"Ushering In the Next Wave of Omni-Channel Retail for Building a Seamless Experience by Digitalization of the Physical Retail Store Attributes: An Insight"

PARAG SHUKLA AND DR. PRITI NIGAM

The shopping journey of today's hyper connected shopper is fortified with technology and information which has necessarily changed the shopping paradigm. In such a scenario no single channel or touch point can provide the total customer experience. The retailers of Brick-and-mortar stores have already started facing the heat of the convergence of the online and off line channels. This embarks the new journey of rethinking the existing operational models and technology architectures; which will undergo the most radical transformation to satisfy demands of the new age shopper. Today's technology enabled shoppers have seemingly unlimited knowledge, power, and expectations and are also equipped to filter and prioritize where, how, and when they want to engage with retailers. How they interact with retailers continues to evolve quickly: not only are consumers changing how they shop across stores and online, even the digital component itself is changing as shoppers rapidly integrate smart phones and tablets into shopping. In a world where shoppers have ubiquitous broadband, active social networks, and multiple mobile devices, retailers must leverage technology as a competitive weapon and drive change further and faster. In today's retail reality, the store experience needs to meet the expectations of the savvy digital consumer. The digital consumer does a lot of research online before making a purchase. This additional knowledge raises expectations for in store service attributes with which the retailers are generally not equipped with.

The retailers can raise the bar of shoppers' experience by giving a digital access of their products and by also enabling the service staff personnel so that they are digitally driven to provide holistic solutions to the ever connected shopper.
In this research article an attempt has been made to conceptualise and understand the key aspects of digitalisation of store attributes as one of the medium of Omni-channel retail for creating a seamless shopper experience.

Keywords: *Digitalisation, Store Attributes, Omni-Channel Retail, Seamless Experience*

Parag Shukla, Assistant Professor, Department of Commerce & Business Management, Faculty of Commerce, The Maharaja Sayajirao University of Baroda, Vadodara, Email: parag.shukla.msu@gmail.com, Mobile: 09662021696

Dr. Priti Nigam, Assistant Professor, Department of Commerce And Business Management, Faculty of Commerce, The M.S. University of Baroda, Vadodara, Gujarat State, India. E-Mail: priti7vivek@gmail.com; Mobile: + 91 9426586682

INTRODUCTION

Digitisation is a step change even greater than the internet. Exponential technology advances, greater consumer power and increased competition mean all industries face the threat of commoditisation. The retailers will have to act now, and build a strategic advantage that leaves their counterparts wondering what happened. An imperative for digital innovation and engagement has emerged that compels to use digital channels to engage with their key stakeholders to maintain relevance and drive the conversation. However, few realise how fast the change needs to happen, or how transformational it needs to be. The real imperative in a world where 'everything' is digitised is that businesses need to pursue innovation to disrupt their own business model before the competition does.

Without innovation strategies, modern day brick and mortar stores will lose their competitive advantage in an increasingly commoditised world. There is no time to lose for a retailer to grapple, as technology change accelerates exponentially and new digital platforms and devices are emerging. The starting point is a structured approach to assessing your digital maturity based on an understanding not just of the technology, but of the 'big picture' of what digital engagement means to the business. To deal with this challenge, retailers must develop an end-to-end response. They need to develop a comprehensive digital strategy and rethink their business and operating models to deliver this. Such a strategy must go far beyond the Marketing department: it has to be about ubiquitous cross-channel connectivity, it must enable continuous engagement with customers, suppliers, employees and investors (Source: Ericsson, 'Vision 2020, February 2011).

Digitalization, together with globalization and urbanization, is dramatically transforming society, with many significant changes taking place. Within the retail industry, we are witnessing the emergence of what can be referred to as a seismic shift in retailing. However, the specifics of digitalization and its impacts on retailing are less clear. In recent years there has been an increase in Internet and mobile device usage in relation to shopping and retailing. E-commerce is growing and increasingly encompassing both large and small retailers, and the growth of e-commerce platforms such as Alibaba and Amazon are influencing the competitive environment. In addition, new mobile applications are developing rapidly and can be used by consumers to do price comparisons, evaluate products with health, environmental, and ethical considerations, and facilitate payment, among other things. Despite these significant shifts induced by digitalization, the majority of retailing still takes place in physical stores, which will likely continue into the foreseeable future.

However, these physical stores both impact and are impacted by the consequences of digitalization in retailing. Digitalization will challenge existing business models, many of which will then have to be revised. More specifically, digitalization will have consequences for many aspects of the physical stores including how they attract and retain customers, how they are organised, and how the flow of goods is handled. The digitalization process will also create particular opportunities and challenges for retail firms and employees around knowledge sharing, sustainability performance, and ability to create value.

While the link between digitalization and the physical store is pivotal, it has received limited scholarly attention to date. The aim of this research paper is to identify and analyze emerging trends and transformations that digitalization brings to the retail industry, with special emphasis on the physical store settings. The store retailers need to understand the retail digitalization and its implications for the physical store in order to explore the digitalization opportunities and ultimately create conditions for sustainable growth and profitability.

BACKGROUND OF THE STUDY - EXPONENTIAL CHANGE CREATES A MAZE OF SHOPPING JOURNEYS:

Nearly all consumers have been engaged in e-commerce for more than a decade, and a growing majority of American and British consumers now make smartphones an important part of their daily lives. Tablets are commonplace, and mobile apps are ubiquitous for mainstream users, not just early adopters. Today's digital consumers are more in control of their consumption than ever before, settling into technology-enabled behaviours such as deal seeking, so-called "showrooming" (examining a product in a store, then purchasing it online from another outlet), and social shopping. Mobility and apps now represent a disruption similar in scope to what we saw with e-commerce in the late 1990s and early 2000s, which brought about a tidal wave of industry change. With the number of channels and options growing exponentially, today's retailers face a wave of even larger complexity. New connections are creating unprecedented opportunities to innovate, as well as challenges. Expanding from 13 billion connections among people, process, data, and things today to 50 billion in 2020 will drive exponential change and complexity. But what does exponential change mean to a retailer? To illustrate the nature of the change impacting the industry, it is instructive to examine how the shopping journey (product research, purchasing the product, receiving the product, and obtaining support) has evolved from the pre-Amazon.com era through omnichannel e-commerce and on to the Internet of Everything [IOE] era.

Shopper interactions once added up to a total of three linear shopping-journey options: in-store, through a catalogue, or prompted by print or broadcast-media advertising.

The advent of e-commerce expanded this number to approximately 40. Now, Internet of Everything [IOE] promises more than 800 unique variations of possible shopping journeys. As technology innovations (such as wearable and augmented reality) increase and consumers' digital lifestyles evolve, these shopping journeys will multiply further.

Figure Number 01: Evolution of Shopper Journeys
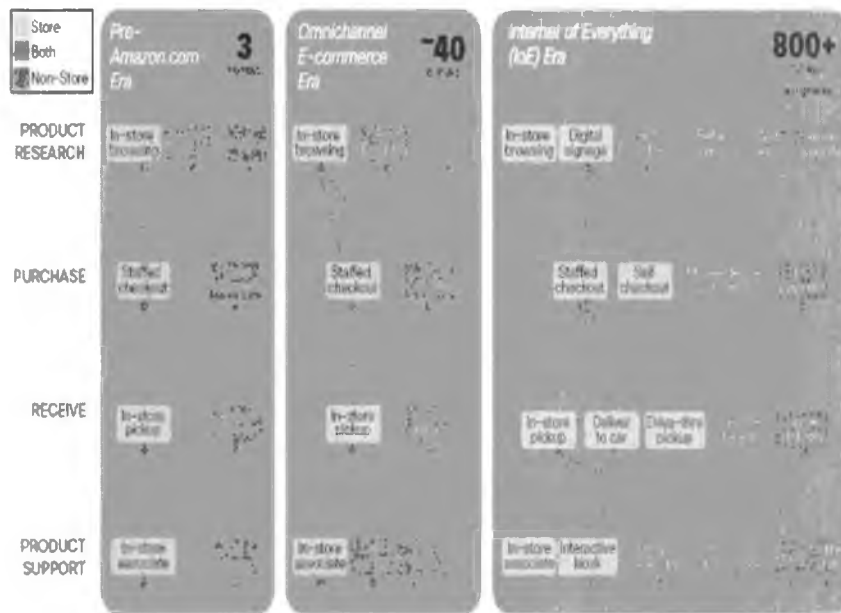
Source: Cisco Consulting Services, 2015

Savvy retailers are leveraging mobile technologies to engage consumers as they shop in WI-FI enabled stores. This allows merchants to interact with customers who subscribe to digital promotions or opt in to loyalty programs, by pushing out time-limited offers or promoting items of particular interest on digital signage. Location and behaviour-based data analytics help retailers gather the right customer information for optimizing sales and generating revenue.

With the increasing availability of wireless connectivity and the growing list of new Smartphone capabilities, the connected consumer can explore products, availability, ratings, reviews and promotional offers with a tap on their wireless device while walking by or visiting a store. This data is almost limitless and is readily available across social media outlets, mobile-enabled websites and apps. The convergence of mobile technologies and these customer engagement platforms provides many new ways for retailers to reach customers in-store.

"Omni-channel retailing" enables customers to enjoy a consistent and integrated experience across all shopping channels in the mobile, digital and in-store environment. Shoppers receive the same messages, source the same inventory and make purchases whether shopping in-store or online using a computer or mobile device (ibid).

DIGITISATION OF PHYSICAL RETAIL: THE NEW SHOPPING EXPERIENCE

Consumers enter the store more informed than ever before about the merchandise they seek, and turn to digital touch points to research products prior to and while visiting the store. While physical stores still claim over a sizeable portion of these are digitally influenced. E-commerce websites have given shoppers an endless assortment of products and product details; therefore, the physical store is not always the best place to help educate a consumer to make a purchase decision. By integrating digital technology into the stores, both store associates and consumers benefit from having access to a new level of product detail and an endless aisle of products that help better engage the store associate to serve the consumer.

In today's retail reality, the store experience needs to meet the expectations of the savvy digital consumer. The digital consumer does a lot of research online before making a purchase, and most of the time she has access to detailed information about products that is not typically made available to sales associates. This additional knowledge raises expectations for in store service as a result. And to compound the expectations gap, many retailers do not have the physical space to carry all products in all stores at all times. However, by giving both store associates and consumers digital access to more products, more product inventory and more product detail retailers can, in essence, raise the bar in customer experience. Omni-channel initiatives, with the help of digital in the store, are quickly displacing formerly siloed retail channels and providing store associates and shoppers with a convenience factor like no other. Consumers can now shop when they want, where they want, and on whatever device they want.

Digital in the store can, for example, allow consumers to start a shopping experience via an e-commerce site, leave items in their basket, then retrieve the basket and complete their shopping trip in the store a single basket anywhere, anytime. Additional examples include buy online and pick-up in the store and ship from the store. There is no doubt that the face of retail is changing. The research firm estimates cross-channel retail sales will reach $1.8 Trillion by the year 2017 and direct e-commerce sales (including mobile and tablets) will top $370 Billion by the same time. In short, for every $1 that consumers spend online, they will spend nearly $5 in the physical store. By giving consumers access to a digital store and thus the ability to purchase products not in stock

in the store while they are in the store, store associates can increase revenue, offer greater inventory efficiency, streamline business operations and enhance consumer loyalty (Forrester Report, 2011).

In this "Amazon Era" where instant gratification is king, consumers want it all, and they want it now. By giving them the digital store they've always dreamed of, these consumers will reward retailers who can provide them with best-in-class Omni-channel consumer experiences across the web, mobile and store (ibid).

What if store associates had a better understanding of where and how the connected consumer decides to buy, as well as knowing what influences her to buy more in the store? What if they had the power to quickly meet consumers' requests and exceed their expectations? They would have the power not only to cross- and up-sell more, but to make it harder for consumers to walk away. Consumers want to feel like they are the most important person to walk through a retailer's door. They want store associates to "recognize" them within minutes of entering the store, and they want to know that there will be a product expert in the store should they have any questions or need guidance.

Clienteling capabilities should be developed by the retailers to allow store associates to have extensive and consistent product information that better equips them to provide relevant cross-selling suggestions to shoppers. With guided selling, store associates have access to a 360 degree view of the consumer across all retail touch points, including past purchases, consumer style and brand preferences, to make personalized recommendations and avoid missed sales. Allowing store associates to become more knowledgeable about products, consumer reviews and preferences can result in a more personalized and engaging shopping experience for the consumer and a greater chance to convert the opportunity into a sale.

Figure Number 02: Conceptual Model showing the convergence of Bricks and Mortar Retail Store Attributes with Digital Technology Leading to Digital Patronage
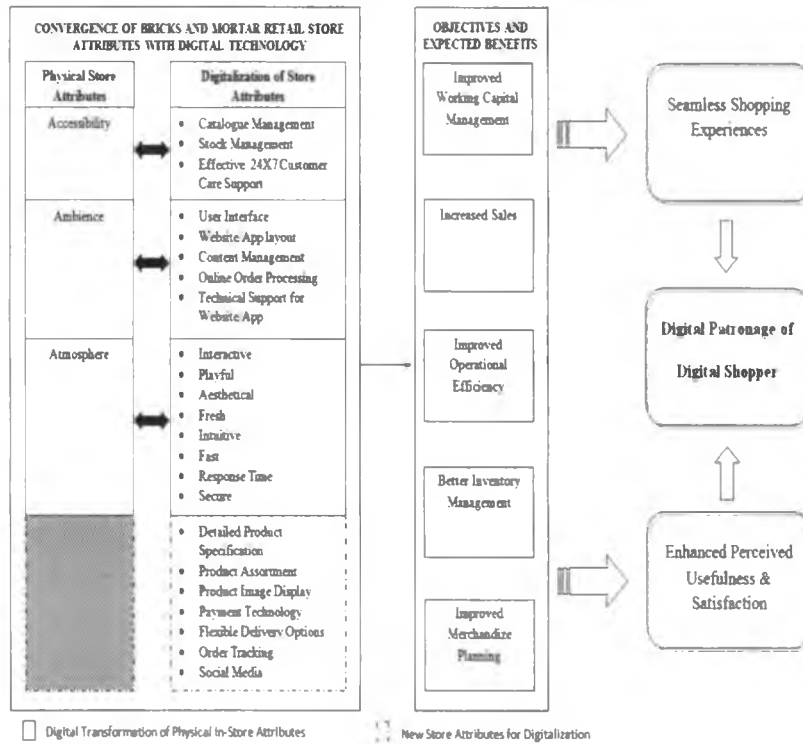
Source: Prepared by the Author from Review of Literature

THE CHIEF OBJECTIVE OF THE RESEARCH:

The objective of this research is to study and investigate the underlying facets of the functionality along with the convergence across multiple retail channels and its impact on digitizing the retail store.

The focal theme of this research is to identify the role of the technology that can be intertwined to digitalize the physical store attributes which can enable the retailer to deliver a pleasing shopping experience across all the platforms of technology. This research aims to explore the best in class Omni-channel practices that can be leveraged by retailers that enable them to create a personalised shopper experience anywhere, anytime and on any device. The modern day shopper dictates and controls the shopping journey and it is not at all astonishing that the current level of technology, the infrastructure, architecture and applications have been unsuccessful to keep up the pace of growth.

This is true particularly in the typical Indian retail scenario where the retailers are using the loosely coupled legacy systems without having a clear

focus as to how the shoppers interact with them. The retailers in India are successful in cultivating a pleasing in-store atmosphere by using the various store attributes. But, the same is not the case when the framework turns digital. In this research a model for digitizing the store attributes by using the next level of technology so as to create value for the modern digital shopper has been developed. Further, a conceptual model of the convergence of Bricks and Mortar Retail Store Attributes with Digital Technology is also proposed in this research paper by conducting extensive review of literature so as to enhance the patronage of the Digital shopper by providing him/her with the seamless shopping experiences and enhancing the perceived usefulness for shopping [Please refer Figure Number 02 and 03].

The framework as shown in figure number 02 explains the Role of Digital Technology that can be leveraged by the retailers in order to usher in the next wave of Digital shopping by enhancing the store experience, using the mobile application platforms, increasing the shoppers' convenience and to promote store as a brand across all digital platforms. In brick and mortar stores the retailers can use digital technology to enhance the in-store shopping experiences. The retailers can also go online and enhance the online buying experiences of the shoppers'. This will enable the retailer to maintain a unique image in the minds of the shoppers'. The conceptual framework in the research paper as depicted in the figure Number 03 explains how the traditional brick and mortar store retailer can translate the physical store attributes by digitalising which will help the retailers in not only attracting the digital shopper but also achieve the benefits of improved working capital management, increased store traffic etc. The result of the same will be creating a seamless shopping environment for the shopper.

DEFINITION OF KEY TERMS USED IN THE STUDY:

- **Digitalisation:**

"Digitalization" is one of the greatest transformations of contemporary society. The on-going changes due to digitalization are not least important in the retail sector, which both affects and is affected by the development. The Internet's entry has resulted in new business opportunities (Quelch & Klein, 1996), new companies (Mols, 2000), business models (Sorescu et al., 2011) and forms of commerce (Gloor, 2000). So far in retailing, digitalization and the Internet has primarily been discussed in terms of an increased presence of e-commerce.

- **Omni-Channel Retail:**

Omni-channel retailing is a concept used to describe the increasing variety of access points between customers and retailers, brought on by the

growth of online shopping and its integration with physical stores. For example, a customer can choose from a variety of methods to research (online, in-store, social media), buy (online, in-store), receive (in-store, home, post office, shopping centre) and return (in-store, supplier, home, post office) an item. The result has been retailers working to integrate these various digital and physical channels into their existing business and logistics operations (Yuen & Waters, 2014).

- **Seamless Experience:**

Shoppers interact with companies and retailers through many channels, including the web, mobile and tablet applications, email, kiosks, online chat, and by speaking with customer representatives in a physical location or over the phone. When users engage with an organization through a specific channel, they don't consider it to be the "email channel" or the "web channel" (as companies may internally talk about these touch points), they see it as one of the many interactions that make up their overall user experience with the company (https://www.nngroup.com/articles/seamless-cross-channel/).

- **Store Attributes:**

Store attributes refer to specific attributes grouped under each specific store image dimensions which includes, Atmosphere (décor, smell, sound, store atmosphere), Convenience (check-out, travel, location, parking, shopping ease, store hours, transportation), Facilities, Institutional (clientele, overall impression, store reputation, store association), Merchandise (merchandise assortment, merchandise style, merchandise price merchandise quality), Promotion, Sales personnel and Service (after-sales service, payment options, in-store service, delivery options) (Janse van Noordwyk, 2003).

DIGITAL TECHNOLOGIES THAT ENHANCE THE STORE EXPERIENCE: AN OVERVIEW

Some of the In-Store Digital Technologies that can be leveraged by the retailers include tablet technology, video screens and in-store kiosks, digital signage, interactive hangers, augmented reality, use of social proof, and virtual reality.

Figure Number 03: Framework depicting the Role of Digital Technology to Enhance Shopper Satisfaction in the Retail Store
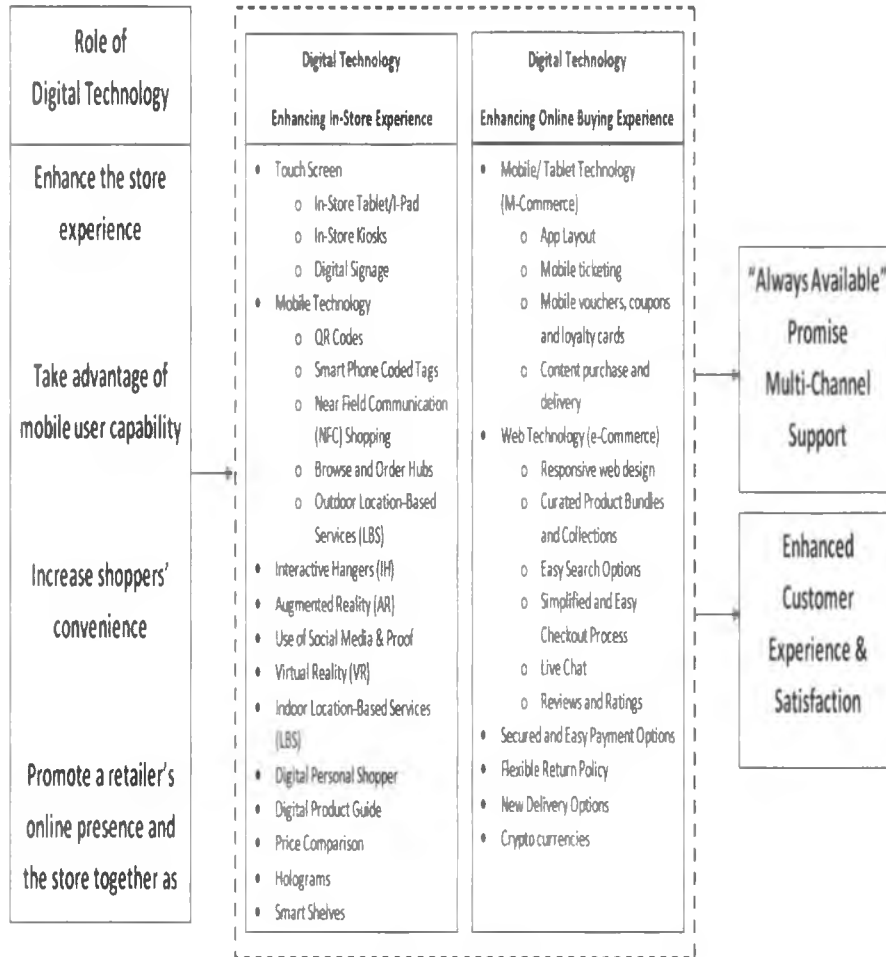
Source: *Prepared by the Author from review of Literature*

- **Tablet Technology:**

  Touch screens have become key components to the in-store experience. They come in two forms: kiosks and digital signage. Touch screens encourage interactivity and engagement on the part of the user. Some retailers have used tablets to remove checkout desks. Tablets can turn an ordinary dressing room into a place where customers try on new clothes and then capture and share experiences through their social networks.

Giant touch screens on showroom floors could become interactive mirrors people use to assess the potential for new purchases. At some retailers, tablets are made available inside stores in order to capture customers' interest and then lead them to the right product at the right price. Retailers are learning to adapt to shoppers using personal devices before, during, and after purchases.

- **Video Screens and In-Store Kiosks: Two Forms of Touch screens:**

Retailers such as Tesco and John Lewis have "kiosks" that allow customers to browse product ranges and order items while in store, while brands like Oasis have been using iPads for the same purpose, as have a number of other retailers.

- **Digital Signage:**

Digital Signage promotes engagement in store and encourages customers to take the retail experience with them when they leave the store. Digital signage can connect with content management systems to allow for quick and seamless updates, as well as the ability to either broadcast updates once to any number of devices or custom update each device with localized content.

- **Interactive Hangers (IH):**

IH works when the hanger is picked up by a shopper and triggers pre-programmed visual media to be played on a nearby screen. IH also can be programmed to change lighting, background music, and other media around the store.

- **Augmented Reality (AR):**

AR allows for a digitally enhanced view of the real world. AR can add layers of digital information on top of items in the world around us. It also can be used for reading product reviews, watching videos, and ordering online.

- **Near Field Communication (NFC) Shopping:**

Customers use their smart phones to access information on products and pricing, access loyalty programs, and share content on social media via NFC-enabled shelf edge labels, and scan items added to their basket. When they're done shopping, they can quickly pay for their items by tapping their phone on a reader attached to the cash register.

KEY DISCUSSIONS:

As customer demands are evolving ever faster, businesses, and retailers in particular, need to stay abreast in order to remain relevant to shoppers by providing them with seamless, engaging, reliable and trustworthy shopping experiences across several shopping channels and at each customer touch point. Combining different shopping channels and selling across channels is no longer a question of whether or not retailers should do it. Being active across several shopping channels has been identified as an absolute necessity in order to satisfy existing customers, attract new customers while, simultaneously, gaining and maintaining lasting competitive advantage (Ebeltoft Group, 2012). The complexity of the retail marketplace itself forces retailers to adopt a multi-channel stand in order to improve on the products and services they offer.

The approach of cross channel retail strategy has been termed multichannel retailing (Berman & Thelen, 2004) with Omni-channel retailing that builds upon it. Berman and Thelen (2004) argue that retailers can benefit from multi-channel retailing by growing their customer base, market share, and total sales. On the other hand, each retail channel creates competitive opportunities, challenges and different cross channel priorities. This means that being a multi-channel retailer is a strategically and operationally demanding undertaking that requires substantial planning and a wise allocation of resources and investments. Thus, each channel requires different strategy, approach and infrastructure that must all unite in one integrated system that can answer and deliver on customers' demands along with the required development of new services, applications and business models.

Retailers need to break down internal barriers in the form of a siloed approach to each channel and customer segment and create a unified consumer strategy across all channels to start integrated customer interactions and to avoid customer confusion. Shared departmental goals focused around enhancing the customer experience and the customer lifetime value will produce more consistent brand messaging and enhanced shopping experience across multiple touch points and channels.

In order to architect dynamic experiences, retailers will need to revolutionize their business models. In fact, every company must be a technology company. If retailers are to meet the demands of the new digital consumer, they will need to innovate faster and better. We have explored the surging number of potential shopping journeys and the kinds of experiences that consumers expect. Given this complexity, most retailers will not be able to transform alone.

Cultivating an ecosystem of partners to help support and guide their transformation journey will be critical, especially as disruption and change continue to accelerate in the Internet of Things [IOE] era. Those retailers that have made significant investments toward hyper-relevance with their existing

e-commerce and omnichannel strategies will be in the best position to move forward on this transformation journey. However, complexity will only increase, and retailers must ensure that they have the right partner ecosystem in place in order to accelerate and further evolve their business models.

MANAGERIAL IMPLICATIONS AND CONCLUDING REMARKS:

By architecting the dynamic infrastructure and process changes outlined above, retailers can begin to transform their business models and their customer experiences. The resulting innovation at speed and scale will be the key that sets them apart from their competition, and ultimately enables them to win in a challenging new environment.

To get their strategy right, retailers must understand evolving customer behaviours and heed the shoppers of all ages and levels of technology adoption want and do not want. Retail organizations often fail to realize their full return on investment for digital projects. That is because they are implemented in a piecemeal fashion rather than addressed from the top down as a business transformation effort.

Physical stores are not going to disappear. Customers will always have different motivations to shop and hence will be looking for different purchase environments. Retailers need to understand how to address these shopping motivations online and offline. Convenience and comfort are certainly two of the major advantages of the online channel. The online environment also offers a good opportunity to talk to customers about personalised offers and individual recommendations – provided the algorithms are correct and the recommendations are customer-relevant. In this respect, it is important for technology to be seamlessly integrated with human contact in the retail space; otherwise, the social component of the shopping experience will be lost.

This requires the development of strategies prioritising experience oriented elements and promoting shopping as a leisure pursuit, as well as creating a profile that contrasts with the strongly information- and transaction-driven online business. Although retail stores are currently cautious about the significance of personalised offers on the internet, customers have long been accustomed to online retailers knowing their preferences. This leads to an expectation for getting the same personalised service in physical retail stores.

Advice and services should not be limited to the services and products offered in the store, but should actively incorporate omnichannel (service) advice. A good range, excellent sales advice, sales staff boasting cross-channel knowledge and adaptation to special requests of the (online) customer will be success factors for physical stores. A good range, excellent sales advice, sales staff boasting cross-channel knowledge and adaptation to special requests of the (online) customer will be success factors for physical stores. What are the

consequences of the future roles of online transactions and physical stores in an omnichannel retail world and its core services? What do the changes mean for product assortments, staff and marketing, and, ultimately, for the physical store and its retail location?

Assortments will be more focused and specifically tailored to local customer preferences. Demands on staff will increase, in terms of both expertise and cross-channel competency. In-store marketing must be personalised, digitised, localised and better integrated across all channels. Store formats within a retail network will be more diverse and smaller. The store management will undergo a radical shift. On the other hand, the retail trade has recognised that e-commerce and omnichannel offer the chance to vary and rethink retail concepts (location, store formats, service offering) and that omnichannel is not necessarily a danger to physical retail, but rather offers a chance to reconfigure. However, to maximise this opportunity the retail trade must undertake extensive change, including its in-store business. The focus is on new processes, management systems, IT infrastructure and even staffing requirements.

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