

CHAPTER 4

OMNICHANNEL SHOPPING: BRIDGING ONLINE & OFFLINE EXPERIENCES

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ABSTRACT

Adaptive Retail needs online and offline commerce to meet today's demand. Omnichannel retailing has become a game-changing concept that unifies the multiple consumer touchpoints to deliver a standardized, personalised experience. This chapter will explain omnichannel retailing as it applies to the digital and physical stores. It considers the consumer experience within omnichannel, which focuses on technology's role in bringing about a coherent customer experience. In case studies of implementations, the chapter covers the best practices and approaches followed by top retailers. It also talks about the issues of how to tie in multiple channels like data, logistics, and consumer privacy and suggests ways to overcome them. The chapter ends with a look ahead to the use of future technologies such as AR and artificial intelligence (AI) to reimagine the omnichannel retail experience.

4.1 INTRODUCTION TO OMNICHANNEL RETAILING

In the fast-paced retail environment, the way people behave is changing drastically. Because digital technologies and internet connectivity have increased, customers want integrated, seamless services across all channels. No longer are the retailers'

silos where they split attention between brick and mortar and the internet. Rather, they're taking on a more integrated way of doing business — omnichannel retailing — where online and offline channels become one in a single customer journey. This is not an option – but a must in today's retail world where speed, customization and continuity are of the essence.

4.1.1 DEFINITION OF OMNICHANNEL RETAILING

Omnichannel Retailing is a technique of integrating multiple channels — store, e-commerce, mobile, social, etc. to deliver a single shopping experience. Omnichannel retailing is not your typical model that approaches every channel like it's a separate entity but rather attempts to eliminate friction and enable a continuous flow of information, inventory and customers at every touchpoint. The aim is for customers to easily move from channel to channel without any inconsistencies or interruptions. So, a user can, for example, search a product online, see if it's in stock in a store near them, and then buy it using an app for home delivery. In an omnichannel model, these interactions are connected to each other and the retailer can provide the same, personalised experience. This integration adds customer satisfaction but also efficiencies to operations through data and technology in conjunction with inventory, marketing and service.

4.1.2 RELEVANCE IN THE TODAY'S RETAIL MARKET

Omnichannel shopping is no more crucial. The consumer today is able to access information and choice with the most accessible knowledge ever. It is this consumer change that has set the bar higher for retailers and they need to work towards meeting these expectations. Omnichannel retailing is a solution that addresses some of the most important elements of modern retail:

- **Customer-Centric:** Omnichannel shopping places the customer at the heart of everything. Having multiple, connected points of access makes it possible for consumers to experience brands in the way that best fits their habits and lifestyles.
- **Added Convenience:** Convenience is a major customer-loyalty driver. Omnichannel practices remove the friction points like pricing variations or a finite number of delivery methods for hassle-free shopping.

- **More Personalization:** When retailers can have the data from multiple sources, they can better understand what consumers are doing. This allows for targeted ads, product recommendations, and personalized communications.
- **Distinctiveness:** Differentiation is a big deal in a market with many competitors. omnichannel retailers can differentiate themselves by providing better experience to create trust and loyalty.
- **Operational Efficiency:** Omnichannel retailing optimizes business processes by consolidating stock, logistics and customer support. This eliminates duplicates and maximizes the use of resources.

4.2 COMPARISON WITH MULTICHANNEL AND SINGLE-CHANNEL STRATEGIES

But before we can see how beneficial omnichannel retailing is, we should also see how different it is from other types of retail model: single channel and multichannel models.

- **Single-Channel Retailing**

A single-channel business means that the seller works with only one main channel — a brick and mortar shop or e-commerce site. This makes life easy but it is just one customer touchpoint. A brick-and-mortar shop, for instance, can only sell through foot traffic, but it is missing out on access to a more extensive market through digital.

The same applies for an online only retailer that is unable to trust and maintain relations with those who would rather do business in a physical store.

The only problem with the single-channel approach is that it can't evolve with changing customer behaviour. Shoppers want more convenience and agility, so stores that stay in a single channel risk becoming redundant.
- **Multichannel Retailing**

Multichannel retailing, on the other hand, is the next logical step and provides goods and services on multiple channels — brick and mortar, web, social media, etc. But these channels are usually stand-alone and poorly or even hardly bundled together. One retailer, for example, could have separate inventory for their website and offline store, with inconsistent data and inefficiencies.

Multichannel retailing will give retailers a much larger footprint, but it is not quite the one cohesive journey that modern shoppers are looking for. Customers who shop across channels might find the price, availability or branding inconsistent and lose confidence and loyalty.

- **Omnichannel Retailing: The Next Frontier**

Omnichannel shopping bypasses the silos of the single-channel and multichannel retailing by linking all channels in a connected ecosystem. It uses the latest technology — CRM systems, data analytics, AI — to ensure an integrated, personalized customer experience. In omnichannel architecture, every touchpoint of a customer’s journey, from discovery to purchase and after sales support, is tracked and optimized.

For instance, the customer can be sent a specific email to introduce a product, then go to a physical store to try it, and finally purchase it on a mobile app. The retailer is transparent in all of this by having a clear narrative with useful information and assistance at every step. With its channel integration, omnichannel retailing not only makes the customer experience better but it also allows retailers to take data-driven decisions to maximize efficiency and profit.

4.3 THE CONSUMER JOURNEY IN AN OMNICHANNEL ECOSYSTEM

The customer experience in an omnichannel world is now dynamic and interdependent, and extends across touchpoints. This path is not linear anymore but it’s multifaceted in terms of the multiple ways consumers connect with brands in person and online. The knowledge of how people shop and ensuring that all steps of the consumer journey are optimized is extremely important for companies that want to offer frictionless, personalized experiences.

4.3.1 UNDERSTANDING CONSUMER BEHAVIOR ACROSS TOUCHPOINTS

It is technology that empowers the consumer today, who now has immediate information and can directly engage with brands on their own terms. That freedom has resulted in multi-channel behaviours in which users frequently traverse the channels during a purchase. A customer could, for instance, find a product on social media, see reviews online and then proceed to buy in-person. Every interaction has impact on perceptions, trust, and decision making. These are the most common driver of consumer behavior in an omnichannel environment:

- **Easy access:** Users care about convenience and seamless switching between channels. A common user experience – online or offline – is needed to deliver on these demands.

- **Personalization:** Customers prefer personalized shopping experience based on their own preference and requirement. Shops leverage information across touchpoints to serve relevant recommendations, deals and messages.
- **Uniformity:** Customers require the same pricing, branding and messaging across all channels. Any mismatch can make things confusing and scary.
- **Real-Time Availability:** Timely access to information such as product and delivery availability is a big reason people buy products.

Understanding these drivers, retailers can design a seamless omnichannel plan that meets consumers' needs and optimizes their shopping experience.

4.4 ASPECTS OF THE CONSUMER JOURNEY

An omnichannel consumer journey can be defined as being divided into 4 phases: discovery, engagement, purchase, and post-purchase. Each stage is an important point of entry for retailers to connect with customers and create loyalty.

4.4.1 DISCOVERY

The discovery phase starts the consumer journey; shoppers first know about a brand or product. In an omnichannel environment, discovery is happening on a large variety of touchpoints such as:

- **Social Media:** Instagram and Pinterest is also the most important channel for product launch via sponsored ads, influencer deals, and natural posts.
- **Search Engines:** Consumers rely on search engines to research goods or services, and SEO and Paid Ads are important for exposure.
- **Direct Stores:** Window displays, store activities, promotions and the likes can catch the eye of customers.
- **Word of Mouth:** The recommendation from friends, family or even an online review plays a big role in finding.

So, the stores will need to maintain the branding and messaging throughout all the discovery channels to get a first-impression right.

4.4.2 ENGAGEMENT

Once the consumer finds a brand or product, engagement happens. This is the step where you're collecting data, shopping around and engaging with the brand. Omnichannel engagement is characterized by:

- **Content Marketing:** Blogs, videos and DIY tutorials educate customers and foster confidence.
- **Support:** Chatbots, real-person agents and in-store support respond to questions and complaints live.
- **Smartphone Apps:** Customized emails, loyalty programs, and more keep customers engaged.

Offering engaging and relevant content can help retailers educate their customers on how to make the right decision and develop a closer relationship with the brand.

4.4.3 PURCHASE

Purchasing is the consumer step at the end of the consumer journey where intention leads to action. An omnichannel ecosystem, in which the buying process is smoothest and fastest no matter the channel:

- **Shopping via Online:** Online shopping and Mobile shopping options like one-click purchasing, digital wallets, etc are offered by E-Commerce websites and mobile applications.
- **Purchases at the Store:** Stores take advantage of point-of-sale (POS) technologies, click-and-collect services, and self-checkout kiosks to automate purchases.
- **Hybrid models:** Ideas such as "Buy Online, Pick Up In-Store" (BOPIS) and "Reserve Online, Try In-Store" cross-cut digital and physical spaces.

Make sure the purchase process is fast, safe and easy as it can make the buyer into a customer.

4.4.4 POST-PURCHASE

The process doesn't end with the purchase, in fact, post-purchase is key for long-term loyalty and repeat business. Across an omnichannel scenario, after-sales activities would be:

- **Track Order:** Instant Delivery Status Email, app or SMS alerts the customer.

- **Customer Reviews:** Customer feedback like survey, review, social media comments all tell us how satisfied are you.
- **Customer Rewards:** Customizable rewards and deals drive repeat purchases.
- **Customer Support:** Fast and active returns, exchange or problem-solving support build trust and satisfaction.
- **Post-sale** – retailers that make a habit of staying in contact with customers after the purchase can turn them into word-of-mouth advocates

4.5 TECHNOLOGICAL ENABLERS OF OMNICHANNEL INTEGRATION

The new retail world depends on tech solutions that pull disconnected sales channels together into a single seamless experience. Omnichannel integration needs effective technological enablers for customer engagement, operational effectiveness and analytics-led decision making. These include the Customer Relationship Management (CRM) software, Point-of-Sale (POS) software and inventory management software. Also, Artificial Intelligence (AI), Internet of Things (IoT), and mobile applications have made the omnichannel approach highly effective. This chapter covers how these technologies work and how they affect omnichannel integration.

4.6 CONTRIBUTION OF CRM, POS, AND INVENTORY MANAGEMENT SOFTWARE

4.6.1 CUSTOMER RELATIONSHIP MANAGEMENT (CRM) SYSTEMS

CRM is the engine of omnichannel sales by allowing companies to collect, store and research customer data across touchpoints. These systems offer a view of every customer journey that helps retailers to deliver personalized experiences and long-term relationships. Voice the benefits of CRM systems:

- **Unified Customer Profiles:** CRM tools aggregate all of your information, from purchase online, to in-store visits, and social media into a single profile. This integrated overview helps retailers see customer likes and dislikes.
- **Optimal Marketing:** CRM tools allow organizations to tailor marketing campaigns, recommend products, and send the right offers on the right channels by using customer data.
- **Customer Service:** CRMs can improve customer service because agents have access to purchase history and preferences that enable prompt resolution of issues.

- **Loyalty Programs:** Loyalty programs can be linked with CRM to keep track of rewards and reward repeat business.

4.6.2 POINT-OF-SALE (POS) SYSTEMS

POS solutions are the gateway to the internet and offline worlds. Today, there is not only physical register in modern POS solution, but the POS solutions are now omnichannel compatible. Key capabilities include:

- **Real-Time Stock Updates:** The POS system connects with inventory management systems to update stock information in all channels to prevent overselling or stockouts.
- **Omnichannel Purchases'** systems facilitate omnichannel purchase capabilities like "Buy Online, Pick Up In-Store" (BOPIS), return at any location, mobile payments.
- **Customer Data Harvesting:** Transactions in POS systems build customer profiles to give CRM systems more information about customers and create customized experiences.
- **Reporting and Analytics:** POS solutions that are more advanced provide sales performance reports to make it easier for the store to tailor prices, discounts, and product placement.

4.6.3 INVENTORY MANAGEMENT SOFTWARE

Inventory management is the foundation of any omnichannel store. Inventory management software guarantees the supply where and when customers require it no matter the channel. Key functionalities include:

- **Centralized Inventory Management:** These tools track inventory in real time in warehouses, stores, and e-commerce websites to allocate and replenish stock at the right time.
- **Demand Prediction:** Inventory Management Software uses historical and predictive data to predict demand for retailers so they won't over-stock or under stock.
- **Order Processing & Fulfillment:** Integration with POS and CRM helps in order processing and fulfillment with fast delivery or pick up.
- **Returns Administration:** Proper returns, exchange, restocking management improves the customer experience and operations.

4.7 TECHNOLOGIES ENHANCING OMNICHANNEL INTEGRATION

4.7.1 ARTIFICIAL INTELLIGENCE (AI)

AI is making shopping smarter and giving better customer service. AI contributes to: For omnichannel integration, AI is an integral part of:

- **Personalization:** AI algorithms parse customer information to offer personalized recommendations, dynamic pricing and personalised marketing communications across all channels.
- **Chatbots and Virtual Assistants:** AI chatbots offer 24x7 customer service, response to queries, and help find the product, making for consistent service at all touchpoints.
- **Predictive Analytics:** AI empowers stores to predict customer behavior, increase stock levels, and predict trends for better efficiencies and customer experience.
- **Visual Search:** AI-based visual search engines enable users to place images and identify similar products across all platforms (online and offline) making the discovery process easier.
- **Fraud Prevention:** Artificial intelligence protects you by flagging unauthorized transaction or account thefts in all channels.

4.7.2 INTERNET OF THINGS (IOT)

IoT unites devices and infrastructure in a more integrated omnichannel world. In retail, IoT enable seamless integration by:

- **Smart Shelves:** Smart shelves based on IoT are connected to sensors that continuously track inventory, reminding staff when it's time to restock, and connecting to inventory management systems.
- **Connected Products:** Wearable devices and smart assistants like Alexa, Google Home and so on enable consumers to interact with brands, track inventory or order via voice commands.
- **Beacon Technology:** Store-wide beacons trigger tailored notifications and offers on customers' mobile phones, which helps you shop in-store.

- **Streamlining the Supply Chain:** IoT tools register deliveries, track storage state, deliver on time and accelerate order fulfillment.
- **Displays that Allow Customers to Shop:** Retail screens powered by IoT enable customers to browse product catalogs, check availability, and make orders – connecting the two stores.

4.7.3 MOBILE APPLICATIONS

Omnichannel integration and mobile apps are now must-have devices for the convenience and accessibility of customers. Their contributions include:

- **Mobile App:** Unified Shopping Experience: Shoppers can shop, order, receive deliveries, and manage returns at a single place on mobile apps.
- **Loyalty Programs:** Apps may include loyalty programs which enable you to earn and redeem rewards on-the-go or offline.
- **Push Notifications:** Retailers are using push notifications to notify customers of real-time updates, personalized promotions, and reminders that keep them in the loop.
- **Pay On Mobile:** Whether it is digital wallets or QR codes, the mobile payments provide the security and convenience.
- **AR:** Some mobile apps are integrated with AR for an AR experience like virtual try-ons for clothing or virtual room-modeling of furniture.

4.7.4 THE SYNERGY OF TECHNOLOGIES

The real magic of omnichannel is in the combination of these technologies. AI-powered analytics, for example, can complement CRM features by discovering valuable customers and guessing their preferences. Inventory Management Systems — IoT-connected devices can send real-time inventory data, keeping stock levels current and replenishments in time. Mobile apps can bridge the gap between customers visiting on a website and offline shops and POS machines make sure you can make the transaction everywhere.

4.8 CHALLENGES AND OPPORTUNITIES

Even though they can be used, these technologies have their own set of difficulties like:

- **Data integration:** Data integration across systems takes infrastructure and interoperability.
- **Privacy Implications:** Getting and processing customer data requires you to adhere to data protection policies.
- **Implementation Cost:** Developing cutting edge technology is not cheap especially for SMBs.
- **Training of Employees:** It is important that employees are well trained to leverage the new technologies, otherwise it may not be effective.

But there are better opportunities than difficulties. Stores that rely on these technologies are able to offer better customer experiences, optimize their processes, and have an advantage over the competition.

4.9 CASE STUDIES OF SUCCESSFUL OMNICHANNEL STRATEGIES

Omnichannel refashioning of retail industry is driven by the successes of large and small retailers who have successfully integrated both physical and digital sales channels. These case studies reveal what practices have led these brands to lead the way in consumer experience and create seamless experiences across channels. By looking at their methods and taking some key lessons from them, other companies can also get ahead of omnichannel shopping.

4.9.1 WALMART: CHANGING RETAIL THROUGH OMNICHANNEL EXCELLENCE WALMART: DELIVERING THE CUSTOMER EXPERIENCE THE FUTURE OF RETAIL?

The biggest retail chain, Walmart, has been omnichannel in order to stay ahead of the competition during this era of online shopping. The company's investment in technology and distribution allowed it to connect its vast network of brick-and-mortar stores to its online portal.

STRATEGY

- **Click-and-Collect Service:** Walmart's "Buy Online, Pick Up In-Store" (BOPIS) has transformed the industry as shoppers can now place orders online and have their product delivered to their local store.
- **Mobile App Integration:** The Walmart app is one platform to shop online, track your orders, and receive personalized recommendations.

- **Inventory Real-time:** Inventory updates help customers get the latest inventory information.
- **Last-Mile Delivery:** Walmart has worked with third-party providers and developed their own home delivery solutions for a fast, hassle-free home delivery. Walmart's omnichannel strategies have made major inroads into e-commerce sales, along with driving traffic to the stores. The combination of digital tools and brick and mortar have become an example to others retailers.
- Utilising the retail stores as fulfillment hubs could speed up delivery and save you time and money.
- Convenient inventory visibility creates trust and conversions with customers.
- Shopping becomes more integrated using mobile apps.

4.9.2 SEPHORA: THE ONE STOP BEAUTY EXPERIENCE YOU CAN'T GET ANY OTHER WAY

The global beauty company Sephora is an omnichannel retail giant that is blending digital and in-store technology to become a omnichannel pioneer. The company's focus on personalization and engagement have caught the eye of its tech-savvy customers.

STRATEGY

- **Digital Sync at Sephora's Stores:** Sephora's storefronts offer interactive features such as Color IQ (which matches the shade of foundation customers are looking for) and Virtual Artist (which lets you virtually experience makeup).
- **Integrate with Loyalty Program:** Sephora Beauty Insider program is a tiered loyalty program, meaning that online and offline transactions can be made at the same time to earn and redeem points.
- **Personalized Recommendations:** Based on previous purchases and customer preferences, personalized product recommendations are generated in all of the channels.
- **Omnichannel Fulfillment:** "Reserve Online, Pick Up In-Store" and same day delivery is made for different customers.

Sephora's omnichannel model has led to higher customer engagement and loyalty. This omni-channel technology has made it a winner in the hotly contested beauty space.

- Interactive digital tools add to the store and help shoppers browse.
- A single loyalty program helps in retaining and omnichannel customers.
- Personalization is the way to maintain your customers.

4.9.3 STARBUCKS: REDEFINING CUSTOMER ENGAGEMENT

Starbucks has successfully done it with convenience and loyalty as omnichannel retailing strategy. Its mobile-first ecosystem connects customers with the brand in meaningful ways.

STRATEGY

- **Mobile Ordering:** Customers can order through Starbucks app and place an order ahead of time and pick up in any location they choose to reduce their waiting time.
- **Loyalty Program:** Starbucks Rewards syncs with the app to give customers specific deals and points based on their purchases.
- **Cross-Channel Convergence:** Shoppers who order on the app, website or in-store experience the same pricing, deals, and rewards.
- **Data Use:** Starbucks uses data analytics to get a handle on customer preferences and tailor products accordingly.

Starbucks app is now the foundation of the success of the brand as it provides return sales and customer satisfaction. Its rewards programme counts more than 30 million members all over the world.

- **Convenience and Efficiency:** These are the main customers satisfaction factors.
- Loyalty programs will help you retain customers better.
- With the power of customer data, marketing and product development can be targeted.

4.9.4 RELIANCE RETAIL: XMR LEADER IN LOCAL OMNICHANNEL RETAILING

India's largest retail company Reliance Retail, is already omnichannel for the nation's many different consumers. Its strategy is one of digital creativity allied with the physical presence.

STRATEGY

- **JioMart Integration:** JioMart integration is Reliance's online platform connecting its stores to online customers for home delivery, in-store pick-up etc.
- **Local Products:** The company designs products based on local preferences, and so they are cross-market applicable.

- **Digital payments:** Link with Reliance's Jio Apps for easy digital payment and loyalty registries.
- **Hybrid Shopping Experiences:** Reliance's "Phygital" concept offers all the convenience of online shopping and the physical experience of retailing.

Reliance Retail omnichannel business has expanded in the untapped regions. Combined with its digital and physical resources, its services have been accessible and more customer-friendly.

- A multi-segment customer is dependent on sourcing for localization.
- You can take advantage of the current infrastructure and get omnichannel sooner.
- Direct payments enhance the customer experience.

4.9.5 NIKE: AN INFLUENCER OF DIRECT-TO-CONSUMER OMNICHANNEL MARKETING.

Nike has redefined their retail model with the direct-to-consumer (DTC) and omnichannel integration. Innovation and customer engagement have established the brand's position in the market.

STRATEGY

- **Nike App:** The Nike app is an online shopper's paradise for recommendations, deals and calorie tracking.
- **Interactive Technology in the Store:** Nike's stores have interactive displays, self-checkout machines, and RFID inventory management systems.
- **Community Building:** Nike's app and events use their platform to engage consumers via fitness challenges, training programs, and special content.
- **Omnichannel Fulfillment:** Conveniences – "Reserve Online, Try In-Store" and returns without charges.

Nike's omnichannel strategy has generated more direct sales and built brand engagement. The brand's responsiveness to changing consumer preferences has set the bar for retail.

- This forms a community for the brand and is loyalty and participation.
- Bring the technology into the physical store, and you can have better shopping.
- DTC-focused means more control over the customer experience.

4.9.6 ZARA: OMNICHANNEL EFFICIENCY ENABLES FAST FASHION CONSOLIDATION WITH OMNICHANNEL EFFICIENCY

Zara is an international fast-fashion company, and its operations have been optimised by a good omnichannel. The focus on speed and efficiency speaks to its customers.

STRATEGY

- **Inventory sync:** Zara's central inventory platform is real-time for every channel.
- **Retail Fulfillment:** Retail stores serve as fulfilment centers, so your orders are delivered more quickly.
- **Implementation of mobile app:** Zara's app lets customers access in-store stock, book items, and order products.
- **Initiatives for sustainability:** The brand uses omnichannel services to advertise green practices like digital receipts and eco-friendly packaging.

Zara's omnichannel business led to increased inventory turnover and lower overheads. Its speed and seamless customer journeys live up to customer expectations.

- Good inventory control is a must in high-demand fields.
- Fulfillment in stores helps to speed up the delivery times and save money.
- Aligning omnichannel with sustainability objectives appeals to eco-conscious consumers.

4.10 FUTURE TRENDS IN OMNICHANNEL RETAILING

Omnichannel retailing is a new way that companies interact with customers and combine physical and digital elements for seamless experience. The omnichannel retailing future is likely to be defined by trending technologies as technology evolves and customer expectations change. The following chapter details these trends and what they are going to do to the retail market.

4.10.1 EMERGING TECHNOLOGIES IN OMNICHANNEL RETAILING

4.10.1.1 AUGMENTED AND VIRTUAL REALITY (AR)

Augmented Reality and Virtual Reality (VR) are the technologies to do just that. AR and VR promises to alter the customer journey to get an immersive, on-line vs offline shopping experience.

APPLICATIONS IN RETAIL

- Simulated tries of clothes, shoes and make-up.

- AR Storefronts where the consumer can model furniture in the home through AR Apps.
- Virtual store experience in VR, online equivalent to stores.

EXAMPLES

- In IKEA's Place app, AR users can 'see' the furniture in their homes.
- Sephora's Virtual Artist lets customers try out makeup online.

4.10.1.2 MACHINE LEARNING (ML) AND ARTIFICIAL INTELLIGENCE (AI) — MACHINE LEARNING TECHNOLOGIES

AI and ML have now become an integral part of omnichannel strategy by providing personalization and optimization of customer experiences.

APPLICATIONS IN RETAIL

- Chatbots powered by AI for 24/7 customer service, anywhere and anytime.
- Inventory Management, Demand Forecasting Predictive Analytics.
- Shopper and purchase-related personalized product recommendations.

EXAMPLES

- Amazon's AI recommendation engine drives a huge percentage of sales.
- Zara uses AI to analyze the customer feedback and manage stock at scale.

4.10.1.3 INTERNET OF THINGS (IOT)

IoT unites devices and systems so that data can be gathered in real-time and the customer can be served better.

APPLICATIONS IN RETAIL

- Smart shelves, which track stock and notify employees when to stock up.
- Beamless appliances delivering targeted coupons to the store.
- IoT connected supply chains for logistics optimization.

EXAMPLES

- IoT tracks freshness of products at Walmart grocery store.
- Walgreens' IoT-connected cooler doors show customers personalized ads.

4.10.1.4 BLOCKCHAIN TECHNOLOGY

Blockchain brings transparency and protection of transactions by taking care of data privacy and supply chain integrity issues.

APPLICATIONS IN RETAIL

- Enhancing traceability in supply chains.
- Secured customers' information and Privacy regulations.
- Enabling seamless cross-border payments.

EXAMPLES

- Blockchain for Carrefour to know where the food comes from.
- De Beers uses blockchain to source diamonds in ethical manner.

4.10.1.5 VOICE COMMERCE

Voice – Getting more and more people are searching and purchasing items using voice activated devices.

APPLICATIONS IN RETAIL

- Voice assistants such as Alexa or Google Assistant for shopping with no hands.
- Voice commerce integration on mobile and web.

EXAMPLES

- Walmart is now working with Google Assistant so customers can shop through voice commands.
- Domino's also allows you to order by voice through their app and smart speakers.

4.10.1.6 ADVANCED ANALYTICS AND BIG DATA

Analytics that can be used for big data gives retailers real-time customer behaviours and allows them to tweak their omnichannel initiatives.

APPLICATIONS IN RETAIL

- Customer segmentation for sales funnels.
- Streamlining product lists and discovering trends.
- Improvements to pricing by dynamic pricing models.

EXAMPLES

- Target also makes big data predictions based on customer tastes and tailors offers.
- The analytics are used by Macy's to optimize their channels of inventory.

4.11 PREDICTIONS ON EVOLVING CONSUMER PREFERENCES

- **Demand for Hyper-Personalization:** What consumers demand is more personal experience, from a recommendation on products to a message in the marketing copy. " Retailers will have to spend on AI and ML in order to deliver on these needs.
- **Increased Focus on Sustainability:** Green shopping will still shape consumer taste. So the shops have to look to sustainable measures, for example using recyclable packaging and sourcing responsibly to appeal to the green conscious customer.
- **Preference for Seamless Experiences:** As omnichannel shopping becomes the mainstream, users will be used to seamless offline-online interchanges. This is through aligned prices, aligned loyalty and aligned branding.
- **Growth of Social Commerce:** Social media will be an even bigger part of the buying process. — Shoppable posts, in-app checkout, social commerce will become an integral part of omnichannel efforts.
- **Rising Popularity of Subscription Models:** Subscriber services, like personalized boxes and auto-replenishment will only rise as people want the ease and customization.
- **Emphasis on Experiential Retail:** " Physical stores will become a kind of sensory centers with hands-on and experiential activities that cannot be duplicated online.

4.12 CONCLUSION

Omnichannel retailing is coming in the future because of technology and consumer demands. New technologies such as AR, VR, AI, IoT, and blockchain will still offer more integration and personalization, and new consumer needs will call for sustainability, omnichannel and new models of commerce. The more retailers that are proactive and react to these developments, the better prepared they will be to win in this fast-paced retail environment.

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