

MK 322 Retail Management

Chapter 3: Multichannel and Omnichannel Retailing

By Ajarn Suwalya K.

A shopping cart overflowing with various electronic products and gifts, symbolizing e-commerce. The cart is filled with items like smartphones, tablets, laptops, and game consoles. It is surrounded by colorful gift boxes, ribbons, and a large red bow, suggesting a festive or promotional shopping event.

Multichannel



All channels available to the consumer...
... but not themselves integrated.

VS

Omnichannel



All channels available to the consumer...
... and are connected.



Sephora: Blending Technologies To Create An Omnichannel Experience



Ashley Guza · 5.3K views · 2 years ago

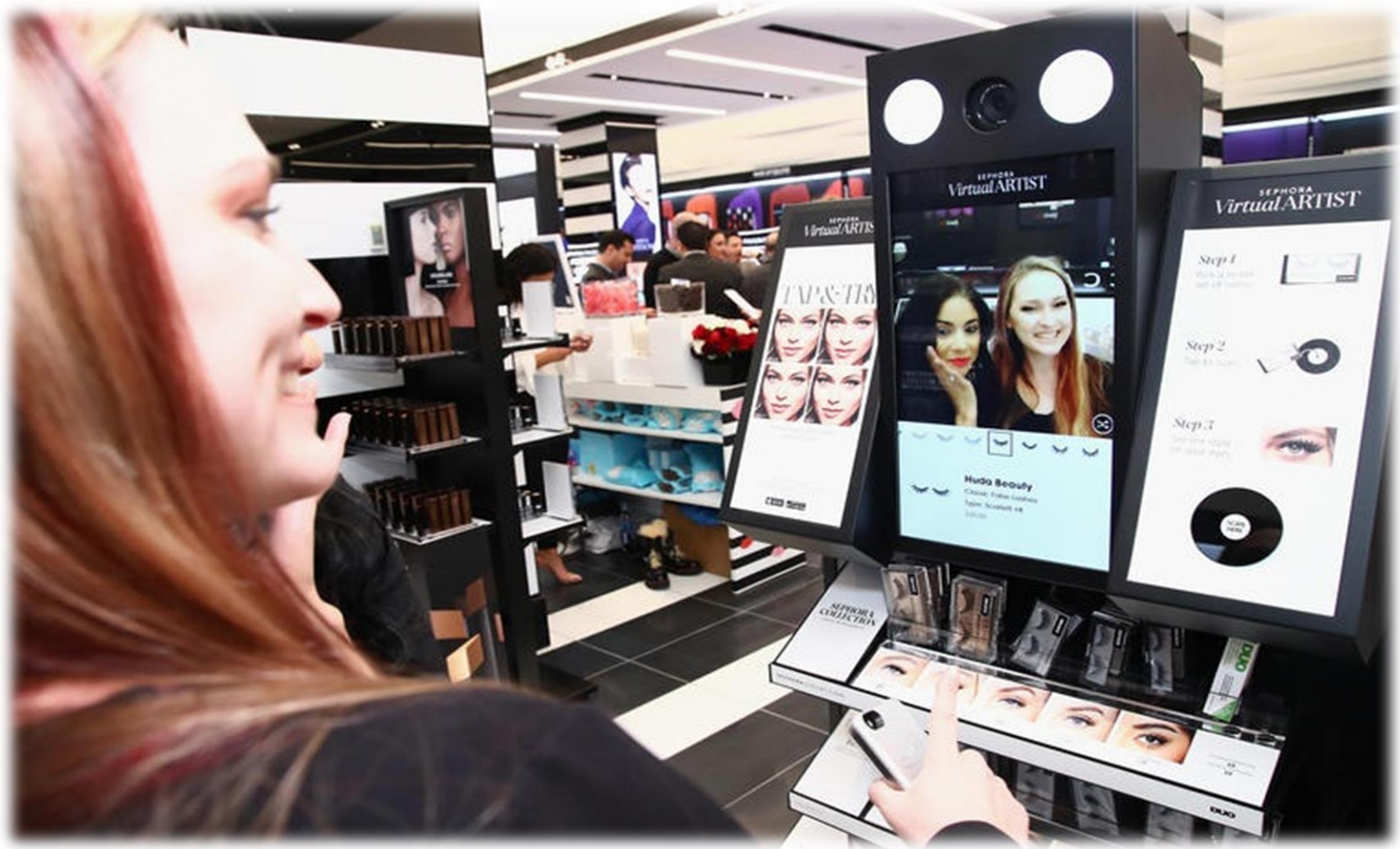
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English



Class Discussion



Multichannel Retailing

- Retail Channel: the way a retailer sells and delivers merchandise and services to its customers.
- The most common channel used by retailers is a store.
- Retailers also use a variety of nonstore channels, including the Internet, mobile, catalogs and direct mail, direct selling, television home shopping, direct-response TV, and automated retailing (vending machines) to make sales to customers.

Multichannel vs Omnichannel Retailing

- Multichannel retailing: involves using more than one channel to sell and deliver merchandise and services to customers.
- Omnichannel Retailing :is frequency used when discussing multichannel retailing; it refers to a coordinated multichannel retail offering that provides a seamless customer experience when using all of the retailer's shopping channel

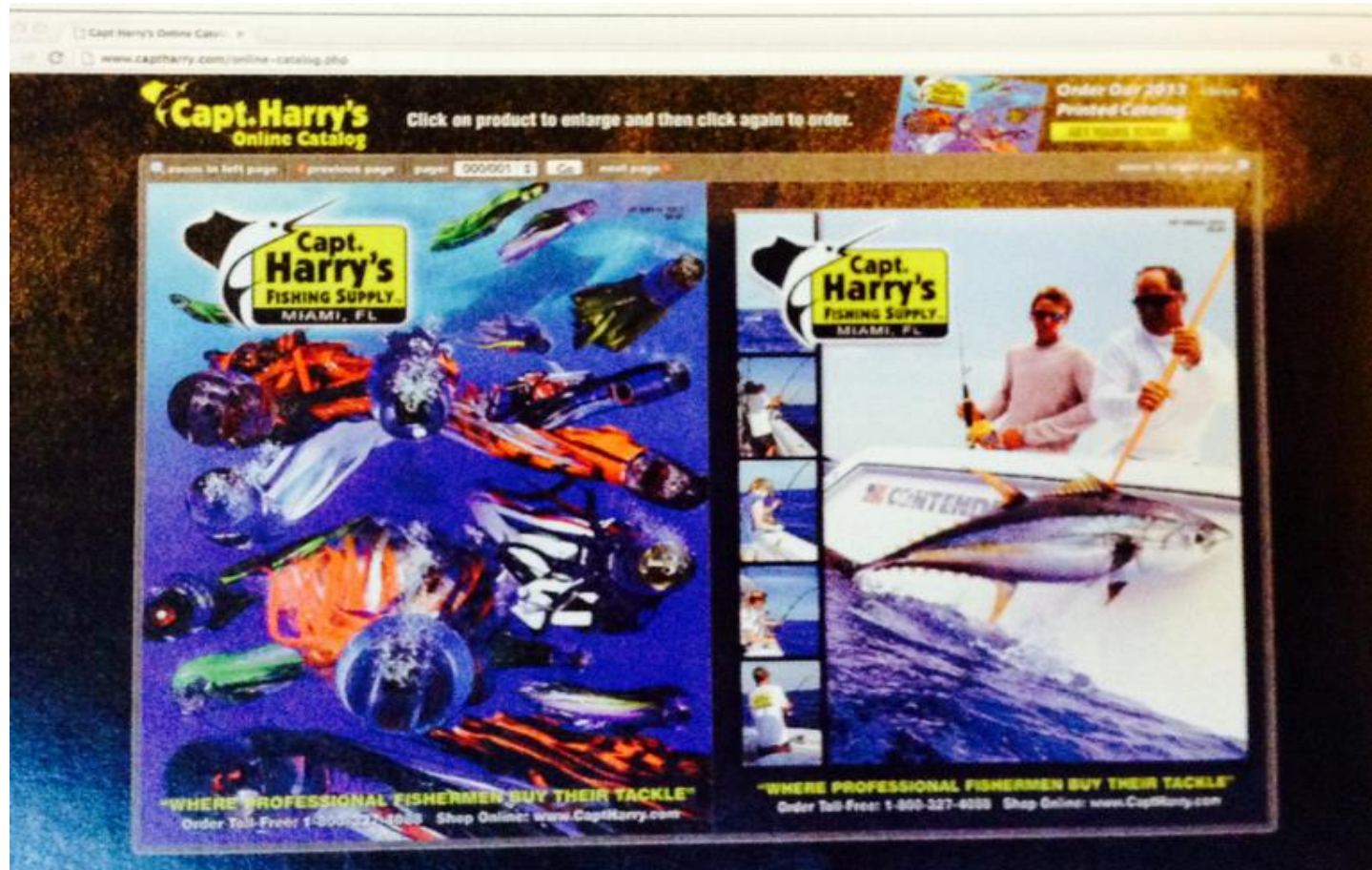
Omnichannel Retailing

- Omnichannel Retailing :is frequency used when discussing multichannel retailing; it refers to a coordinated multichannel retail offering that provides a seamless customer experience when using all of the retailer's shopping channel

Another key difference between omnichannel vs multichannel is that **multichannel is focused on channels**, whereas omnichannel is focused on customers. The aim of multichannel marketing is to maximise the number of channels used to promote a brand. ... For omnichannel, the customer, not the channel, is the focus.

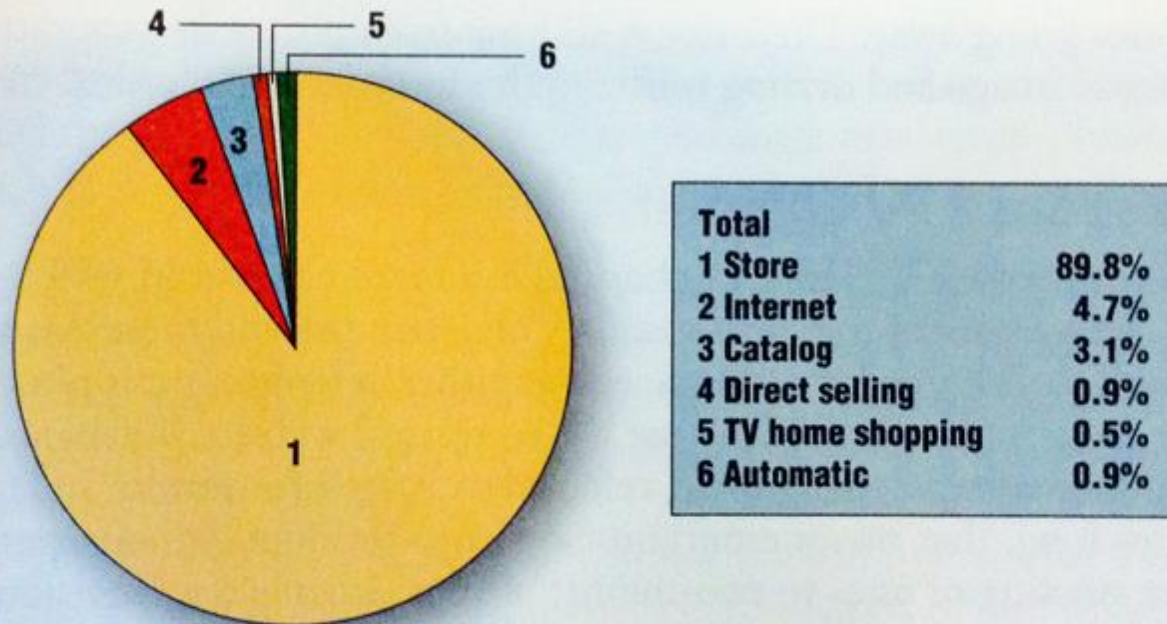


Multichannel Retailing



Even small, single-store retailers like Harry's Fishing Supply Interact with their customers through multiple channels

Nonstore Retail Channels



SOURCES: U.S. Census Bureau, "Estimates of Monthly Retail and Food Services Sales by Kind of Business: 2009," www.census.gov/retail/mrts/www/data/excel/mrtssales92-09.xls; personal communication with the Direct Selling Association, Direct Marketing Association, and National Automatic Merchandising Association.

*Excluding sales of motor vehicles, food services, and travel.

Exhibit 3-1
U.S. Retail Sales by Channel

Internet Retailing Channels- Electronic and Mobile Retailing

- Internet Retailing is the fastest growing channel.
- Involves interacting with consumers via the Internet, whether they use a traditional computer or a laptop, a variety of sizes of tablets or a smartphone.



Internet Retailing Channels- Electronic and Mobile Retailing

- Mobile channel (also called mobile retailing, mobile commerce, or m-commerce) involves accessing the Internet using a smartphone.
- The Internet is a facilitating rather than transformational, technology with respect to most sectors of the retail industry.
- 75% of us consumers use internet to search for information about clothes, shoes, toys, health and beauty aids before go to store to buy

Catalog Channel

- The Catalog channel: a non store retail channel in which the retail offering is communicated to customers via catalog mailed to customers
- Their role is shifting from primarily generating sales to building a brand image and driving traffic to the Internet and physical stores



Direct-Response TV (DRTV) Channel

- DRTV channel: a retail channel in which customers watch a TV advertisement that demonstrates merchandise and then place orders for that merchandise (by phone operations or accessing internet to use company's website)



Direct-Response TV (DRTV) Channel

2 types

1. Informercial : 30-60 mins long mixing entertainment with demonstrations
 2. Short one-to-two minute adversting on TV
- US. \$150 million annual retail sales



Television Home Shopping Channel

- Television home shopping: a retail channel in which customers watch TV network with programs that demonstrate merchandise then place an order
- US annual sales is \$20 billion
- Also embraces social media, as today consumers is interacting with TV home shopping channels on multiple screens.

Television Home Shopping Channel



HSN's sales have more than doubled after it started selling more well-known brands.



TV Home Shopping Overview



TV Home Shopping Market Share 2019

TV Direct 21%

O Shopping 17%

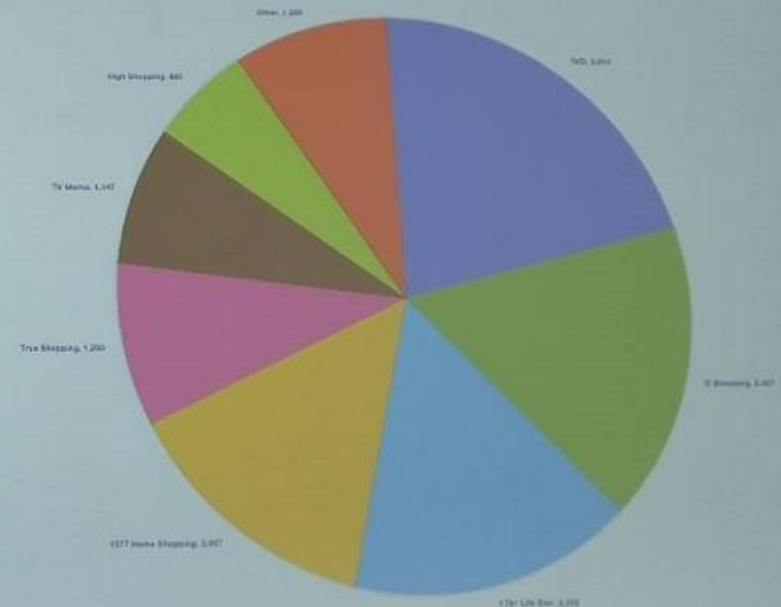
1781 Life star 16%

1577 Home Shopping 14%

True Shopping 9%

TVD Momo 8%

High Shopping 6%



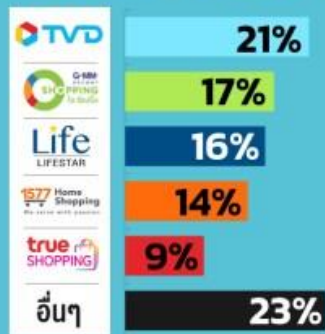
Marketeer

ตลาดทีวีโฮมช้อปปิ้ง ปีนี้ยังเติบโต

2559 ▶ 9,840 ล้านบาท โต 14.2%
2560 ▶ 11,670 ล้านบาท โต 15.7%

2561 ▶ 13,820 ล้านบาท โต 15.5%
2562 ▶ 14,000 ล้านบาท โต 7%
2563 ▶ 9 เดือนแรก 14,000 ล้านบาท

ผู้เล่นหลักกว่า 15 ราย ใครเป็นเจ้าของตลาด



เทรนด์อะไรที่จะได้เห็น
บนทีวีโฮมช้อปปิ้ง

- เซอร์วิสจับตลาดผู้สูงอายุ
- สินค้ากรีนโปรดักส์

หมายเหตุ : ส่วนแบ่งทางการตลาดอ้างอิงจาก แอปบี ช้อปปิง, ท.พ 63

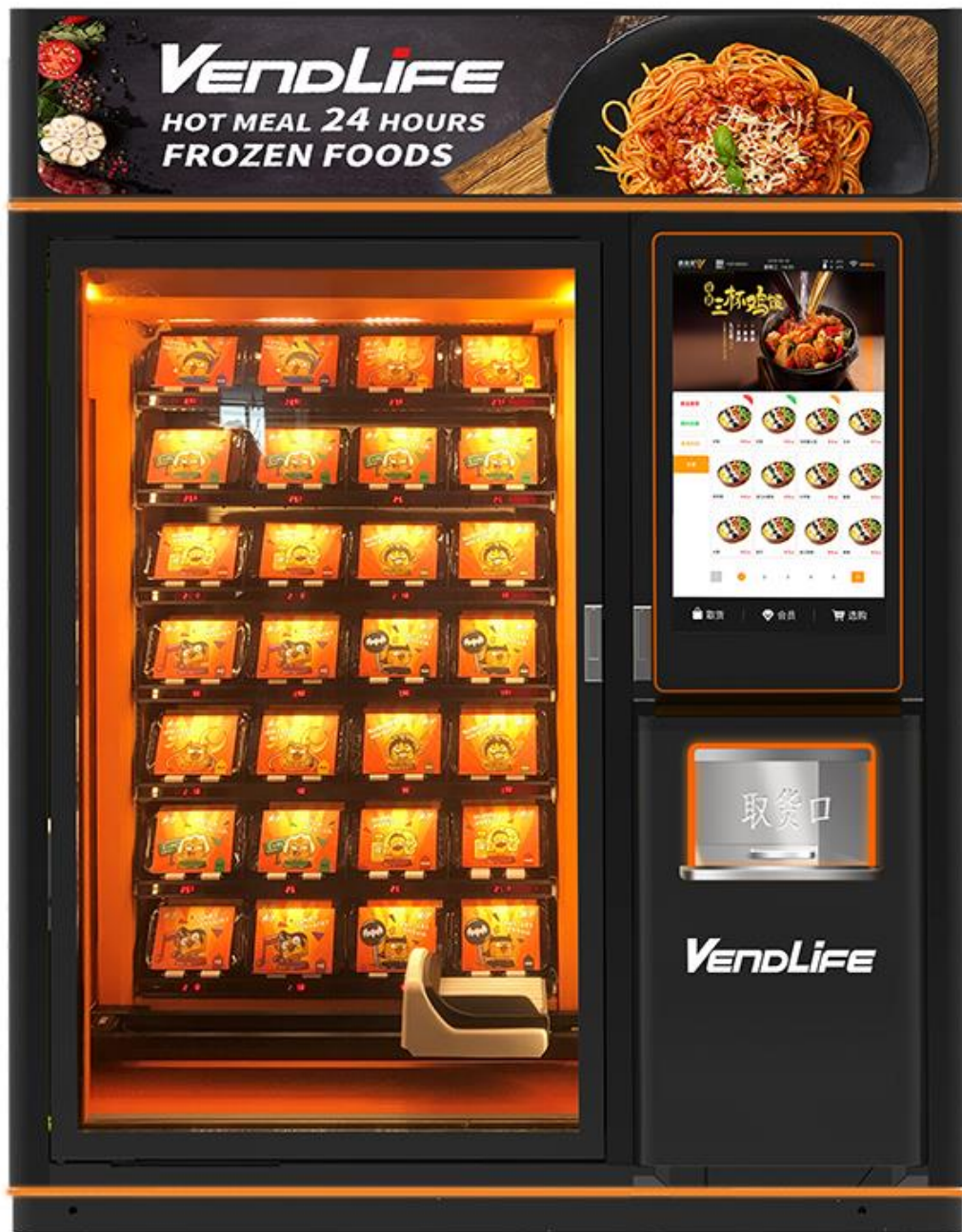
ที่มา : สมาคม ทีวีโฮมช้อปปิ้ง (ประเทศไทย)

Automated Retailing(Vending Machines) Channel

- Automated retailing: retail channel in which merchandise or services are stored in a machine and dispensed to customers when they deposit cash or credit card
- Automated retailing machines or known as vending machines are typically places at convenient, high-traffic locations.

Automated Retailing(Vending Machines) Channel





强丰微菜场 新鲜每一天



商品取出口

按





Relative Benefits of Retail Channels



Benefits of Store Channels

Stores	Catalogs	Internet
		
- Touching and feeling merchandise - Personal service - Risk reduction - Immediate gratification - Entertainment and social interaction - Browsing - Cash payment	- Safety - Convenience - Ease of use	- Safety - Convenience - Broad and deep assortments - Extensive and timely information - Personalization

Exhibit 3-2

Benefits Provided by Different Channels

Benefits of Catalog Channels

INVITING DIGITAL IDEAS TO PAPER PAGES

With this year's catalog, we want to give you more. That's why we've added inspiring films and interactive features to delight, entertain and offer even more ideas and insights for a better life at home. We love having a printed catalog that can be a part of everyone's homes all year long, but with today's technology you get more:

- films with how to's and behind-the-scenes clips
- image galleries with additional photos
- stories from product designers
- 3D and interactive views

To access the bonus material, you can download the app to smartphones/tablets or see everything at IKEA-USA.com. If you're using a smartphone or tablet, look for the phone symbol throughout the catalog (as seen below) and scan the whole page.



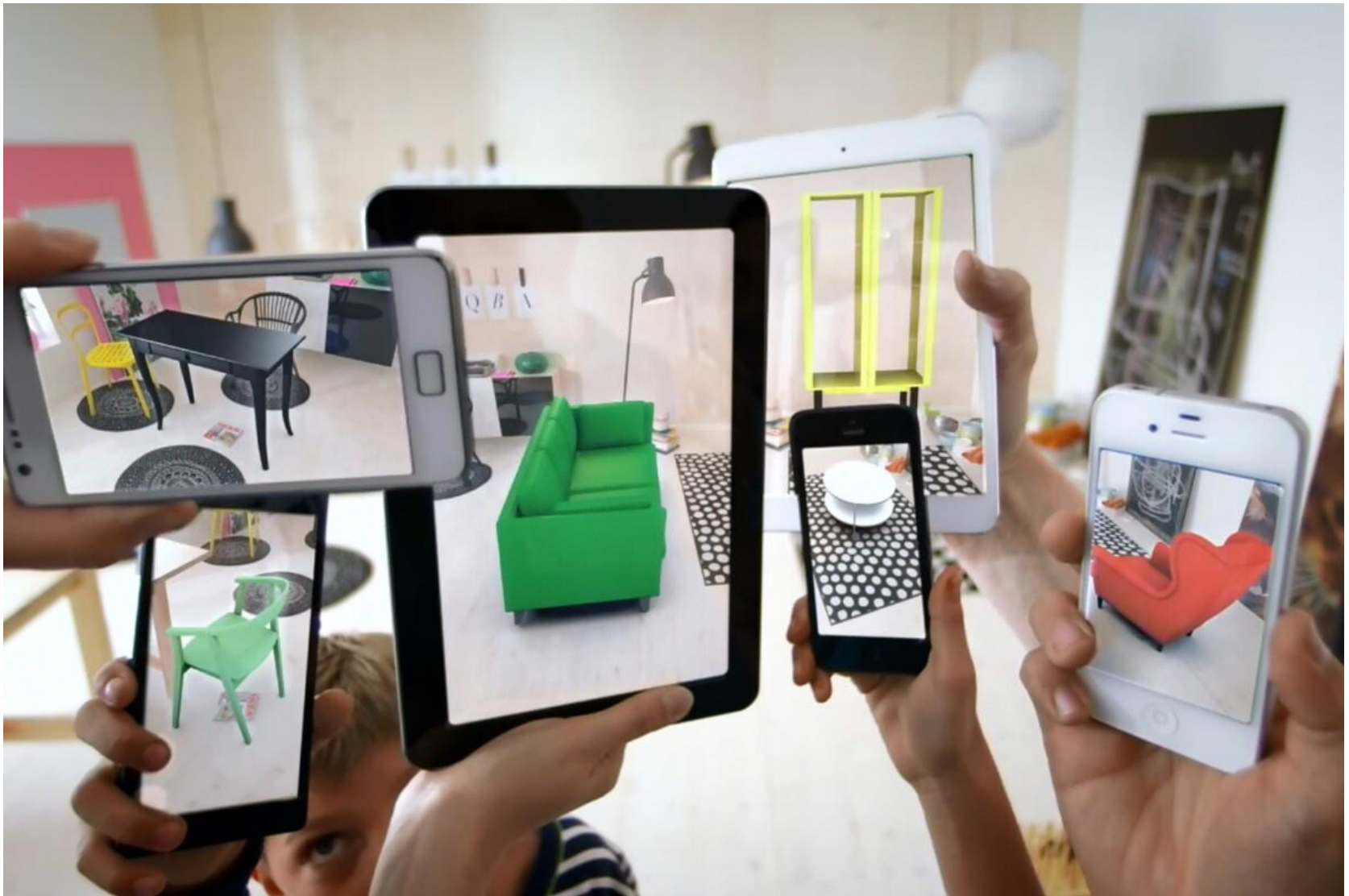
SCAN THIS PAGE
TO UNLOCK
EXTRA
CONTENT



Benefits of Catalog Channels

- Consumers can look at merchandise and place order anywhere 24/7
- Consumer can refer to information in catalog any time by simply picking up from coffee table
- Catalogs are easier to browse than websites
- IKEA's catalog is a good example
- Dramatically improved the content and user experience by including augmented reality

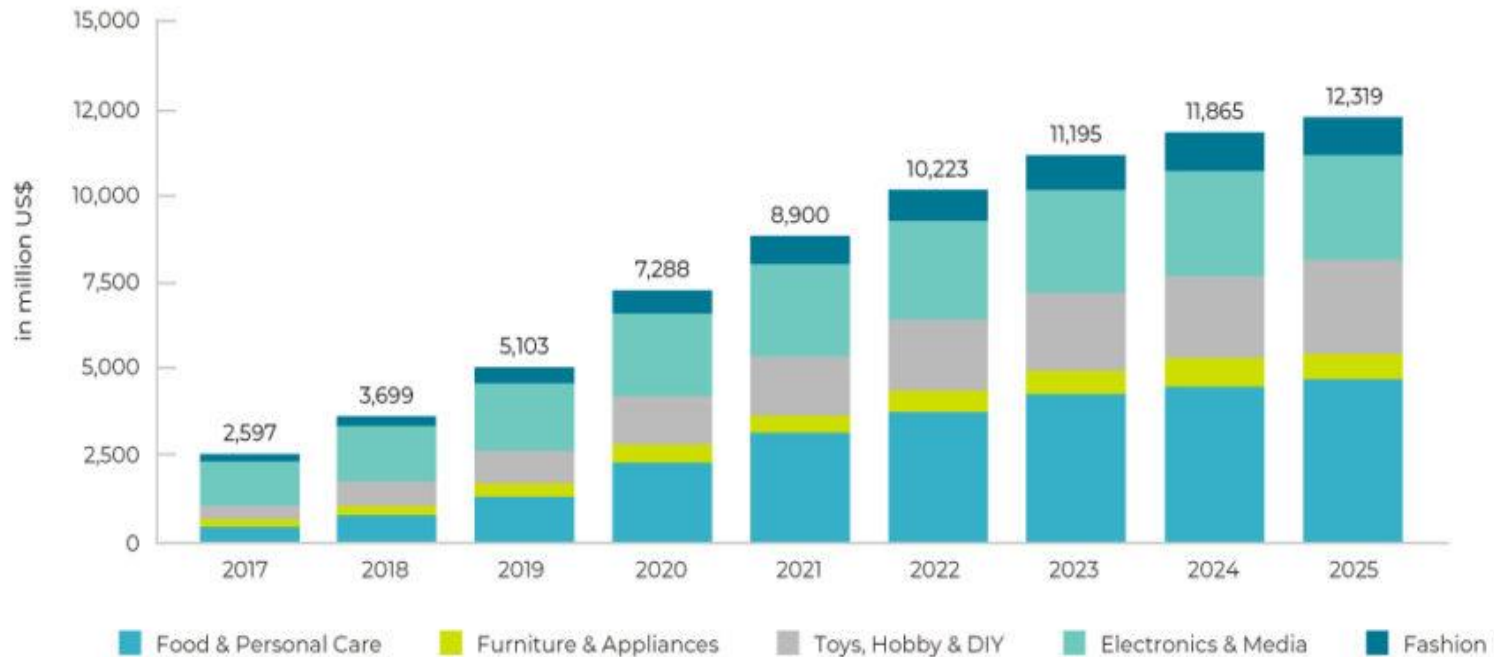
Augmented Reality



Benefits of the Internet Channel



REVENUE IN THE E-COMMERCE MARKET IN MILLION US\$ (THAILAND)



Source: Statista (Forecast adjusted for expected impact of COVID-19), November 2020

Source: ESW - Online Shoppers in Thailand to Reach 43.5 Million by 2025

JAN
2019

GLOBAL E-COMMERCE SPEND BY CATEGORY

THE TOTAL ANNUAL AMOUNT SPENT ON CONSUMER E-COMMERCE CATEGORIES AROUND THE WORLD, IN U.S. DOLLARS

FASHION
& BEAUTY



\$524.9
BILLION

we
are
social

ELECTRONICS &
PHYSICAL MEDIA



\$392.6
BILLION

statista

FOOD &
PERSONAL CARE



\$209.5
BILLION



FURNITURE &
APPLIANCES



\$272.5
BILLION

TOYS, DIY
& HOBBIES



\$386.2
BILLION

statista

TRAVEL (INCLUDING
ACCOMMODATION)



\$750.7
BILLION



DIGITAL
MUSIC



\$12.05
BILLION

we
are
social

VIDEO
GAMES



\$70.56
BILLION

SEP
2019

E-COMMERCE ACTIVITIES IN THAILAND

PERCENTAGE OF INTERNET USERS AGED 16 TO 64 WHO REPORT PERFORMING EACH ACTIVITY IN THE PAST MONTH [SURVEY BASED]



SEARCHED ONLINE
FOR A PRODUCT
OR SERVICE TO BUY



we
are
social

91%

VISITED AN ONLINE
RETAIL STORE OR
SITE (ANY DEVICE)



global
web
index

87%

PURCHASED A
PRODUCT OR SERVICE
ONLINE (ANY DEVICE)



we
are
social

85%

MADE AN ONLINE
PURCHASE VIA A LAPTOP
OR DESKTOP COMPUTER



global
web
index

28%

MADE AN ONLINE
PURCHASE VIA A
MOBILE PHONE



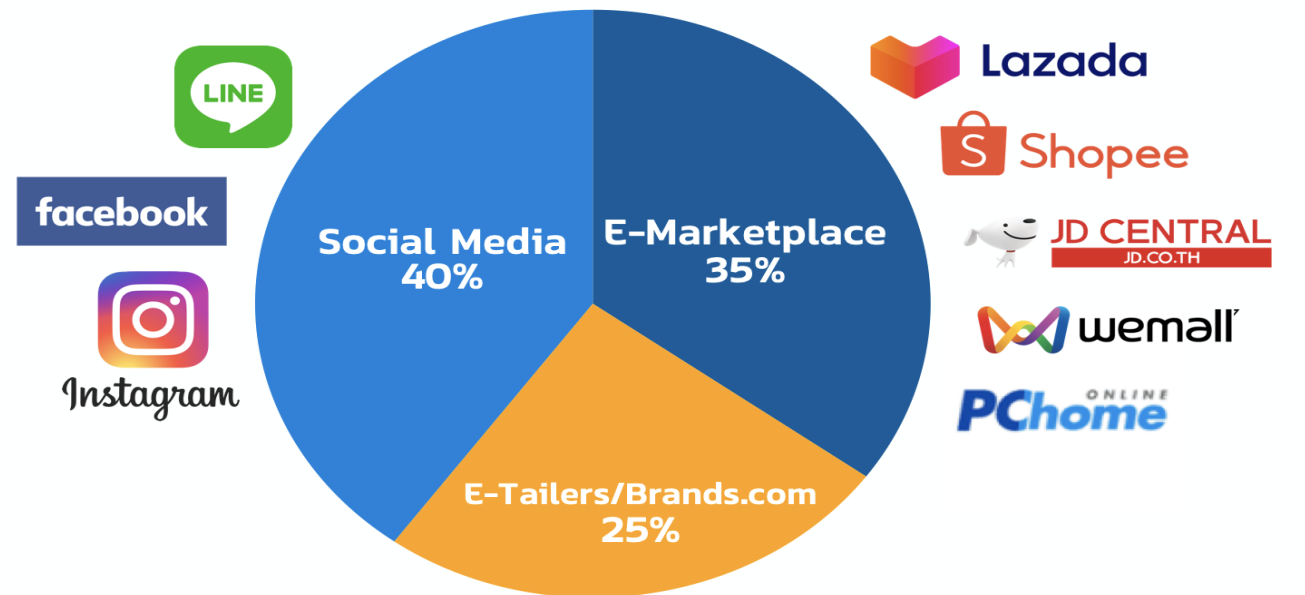
74%

Challenges & Opportunities

in Thailand E-Commerce Market

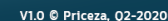
Fragmentation of E-Commerce Platforms:

The market consists of many players across multiple channels



Source: ETDA E-Commerce Survey 2018, Goldman Sachs, Statista and Frost & Sullivan

Priceza | E-Commerce Summit 2020



Benefits of the Internet Channel

- The addition of the Internet channels has potential to offer a **greater selection of products**.
- They allow **retailers to provide more information**.
- They enable retailers to provide customers with more **personalized information** about products and services.



Benefits of the Internet Channel

- They offer sellers the unique opportunity to **collect information about consumer shopping**.
 - Internet channels provide an opportunity for retailers to **enter new markets economically**.
 - They provide information that they can use to **improve the shopping experience across channels**.
- ❖ However increase **consumer's risks in security**

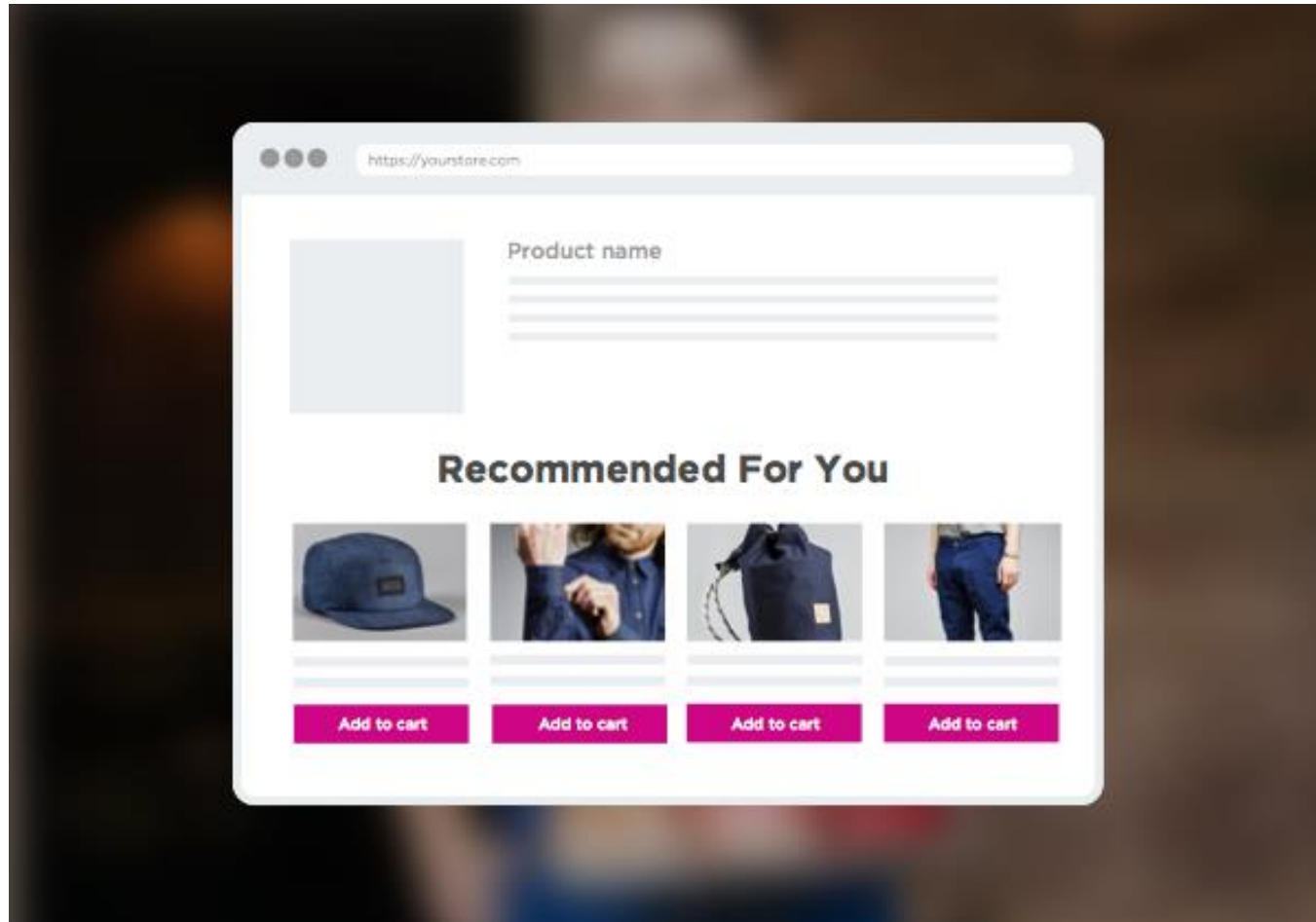


Benefits of the Internet Channel



*“No, I didn’t download you off the Internet.
I gave birth to you, end of discussion!”*

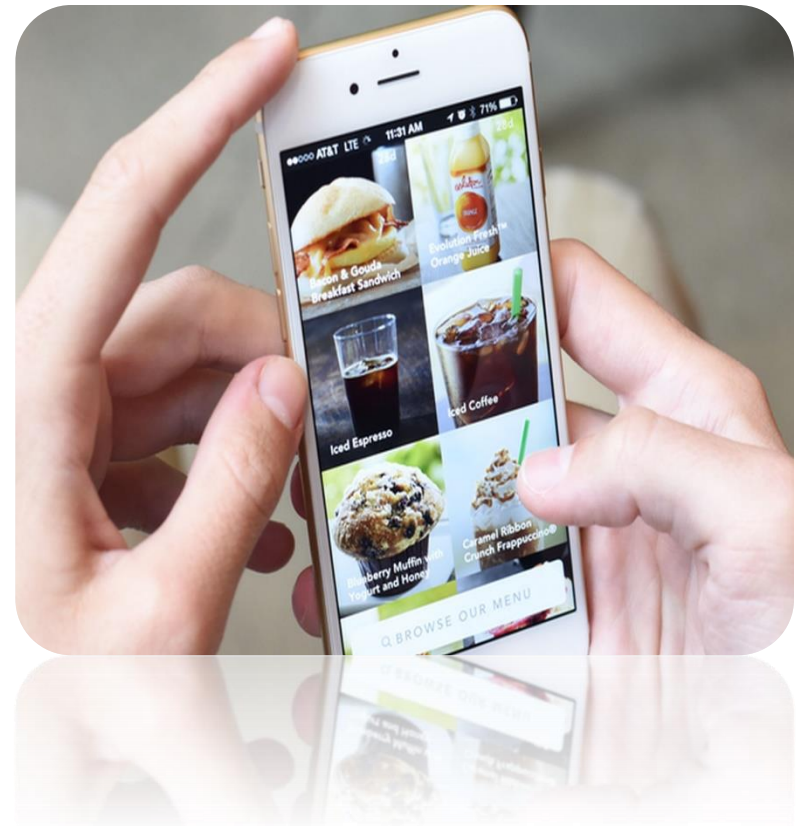
Benefits of the Internet Channel



Personalized Recommendations!

Comparison of Electronic and Mobile Phone Internet Channels

- Convenience- carry device
- Customer-retailer interactions can be location sensitive
- ❖ Disadvantage- smaller screen, slower download speeds ??? Not now?

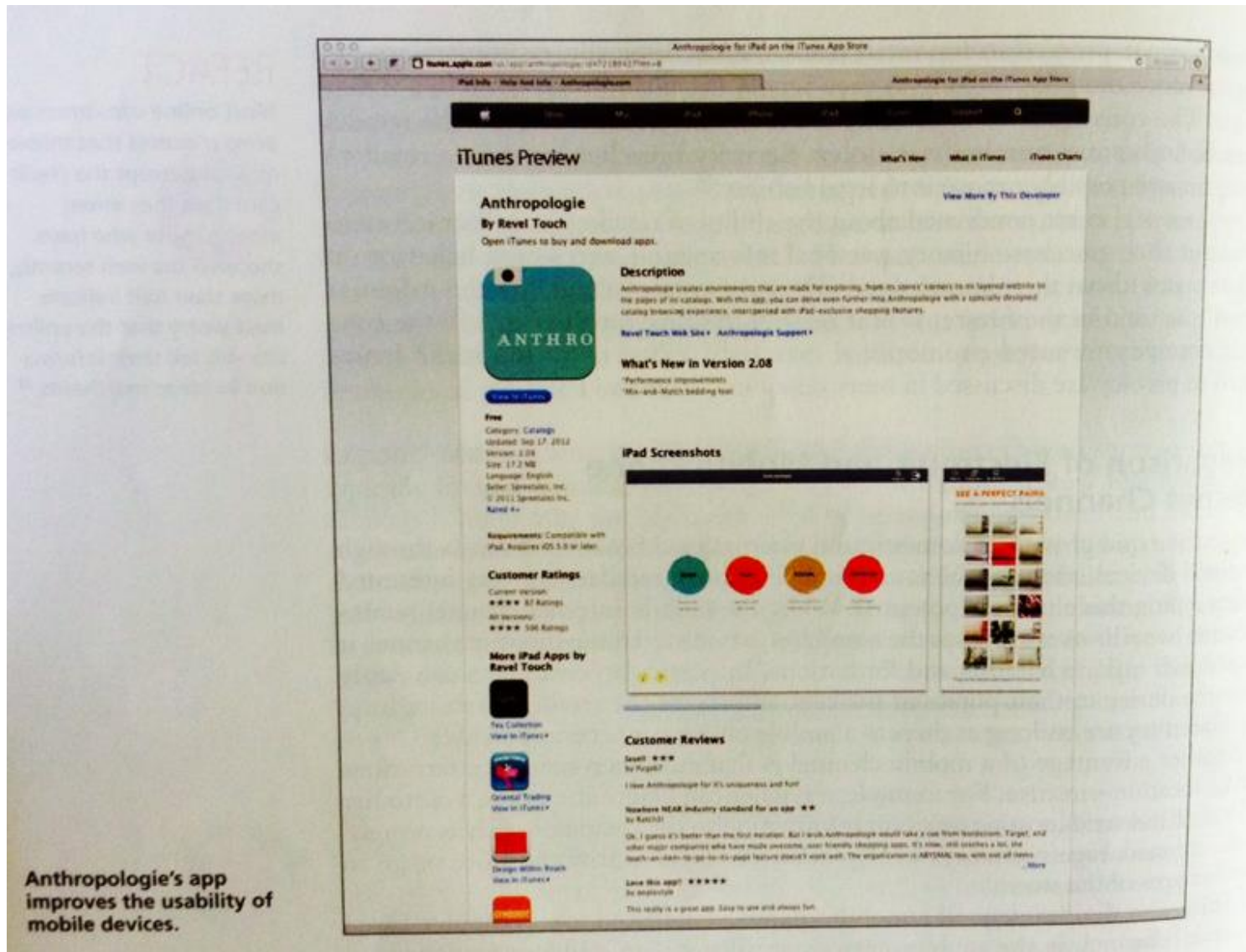


Comparison of Electronic and Mobile Phone Internet Channels

- Apps: software applications designed to improve customer shopping experience when using smart phones and tablets



Comparison of Electronic and Mobile Phone Internet Channels



Multichannel



All channels available to the consumer...
... but not themselves integrated.

VS

Omnichannel



All channels available to the consumer...
... and are connected.

Customer Journey



WEBROOMING VS SHOWROOMING

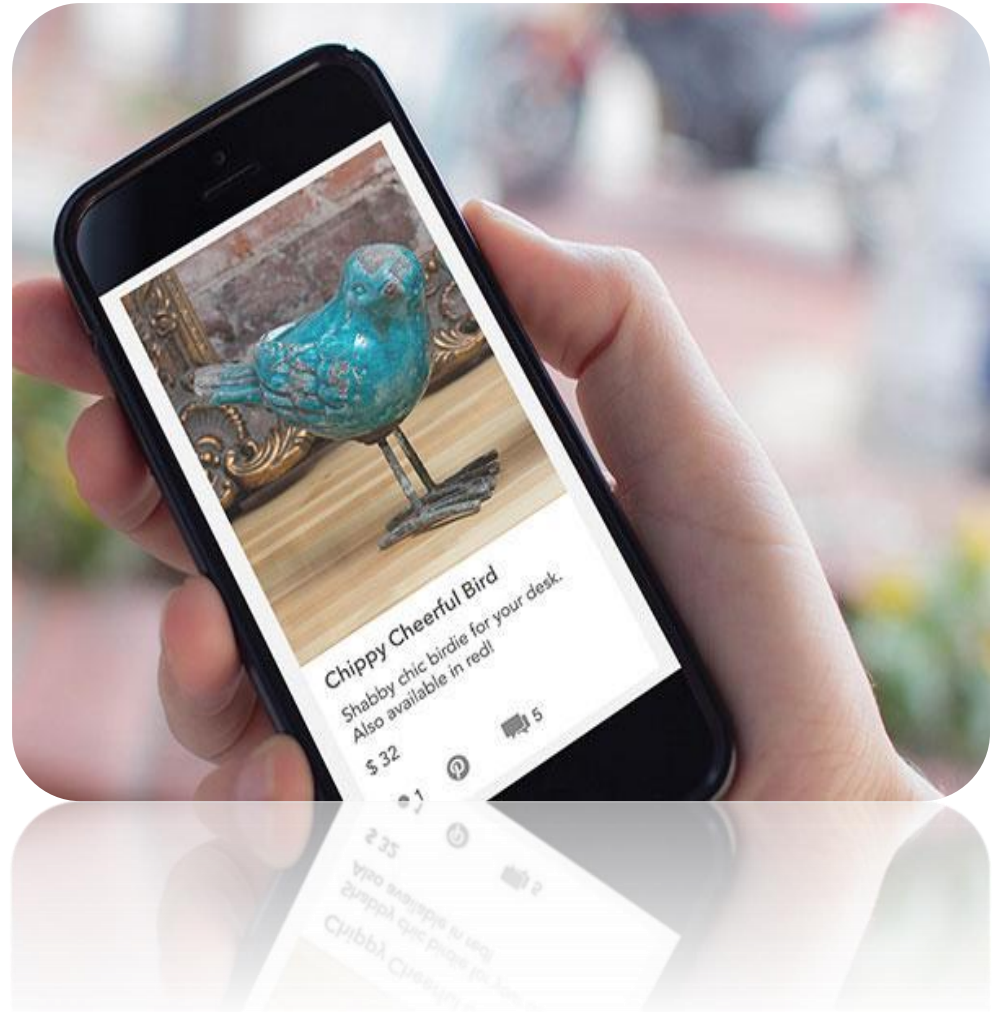


**A RETAIL MARKETING GUIDE
TO MODERN-DAY SHOPPING**

Showrooming is the practice of examining merchandise in a traditional brick-and-mortar retail store or other offline setting, and then **buying it online**, sometimes at a lower price. Online stores often offer lower prices than their brick and mortar counterparts because they do not have the same overhead cost.



Webrooming is a slang for the consumer practice of researching products online before buying them in a physical store. Research online, purchase offline, is a modern trend in buying behavior where customers research relevant product information to qualify their buying decision, before they actually decide to buy their favorite product in the local store



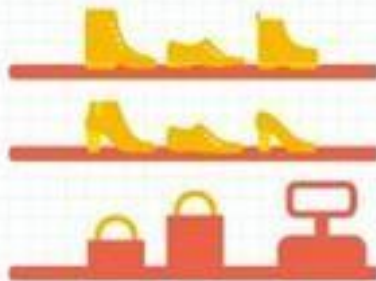
WEBROOMING

VS.

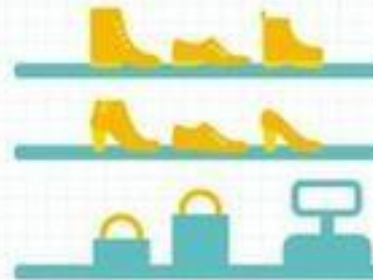
SHOWROOMING



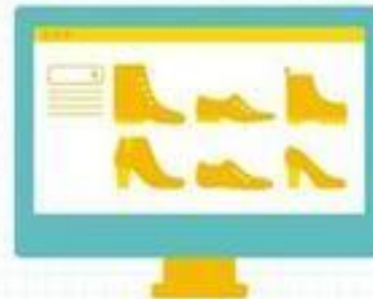
BROWSE
ONLINE



BUY
IN-STORES



BROWSE
IN-STORES



BUY
ONLINE

Webrooming on the *RISE*



Webrooming vs Showrooming



Why do shoppers research
online before buying in-store?

Believe they can find the
lowest price in-store 75%

Prefer the online process for
product comparisons 72%

Prefer the experience of
researching online 71%

Why do shoppers research
in-store before buying online?

68% Like to experience the product
in person first

48% Believe they can find the
lowest price online

41% Prefer to seek help from in-store
associates during their research process

Group Assignment 3:

Showrooming vs. Webrooming



Group Assignment 3: Showrooming vs. Webrooming

Please refer the assignment to your group project category

- What is showrooming and how does it apply to your retail industry/store?
- What is webrooming and how does it apply to your retail industry/store?
- What is the physical store (brick-and-mortar) shops current situation?
- **What is the future outlook and your suggestions to address this challenge?**
- **Please create one page ppt. slide presentation** to be due next Tuesday Feb.1st. Please design the one page by using photos, graphs, charts, visuals to make one page interesting ka.
- Note: You can research more information and also use the 2 sources in the next 2 pages for your analysis.



Case Study: Can Retailers Win Back Shoppers Who Browse then Buy Online?

by Thales S. Teixeira and Sunil Gupta

From the Magazine (September 2015)



Mattias Mackler

[Case Study: Can Retailers Win Back Shoppers Who Browse then Buy Online? \(hbr.org\)](https://hbr.org/case-study/can-retailers-win-back-shoppers-who-browse-then-buy-online)



Could this experimental Texas store be the future of brick-and-mortar retail?



CBS This Morning · 8.9K views · 1 year ago





That's All Folks