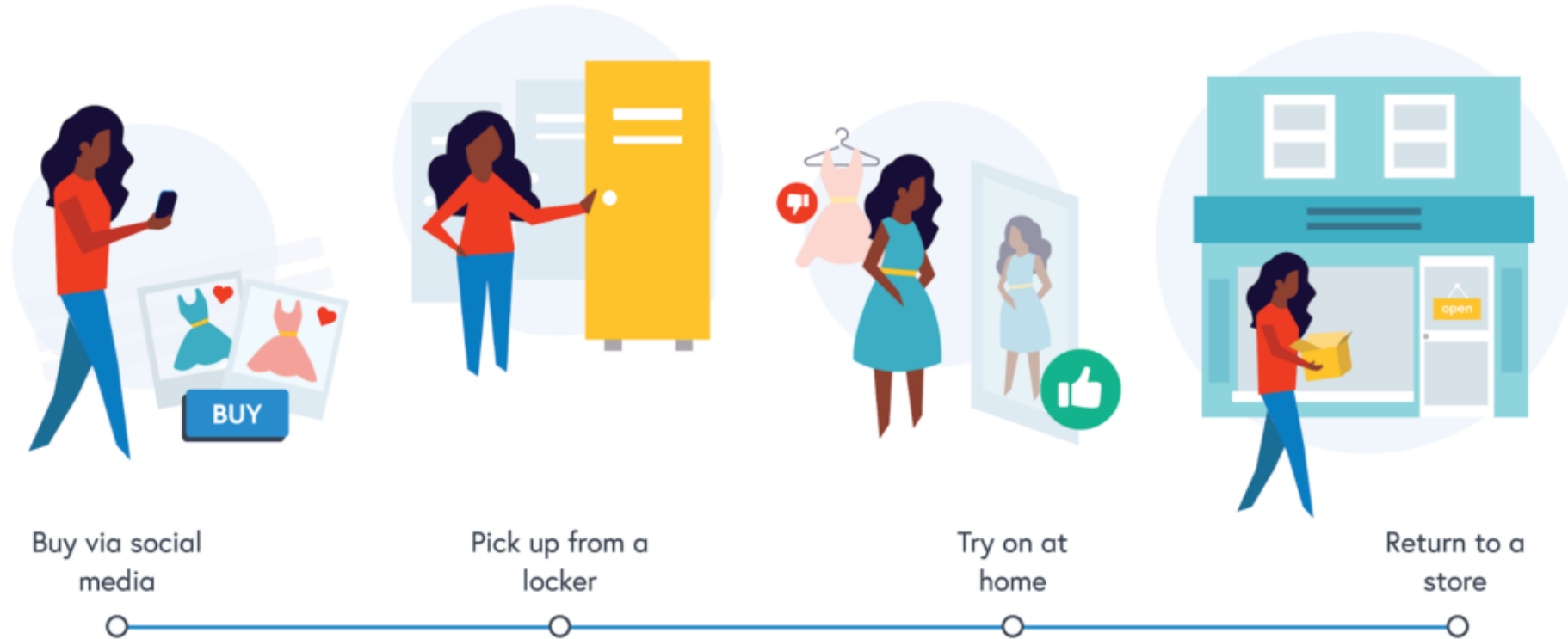
2 - <https://searchcustomerexperience.techtarget.com/definition/omnichannel>

Omni-channel



Multi-channel





**Why is omnichannel important
in the retail world?**



1. Retail landscape is changing

Retail sales through **digital channels increased** by a massive 23% in 2015
Amazon has 26% of all online retail sales (2015)

2. Omnichannel boosts sales

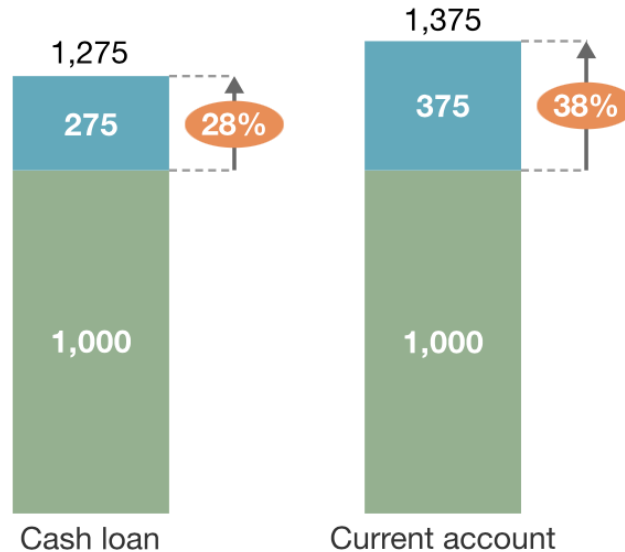
Omnichannel shoppers tend to spend more than any other channel.

Also they have a **higher retention rate** than customers in other types of retailing model.

Omnichannel increased a regional bank's product sales by more than 25 percent in six months.

Products sold per month,
indexed to 1,000

■ Previous rate ■ Increase in rate
after 6 months



McKinsey&Company

3. The rising of omni shoppers

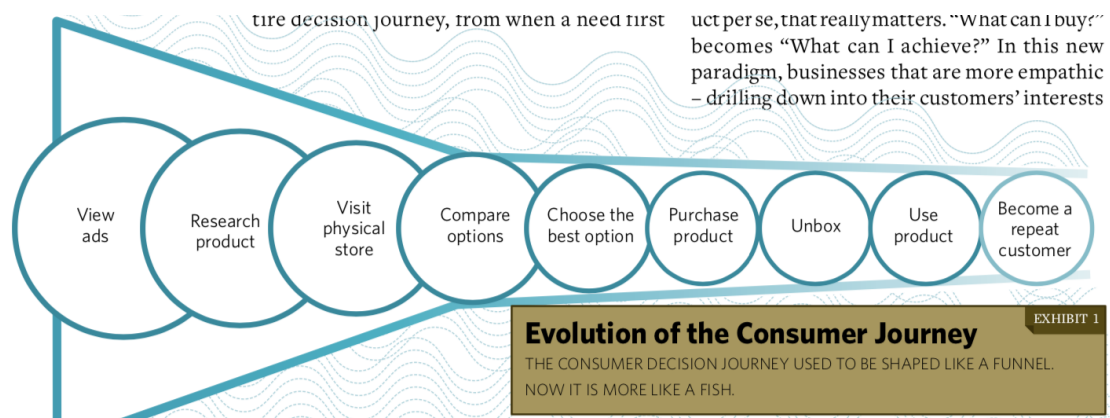
Multi channel users
Constantly connected
More free time



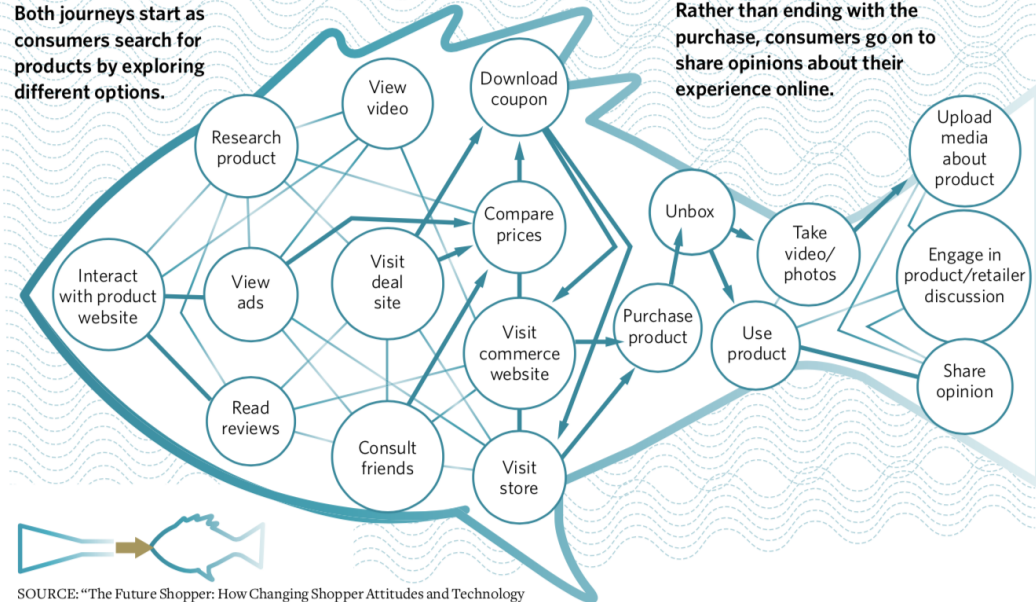
Higher-level skills
Experience-focused



The new customer journey: From Funnel to Fish



Both journeys start as consumers search for products by exploring different options.





Successful Cases of Omnichannel

Omnichannel Retailing Strategy

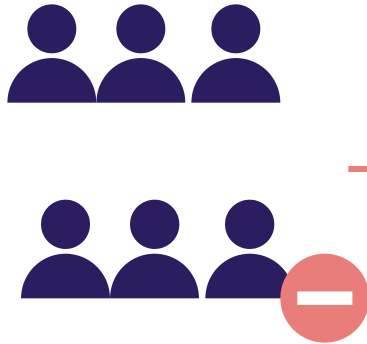


1. Starbucks



1. Create incentives and force channel adoption

Loyal group of customers



20 million customers a month who had no digital relationship with the brand



Key mission:
**Establishing
a digital
relationship!**

Digitally registered customers

2. Drive Brand Engagement and Retention in New Channels



<https://www.barilance.com/commerce-omnichannel-retailing-strategy/>

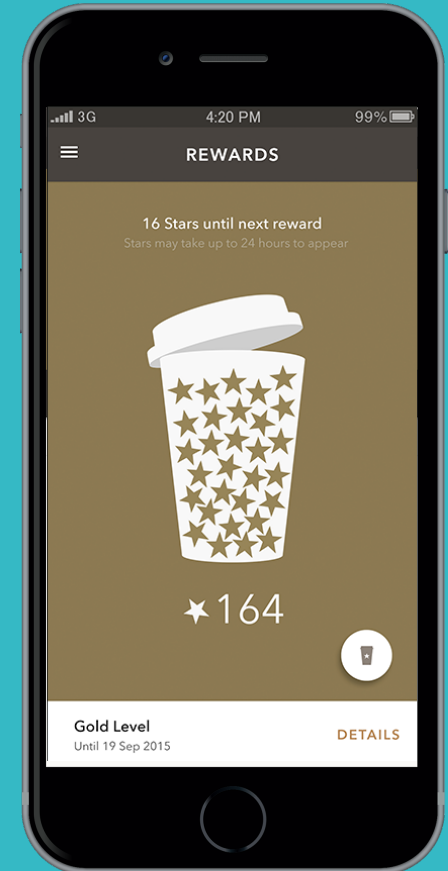
Image: <https://www.hustermoneyblog.com/starbucks-edf-card-promotion/>

<https://starbuckssecretmenu.net/starbucks-buy-one-get-one-free-holiday-drinks-nov-6-13-2017/>

3. Strong benefits for adopting new channels

Enter, get one free.

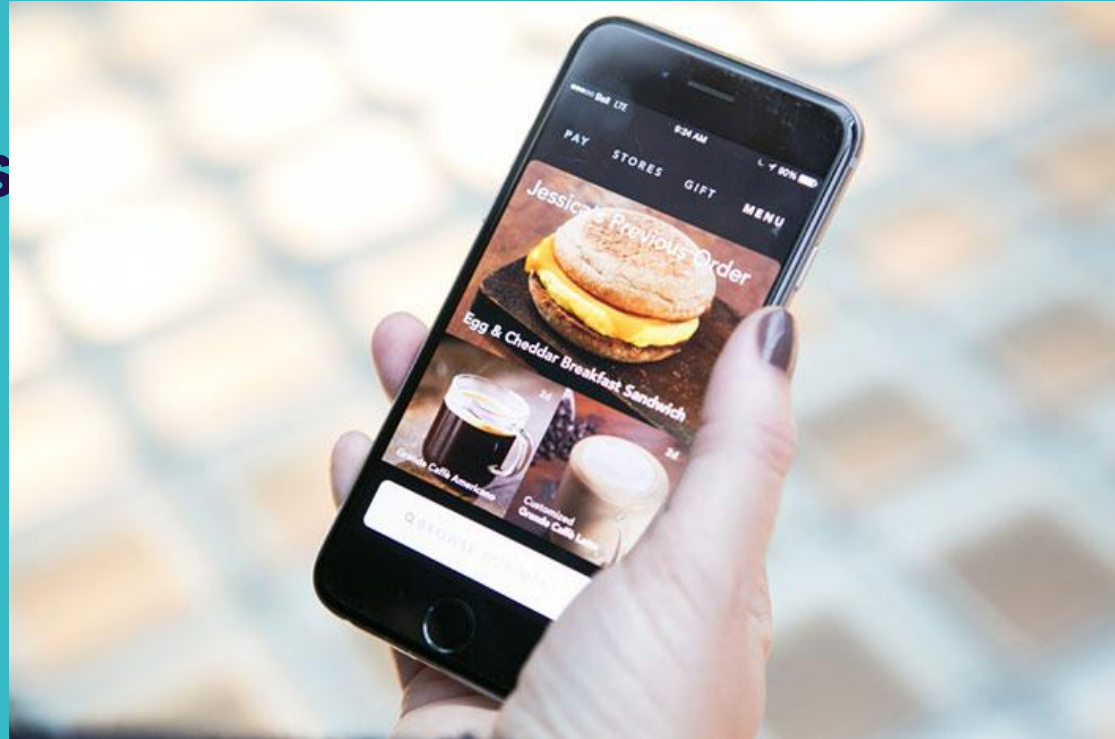
**Spend more,
earn more.**



3. Strong benefits for adopting new channels

Get updates across all channels in real time

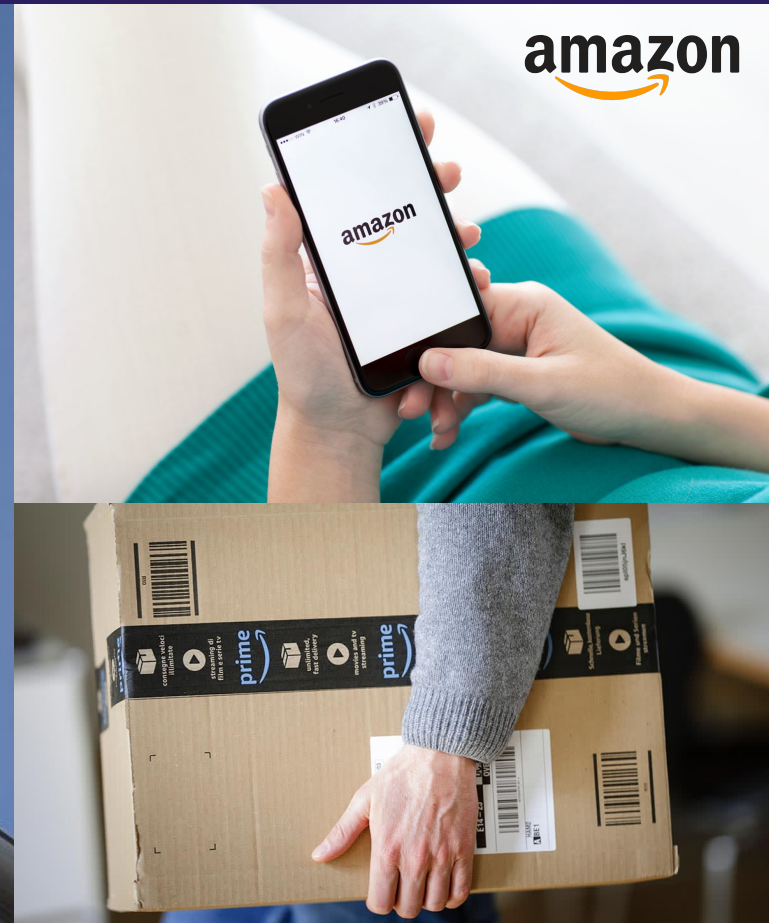
- Pay, reload and order
- Earn stars and rewards
- Find nearby stores
- Get promotional benefits by messages



2. Amazon



Image: <https://lmedelcom.files.wordpress.com/2016/05/gettyimages-521166348.jpg>
<https://www.consumerreports.org/online-shopping/prime-vs-amazon-prime/>
<https://9gag.com/download/amazon-shopping-app-download/>



1. Amazon focuses on customer experience

Personalized,
Responsive
interaction across
all every channel

Image:
<https://www.infinifcontact.com/blog/3-ways-amazon-com-proves-its-spot-as-a-customer-service-champion>
<https://www.hardilliance.com/amazon-omnichannel-strategy/>



*“Earth’s most
customer-centric
company”*

2. Integrating Their channels In the backend

Connecting customer
data to build the next
level customer
experience



Image:

<https://www.thestar.com/business/2018/04/18/age-of-amazon-inspires-ivanho-to-boost-assets-33-with-warehouse-wager.html>

3. Providing differentiated services

The Amazon Prime logo, featuring the word "amazon" in black and "Prime" in blue with a curved orange arrow underneath.

Amazon Prime

Pure convenience
and powerful benefits



Amazon Echo

Omnichannel strategy into voice



Physical stores

Leveraging online data in-store

<https://www.barilliance.com/amazon-omnichannel-strategy/>

Image: <https://blog.aboutamazon.com/transportation/meet-scout>

<https://edition.cnn.com/2018/10/03/tech/amazon-go/index.htm>

<https://www.forbes.com/sites/annaschaverien/2018/12/29/amazon-online-offline-store-retail/#6bb7cf875128>



How many of you
have **used either these**
or **any other** omnichannel
strategy businesses?



How was your experience as a customer?



So, omnichannel can deliver **omni-fail**.

Omni-fails



Lack of investment

- Lack of channel-specific skilled people and other resources



Technological Barriers

- Incompatible software ¹
- Failure to integrate sales channels (Siloed system)



Poor communication

- Fragmented communication lines
- Horrendous omni-returns experience

Lack of consistency, visibility,
seamlessness, customer engagement



Poor customer experience

Example of a failure - Target

 **Free Shipping Over \$50** [See more items](#) ▶



ProForm PRO 2000 Treadmill

TARGET. EXPECT MORE. PAY LESS.


Item condition: **New**

Quantity:

List price: **\$1,999.00** 

You save: **\$999.01 (49% off)**

Now: **US \$999.99**

 Join **eBay Bucks** and earn **2%** back on this item. [See conditions](#)

Shipping: Will ship to United States. Read item description or [contact seller](#) for shipping options. | [See details](#)

Item location: **Ontario, California, United States**

Ships to: **United States** [See exclusions](#)

Delivery: **Varies**

Payments: **PayPal** | [See details](#)

Returns: **60 days money back, free return shipping** | [See details](#)



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Our promise is simple: Expect More. Pay Less.® We have a mind for design, a passion for innovation, and creating an exceptional guest experience regardless of where our guests are shopping us.

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 **TARGET**

What else do you need today?

**Amazon is in the race,
but hasn't fully cracked
omnichannel retailing
yet.**



Amazon book stores

launched 2015 and expanding slowly



Amazon fresh pickup

Launched 2017 and already shrinking



Amazon go

Launched to public 2018,
but still have limitations

<https://www.cio.com/article/3248590/amazon-hasnt-cracked-omnichannel-retailing-yet.html>

<https://www.brand-experts.com/distribution-excellence/amazon-omnichannel/>

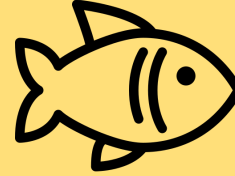
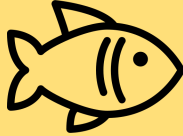
Survival tips for the omni-channel environment



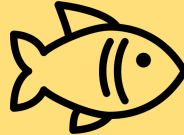


Survival Tips for the Omnichannel Environment

1. Think **exponentially**
2. **Strengthen capabilities**
3. Make **unforgettable shopping experience**
4. **Accompany customers** on their journey (Funnel to Fish)
5. **Prioritize efficiency**



Discussion: **The future of omnichannel** retailing



Thank you!