Challenges and opportunities of omni-channel retailing

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Omni-channel retailing provides unique opportunities for retailers to create deeper engagement and more meaningful experiences for shoppers. Credit: Peterfactors | Dreamstime.com

Shoppers are becoming increasingly comfortable interacting with retailers across multiple channels, creating pressure for retailers to offer seamless integration across multiple touch points and giving rise to the notion of omni-channel retailing.

This channel integration presents challenges for retailers, but also provides unique opportunities to create deeper engagement and more meaningful experiences for shoppers.

In response to this changing retail environment, Monash University's Australian Centre for Retail Studies (ACRS) recently conducted

research investigating omni-channel preferences, cross-channel shopping behaviour and the shopping experience of the consumer.

The research showed the three most important things shoppers required from an omni-channel retailer were the ability to return products purchased online through a physical store, being able to check in-store stock levels through a website and consistent promotions and sales online and in-store.

Research Fellow Jason Pallant from the ACRS said a key focus of the research was cross-channel shopping behaviour in light of concerns among the industry about 'showrooming'.

"We know consumers are becoming increasingly comfortable shopping online, and this has made some retailers concerned about shoppers coming in to store to try products but then going online to purchase. However, our research showed that this is not necessarily occurring as much as feared," Mr Pallant said.

"Only four per cent of shoppers did their research in a physical store before buying online, and higher prices in store or products not being in stock were the primary reasons these shoppers chose to purchase online instead of at the store."

By contrast, 24 per cent of consumers researched online before purchasing in-store, while 52 per cent researched and purchased in-store only.

Substantial differences were seen across categories, with 44 per cent of shoppers purchasing electronics researching online before purchasing in store and 35 per cent researching and purchasing only online, while 56 per cent of clothing and footwear shoppers were more likely to simply visit physical stores without consulting the internet.

The survey also looked at the consumer's overall shopping experience. On average, respondents conducted four stages of research before making their purchase, of which 70 per cent experienced one or more barriers, such as products being out of stock, unhelpful staff members, and technological failures including websites crashing, to their shopping journey.

"Shoppers who experienced multiple barriers were over a third less likely to eventually make a purchase," Mr Pallant said.

"Becoming a successful omni-channel retailer requires the removal of these barriers through seamless integration of the various channels and this integration can often require a shift in organisational processes or structures."

Provided by Monash University

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