

BRIDGING THE GAPS IN THE CUSTOMER JOURNEY.

WHY OMNICHANNEL IS A MUST-HAVE
FOR ANY RETAIL BUSINESS

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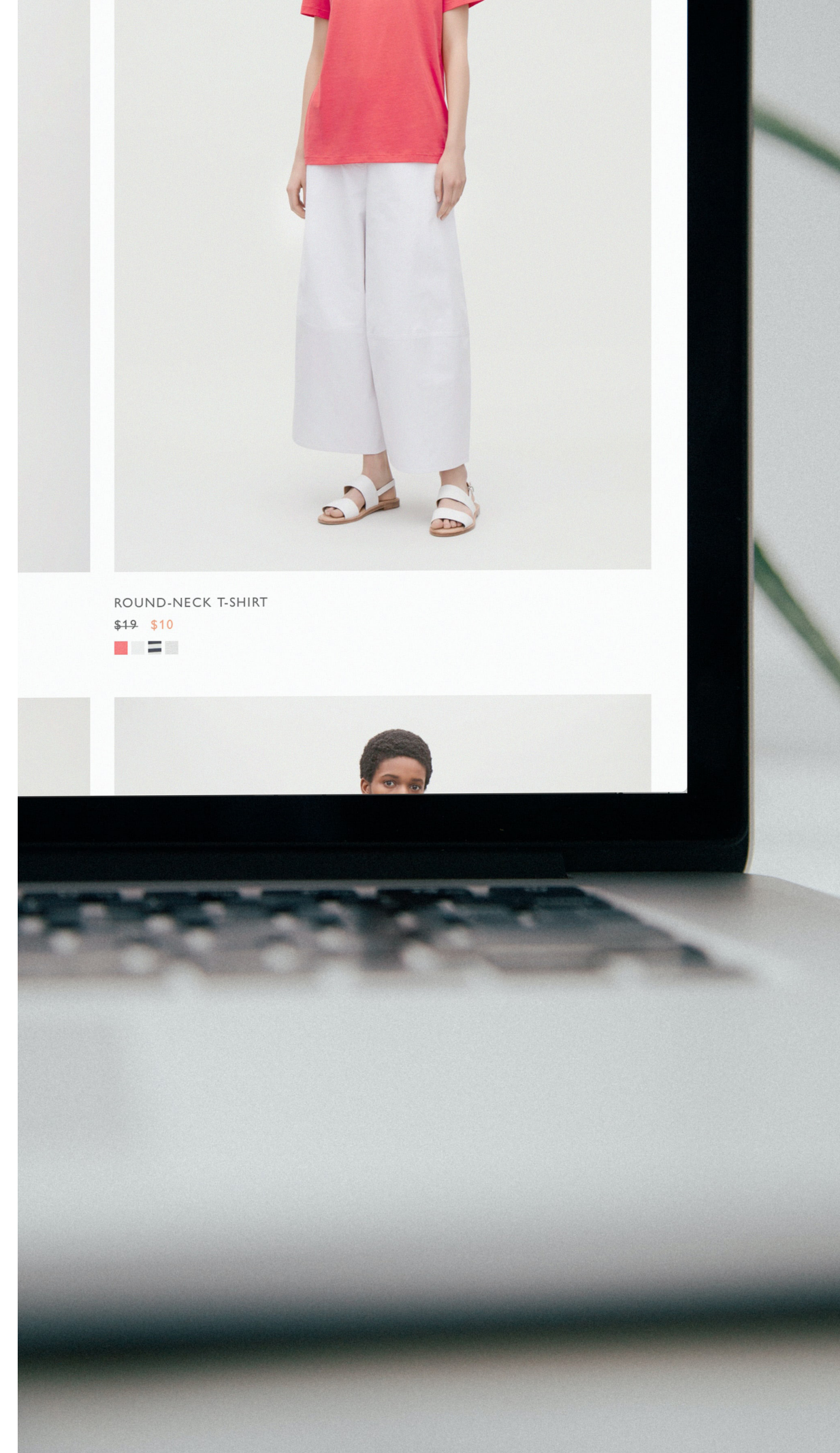
WHY OMNICHANNEL IS A MUST-HAVE FOR ANY RETAIL BUSINESS

The customer is evolving. Gone are the days when shopping would take place on only one or two channels. New technologies and devices make for more touchpoints in the customer journey, which also creates more significant expectations for retailers. The average shopper now uses no less than six different touchpoints towards a purchase. So, to fully cater to the complex needs of the modern consumer, you need to reach them at every step in the customer journey.

The way to do this as a business, however great or small, is by adopting an omnichannel strategy that revolves entirely around your audience. In the past, omnichannel may have been taken for the latest retail fad or a nice-to-have. But make no mistake: it has fully matured into a precious asset and a must-have for any self-respecting enterprise. A successful omnichannel strategy will give you a significant advantage over your competitors.

But making the leap to omnichannel from a single channel or multi-channel business is easier said than done. The transition is not limited to just your marketing team or your sales team. For it to work, it has to be embraced and felt throughout your organization.

In this whitepaper, we will take you through the various stages of setting up an omnichannel strategy, show you the impact it can have on your business, and go through the multiple channels you can use and how to bind them together.



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AN INTRODUCTION TO OMNICHANNEL IN THE WORLD OF RETAIL

Omnichannel is easily mistaken for a multi-channel or cross-channel approach, but it's so much more. It's true that omnichannel customers – like multi-channel customers – can browse and buy products on different channels, which can be anything from a physical store and an online store to a brochure, a mobile app and social media channels.

But there's a significant difference: instead of your customers reaching your store on different channels, you reach them, wherever your customers need you and however they prefer. Omnichannel always offers customers a seamless experience across different devices and platforms, which isn't the case for multi-channel. The various channels are integrated and complement each other to serve shoppers on their journey.

The more integrations, the more challenges

While the integration of various channels is the most significant contributing factor to the success of your omnichannel strategy, it's also the most critical challenge towards making it profitable for your business. Creating a harmonized customer experience requires a rigorous change in your business-wide strategy. Further on, we will discuss the steps to take for a viable omnichannel approach.



YOUR CUSTOMERS ARE READY FOR OMNICHANNEL. ARE YOU?

If you're wondering when you should start working on your omnichannel strategy, the answer is now. This is not just because of the impact as mentioned above on your business, but perhaps more importantly, because your customers are yearning for it.

A seamless omnichannel experience is an innovation 29,5% of customers specifically look for in retail ([Klarna](#)). And it's no coincidence that the three innovations that were higher on the list – frictionless payments (49,5%), personalized product recommendations (36%), and personalized service (34,5%) – are also a part of any successful omnichannel strategy.

Brick-and-mortar stores: a thing of the past?

Omnichannel is not solely an online affair, far from it. Brick-and-mortar stores still play a vital role in the customer journey alongside other channels. As early as 2013, [Google](#) discovered that practically everyone owning multiple devices (90%) switches between screens to complete tasks. Additionally, [a study in the Harvard Business Review](#) among 46.000 shoppers revealed that 73% used multiple channels for shopping, whereas 7% only shopped online and 20% shopped exclusively in physical stores.



And if customers had to choose? Then brick-and-mortar stores would still be the most popular, but not by much: 56% against 44%. Interestingly, only UK customers preferred online shopping (57%). And as you can imagine, there's a steep difference between generations, with Baby Boomers and Gen X (Age 41-56) choosing physical stores and Millennials and Gen Z being more inclined toward online shopping.

The best of both worlds

Now that we know that consumers are already using multiple channels to shop and that online and offline stores play an equally prominent role in the customer journey let's look at how exactly they play out in the customer experience. Both channels offer a very different set of benefits, [according to shoppers](#).

When it comes to saving time, prices (lower and easier to compare), selection of products, and product information, online gets the edge. On the other hand, offline stores excel in social interaction, customer service, and product returns. The best channel for payment is, however, less obvious. Online does have the benefit of offering more payment options, but it's also perceived as less secure than in a physical store. As for getting inspiration during shopping, preferences are evenly mixed between the two.

This shows that it doesn't pay to focus too heavily on either e-commerce or brick-and-mortar. It's the exact opposite that best suits your customers' needs. A sound omnichannel strategy intertwines the online and offline shopping experiences to evenly distribute the benefits and remove the wrinkles in the customer journey.



CROSS-CHANNEL CUSTOMER BEHAVIOR THAT SCREAMS FOR AN OMNICHANNEL EXPERIENCE

Pre-searching products online

The need for an omnichannel shopping experience is reflected in the fact that most consumers already integrate online into their offline shopping. [Research by Klarna](#) into shopping habits shows that 71,5% of consumers do online research before shopping in physical stores, of which 28,4% use this approach for all of their shopping. Clothing & Shoes (82%) and Electronic (85%) are by far the categories with the most pre-search behavior. Facilitating this shopping behavior with an omnichannel strategy pays off, as pre-searching online leads to [13% more in-store spending](#).

The omnichannel solution

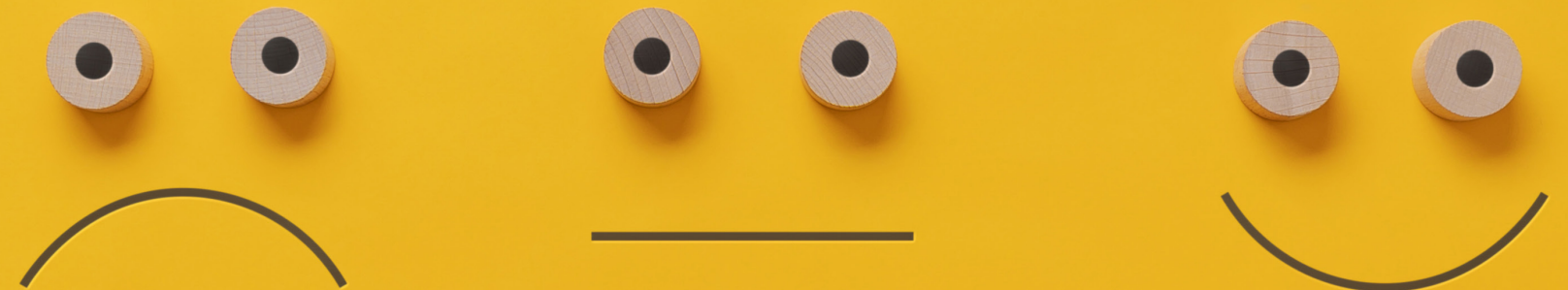
To offer pre-searching consumers the best possible shopping experience, your offline and online stores must be fully synchronized. That way, your online channels can show which items are in stock at a nearby shop and which aren't, giving people the certainty that they won't have to leave your store empty-handed. In addition, this kind of certainty when comparing products from different retailers can decide whether shoppers will buy from your store or your competitor's.

The best way to automatically share your stock is by using RFID tags (radio-frequency identification), which enables gathering accurate information about your inventory and uploading that info to your warehouse management system, which is connected to your online channels.

In addition, giving your customers the option to order online and pick up at the store is ideally suited for shoppers that pre-search online since they know what they want before visiting and are already intent on buying. We'll dive deeper into the numbers and benefits behind this particular trend.

In-store online research

Even inside the physical store, shoppers [increasingly take to their phones](#) to do additional research. Two-thirds (64,6%) of shoppers read customer reviews and compare similar products and prices in-store. This is especially the case for Swedish consumers, who have embraced in-shop research in droves (80%).



“ 64% ”

Of shoppers read customer reviews and compare similar products and prices in-store.





The omnichannel solution

Near field communication (NFC), like RFID tags, is perfectly suited to help customers who do their product research in-store. By adding tags to products, customers can scan products they're interested in and get a wealth of information and similar products on their phones, preferably through an app.

Brands like [Chanel and Kendra](#) Scott are experimenting with this technology to improve their customer experience further. Alternatively, you could use QR-technology, but this only works for stores where the products have a fixed spot on the shelf. [Timberland](#) takes it even further with their specially created Touchwalls, which enable customers to view exclusive online items in the physical store and add these to their wish list

OMNICHANNEL'S IMPACT ON YOUR BUSINESS

You're probably asking yourself: "Is omnichannel worth the trouble it takes me to implement it into my organization?" Really, it is. Let's show you how an omnichannel strategy can impact your business.



More traffic and revenue



Higher customer retention



Extensive personalization possibilities



More flexibility towards sudden changes

Using more channels equals more revenue

Of course, an omnichannel strategy should benefit your customers but your business's revenue. Thankfully, the research gives us a clear answer.

First of all, the number of channels your customers use directly affects how much they spend. For example, omnichannel customers account for 4% more spending in-store and 10% more online orders than single-channel customers ([Harvard Business Review](#)).

Shoppers using four or more channels even spend 9% more when visiting the store, demonstrating that revenue increases with the number of tracks you integrate in the customer journey.

Similarly, [Omnisend](#) found that omnichannel campaigns contribute to a 494% higher order rate than campaigns that use a single channel, from 0,14% to 0,83%. And when you add push notifications to your omnichannel campaigns, the order rate increases to 1%, which is a staggering 614% higher than single-channel campaigns.

An omnichannel approach not only stimulates your customers to spend more it also drives more (local) customers to your store. For example, shoppers urgently looking for a specific product often prefer visiting a local store over ordering online and waiting for it to be delivered. Therefore, sharing an overview online of what's in stock with customers nearby results in an [80% higher rate of incremental store visits](#). Also, targeting an audience with a purchase intent within a mile from your stores leads to a 28% higher click-through rate and 57% more store visits.



“30%

Of shoppers tend to switch between brands during their customer journey.”

Stay true to your customers, and your customers will stay true to you

Omnichannel doesn't make for a one-off affair with your customers, but it instead often leads to a mutually beneficial, long-lasting relationship. It can reinforce customer loyalty by showing that you care about them more and in different ways. Loyal offline customers [can also become loyal online customers](#) or vice versa, but this all depends on how smooth the transition from offline to online is for them. No less than [61% of customers](#) have difficulty moving between different channels of the same retail brand. Naturally, this affects conversion rates and customer retention.

When you consider that only [37% of customers are loyal to a specific brand](#) and 30% tend to switch between brands during their customer journey, it becomes clear that there's a lot to win in customer retention – and a lot to lose. Omnichannel helps retain your loyal and one-time customers because your brand is there to answer their needs, giving them no reason to “cheat” with your competitors.

But remember that a consistent shopping experience is crucial because even when you're omnipresent to your audience, they will not choose your brand if the customer journey is loaded with potholes. Omnichannel goes hand in hand with a clear and consistent brand identity. That helps build trust among your customers and strengthens your brand image. A consistent [visual product content strategy](#) across all channels contributes to how customers experience your brand, protects

When all of your channels are harmonized, customers will stay loyal to your business, and, in addition, they will come back more often. [Studies show](#) that in the six months after an omnichannel shopping experience, customers visited the brand's stores 23% more often. Also, they were more inclined to promote the brand through word-of-mouth to friends and family than single-channel users. [Data gathered by Omnisend](#) revealed that marketers using an omnichannel strategy for their campaigns led to 90% higher customer retention. Tools such as mobile apps and loyalty programs are great for strengthening customer loyalty with your omnichannel strategy.

Knowing your customers better than they know themselves

One of the things that sets a sound omnichannel strategy apart from single-channel and multi-channel businesses is the personalization and relevant content in your campaigns. You're sending your customers the right message, at the right time, through the proper channels. And that dramatically impacts your business's customer experience.

As we've seen before, personalized product recommendations and personalized service are two of the shopping innovations customers long for the most. Likewise, [52% of customers](#) polled in a survey said they appreciate that customer service is personalized and relevant to their interests. An impersonal shopping experience, on the other hand, especially online, feels dated and often leads to frustrated shoppers.

The modern consumer wants retailers to remember them after purchase (or after browsing online). Therefore, they expect you to show them exactly what they like based on their shopping behavior. For example, recommending earrings to a 30-year-old man who primarily shops for menswear simply because he once bought his girlfriend a pair of earrings will probably not go over well, as





who primarily shops for menswear simply because he once bought his girlfriend a pair of earrings will probably not go over well, as you can imagine. In a successful omnichannel strategy, however, he would not only see menswear product recommendations but also be shown products from his favorite fashion brands and similar brands. And because he mainly uses the store's mobile app, he receives push notifications and in-app messages whenever his favorite items are on sale.

The next step in personalization lies in context-based content. While context is always essential for personalization, the possibilities for exploiting it are endless. Showing recommended products in a store nearby is an excellent example of using GPS data to personalize the shopping experience. AOE created an [intricate omnichannel system for Frankfurt Airport](#), tailored to the needs and tight schedule of the 160.000 travelers that use the airport daily. To stimulate shopping at retail businesses at the airport, customers can purchase the products online in an app, which can then be picked up or even delivered straight to their gate in time for their flight. This makes for a seamless omnichannel experience based on the specific context of the airport.

The Covid pandemic and the importance of agility in retail

With a successful omnichannel strategy, retailers are more agile in responding to crises like the pandemic. Still, they are also quicker to adapt to changes and new trends in the market, which is an important reason why omnichannel businesses

often have the edge over their single-channel and multi-channel competitors. One of the things that the recent Covid pandemic taught us is that retailers shouldn't put their eggs in one basket since that makes it more difficult to counter the effects of a sudden change in the market. When shops were closed during the lockdown, businesses with little online presence struggled the most to keep their head above water simply because they had no fallback options in e-commerce to reach their customers.

Retailers that had their online channels in order experienced relatively more minor difficulty in adapting to the lockdown situation. Many businesses even saw a boom in online sales due to the pandemic. As a result, the annual online spending in the US went from \$574,9 billion in 2019 to \$812,8 billion the following year. For 2022, it's predicted that the annual expenditure in online stores will be as high as \$1 trillion.

During the pandemic, retailers soon found a way to be still able to help customers at the stores: BOPIS: Buy Online, Pick Up In-Store. When buying products online, customers were allowed to come to pick them up at the store, thereby avoiding shipping costs and often being able to pick them up in a matter of minutes. The addition of BOPIS is an excellent example of seamless integration between online and offline channels that significantly improves the customer experience. Stores that offered BOPIS grew 67% between 2020 and 2021. Furthermore, 30% of online consumers in the US prefer BOPIS over standard delivery options.





SETTING UP AN OMNICHANNEL STRATEGY: THE ESSENTIALS

Let's start by getting one misconception out of the way. An omnichannel approach isn't merely a strategy for your business; it's much more than that. Omnichannel goes through to the core of your organization and affects all operations if implemented successfully.

A common mistake many retailers make is to rush the implementation of omnichannel, thereby defeating its purpose of adding value to customers and your business. For every touchpoint, there's a solution to serve your customers. But for every interaction, there are new challenges to tackle. Therefore, adopting different channels requires a thorough approach. So we recommend taking it step by step and doing it right, rather than quickly.

The 5 steps to start off any omnichannel strategy

1. Analyze your existing assets and touchpoints
2. Set a goal for your omnichannel strategy
3. Gather data to guide your decision making
4. Break the walls inside your organization
5. Define your brand identity



ANALYZE YOUR EXISTING ASSETS AND TOUCHPOINTS

Before thinking about what new channels you want to explore, take a step back and make an overview of the shopping channels you currently use to reconsider your asset mix per channel. Also, map out all the touchpoints in the customer journey with your brand. This helps you to get a clear idea of where exactly the gaps are in your customer experience and what added channels or improvements needed to close them, for instance a mobile app or marketing automation. Content optimizations such as [Computer Generated Imagery \(CGI\)](#) or [Mobile Ready Hero Images](#) can greatly improve the online shopping experience and increase conversions.

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SET A GOAL FOR YOUR OMNICHANNEL STRATEGY

For a strategy to have any chance of success, it always needs a clear goal. This is especially true for omnichannel strategies because many different channels and players are involved. Decide what exactly it is you want to achieve with your omnichannel strategy.

For example, do you want a happier and more loyal customer base, or do you want to become a leader in customer experience and increase conversions? Whatever it is, ensure the goal is clear for everyone in your organization.

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GATHER DATA TO GUIDE YOUR DECISION-MAKING

There's no point in pursuing an omnichannel approach if you don't possess the data to guide it. The seamless experience associated with omnichannel is founded in a comprehensive CRM system. Here you should be able to find everything you need to know about your customers. Take your existing channels and gather all data in a single system. This information about your customers' product and channel preferences will help guide

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BREAK THE WALLS INSIDE YOUR ORGANIZATION

As we said at the beginning of this whitepaper, omnichannel shouldn't just be limited to the usual suspects working in marketing and sales. All employees must be committed to the strategy to ensure consistency throughout your organization and in every channel. This means that the various silos need to be taken apart, and each department should be involved in omnichannel activities simply because it does involve everyone. Working together and sharing information between departments is key.

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DEFINE YOUR BRAND IDENTITY

To be consistent and recognizable as a brand throughout all different channels, you first need to establish who you are. When you or other people in your business don't have a clear idea of your brand identity, how can you expect your customers to? Define your brand identity with brand guidelines: a style guide with pointers for all your visuals and a clear tone of voice to make sure you address your customers consistently, wherever you reach them. A clearly defined brand identity makes it easier to expand your omnichannel strategy, as it lays the groundwork for integrating new channels while retaining a seamless customer experience.

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WHAT'S NEXT?

It's tempting to start setting up your omnichannel strategy right away and treating it like a sprint. However, it's much wiser to see it as a marathon. By establishing new channels too quickly, you risk them falling short. Without the proper preparation and research, you don't yet know which shopping channels are best suited to fulfill your customers' needs.

When you're fully prepared, start by running trials for a single channel to see if it has any potential for your business. Keep in mind that it's better to have one extra channel integrated fully than to hold on to multiple poorly integrated



THE THREE PILLARS OF YOUR OMNICHANNEL STRATEGY

We cannot emphasize it enough. For an omnichannel approach to add value to your business and your customers, there cannot be any gaps between your various channels. First and foremost, you must ensure that all content, no matter the channel, is founded on your brand identity.

On top of your brand identity, you need three pillars to bear your omnichannel strategy:

- Content quality
- User experience
- Customer data

As long as these three are consistently applied to each channel, your omnichannel strategy will soon start to bear fruit.

Content quality

Free up ample resources for your marketing team and stimulate cooperation between creatives for consistent quality across the various channels. A visual product content strategy is key in ensuring your product images are optimized to garner the best results on their respective channel.

User experience

Test the user experience to continuously improve your customers' journey from one channel to the next. Gather data to expose weaknesses in your user flow and use feedback tools to create an experience that your customers will appreciate.

Customer data

Don't trust your gut. Put your faith in the numbers. Know exactly what, how, where, and when your customers prefer to shop to cover all touchpoints. This will make the customer feel more appreciated and increase conversions.

ALL ROADS LEAD TO ROME: THE VARIOUS CHANNELS THAT CAN (OR SHOULD) BE A PART OF YOUR OMNICHANNEL STRATEGY

There are many different channels you can employ as part of your omnichannel strategy. We will discuss some of the most used channels. Note that each channel allows for other ways to reach your audience. Don't be afraid to disregard channels considered popular and perhaps already used by your competitors; if the data shows your customers aren't likely to use it, it's not going to make a profit.

- Marketing automation
- Print
- Social media
- Online advertising
- Mobile shopping
- Mobile apps

Marketing automation

Marketing automation is an extensive way to reach your customers through automated marketing messages. Using preset triggers, you can reach customers with relevant campaigns without moving a finger. Examples of triggers are an abandoned shopping cart in your online store or a customer not having purchased in a specific timeframe (e.g., six months). You only need to keep track of the campaign results and make changes if the data tells you to.

You can use three marketing automation channels for your marketing automation strategy.

You can choose to use only one or integrate multiple channels for more effect:

- E-mail
- SMS
- Push notifications



Print

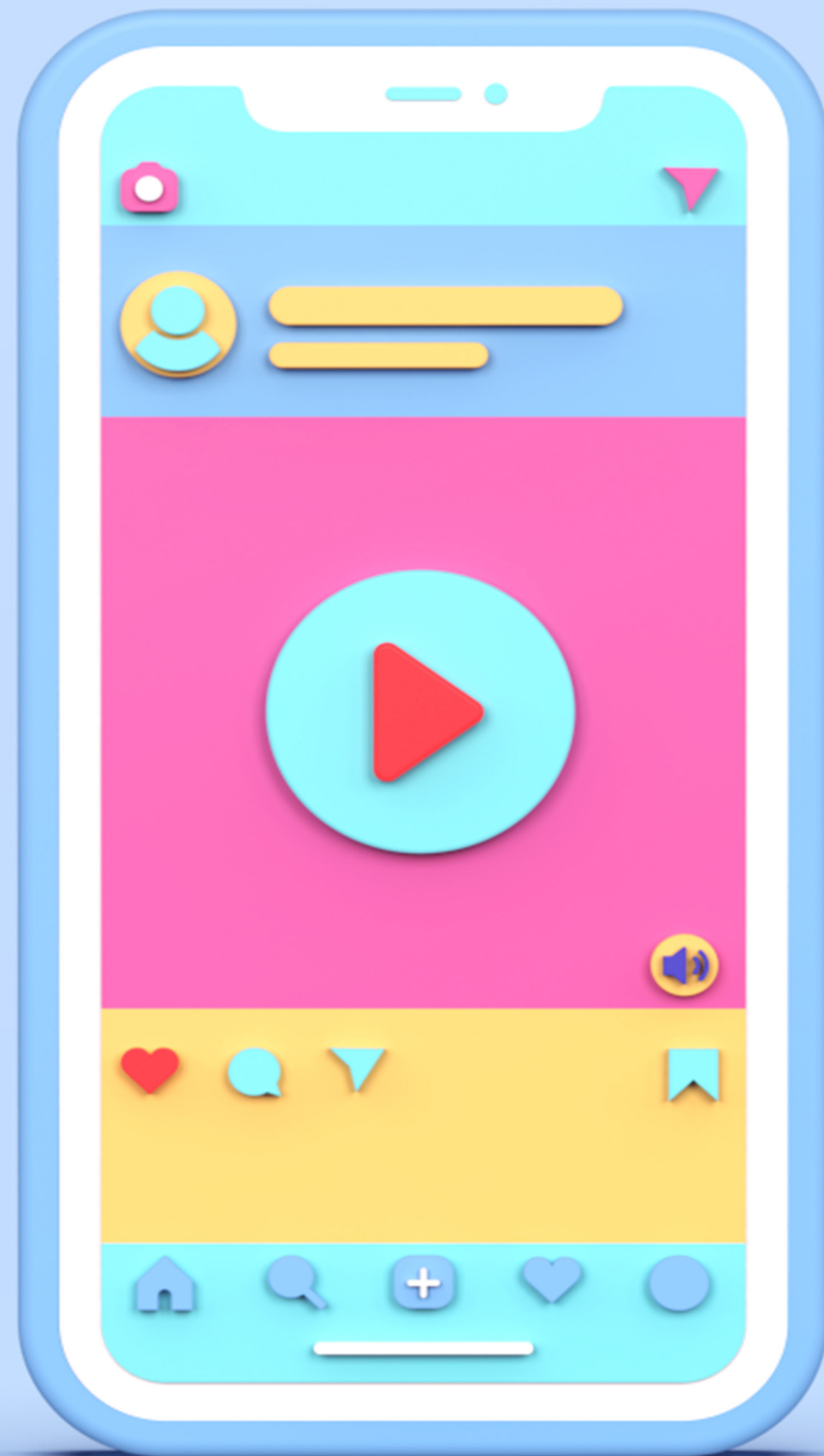
Believe it or not, print is still an effective way to reach customers. As such, it can be a valuable part of your omnichannel strategy. Especially if your customer base is predominantly made up of baby boomers and members of Generation X. Using an older marketing channel doesn't mean you shouldn't integrate your online channels.

Use variable printing to personalize the copy and add QR codes and social media handles to push engagement online, which is especially important when sending coupons.

Social media

The impact of social media on society cannot be underestimated. Facebook, Instagram, Twitter, TikTok, and the likes have been necessary to build a brand identity and strengthen customer engagement for some time. Still, they've taken a more prominent place in the customer journey in recent years. Retailers can share their products directly with their followers on social media, and the channels are continuously improving on ways to shop directly on the platform.

And with good reason: one-third of shoppers have purchased a product after seeing it on social media, and just over half of them bought it directly from a social media platform ([Klarna](#)). So always keep track of which social channels your customers use to know exactly where you should focus your attention.



Online advertising

Chances are, you're already using online ads to boost traffic and sales on your website. But are you using them, right? Instead of shooting with buckshot for your marketing, use a sniper rifle. Try displaying your ads on websites your customers usually visit, create social media ads on their preferred platforms, and use search engine ads based on keywords you know your customers often use.

Also, give thought to the goal of your ads. For example, instead of linking to your website, direct your ads to your mobile app if your customers have it installed. This smoothens the customer journey, enables more advanced personalization, and stimulates conversion. And remember, online ads are also great for driving offline traffic to your store, which is an excellent example of unifying your online and offline channels as part of your omnichannel strategy.



Mobile shopping

Mobile shopping is on the rise. Whereas websites on desktops long ruled as the predominant online shopping channel, customers nowadays take out their smartphones to browse online stores and make a purchase. Numbers show that mobile shopping is closing in on desktops, which is losing ground. [38% of shoppers](#) primarily use their phones when shopping online, as opposed to 49% still preferring desktops.

It's no surprise that most Gen Z and millennials turn to mobile shopping. Mobile shopping made up [70% of all online traffic and 60% of all orders](#). So to reach younger customers, in particular, it's vital you tend to the mobile responsiveness of your website ([optimizing the user interface and images for phone screens](#)) and make sure the customer experience on mobile is on par with – if not better than – your experience on desktop.

Mobile apps

Considering the increasing share of mobile shopping, it makes sense that developing a mobile app can add extra value to your omnichannel strategy because it helps engage your most loyal customers to your online store. With an app installed on their phones, it will be easier for your customers to find your store since they no longer have to search for you online. Even better, apps get 157% more conversions than mobile sites, and cart abandonment is considerably lower (20% vs. 97% on mobile sites).

Add in the possibilities to send push notifications, personalize content (without requiring customers to log in every time), and introduce a loyalty program. It becomes clear that mobile apps are a must to boost your e-commerce endeavors. However, as is the case for all channels in your strategy, thoroughly test your app's performance and user

“157%

**More conversions on apps
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CONCLUSION

All signs point in the same direction: retailers need an omnichannel strategy if they want to move their business forward. It creates more revenue and more returning customers, making you more agile when adapting to trends and crises. If done correctly, it will give you the lead over competitors who only use a single channel or a multi-channel strategy.

But never take the implementation of omnichannel too lightly. A unified shopping experience is a precious asset to your business, but the slightest hitch can defeat the omnichannel's worth entirely. Start by building a solid foundation before rolling out new channels. And finally, remember that even after setting up your omnichannel strategy, it requires constant monitoring to keep it moving forward for you and your customers.



PROGRESS