**Multichannel Retailing**

Multi-channel retailing is a marketing strategy that offers your customers a choice of ways to buy products. A true multi-channel strategy covers purchases from a store, purchases from a website, telephone ordering, mail orders, interactive television, catalog ordering and comparison shopping sites. The aim of a multi-channel retailing strategy is to maximize revenue and loyalty by offering your customers choice and convenience.

## What is multichannel retailing

Multichannel retailing is the practice of making products available to consumers on more than one sales channel. Multichannel retailing uses multiple sales channels such as ecommerce websites, brick-and-mortar stores, marketplaces, comparison shopping engines, social media platforms, and other online channels.

## The evolution of multichannel retail

This standard definition has evolved a lot in recent years. As the ecommerce industry grows at a rapid pace, so do the options for selling online.

These days, “multi” would be more aptly described as “myriad.”

To put it in perspective, consider the massive growth of ecommerce marketplaces. A few years ago, the typical seller interested in [multichannel retailing](https://www.magnificent.com/magnificent-stuff/should-your-business-be-focusing-on-omnichannel-marketing) would start by listing products on Amazon. The company might dabble in some email marketing or paid search ads and perhaps venture over to eBay.

But today? That same seller would need to choose from [more than 100 marketplaces](https://www.channeladvisor.com/solutions/channels-we-support/?utm_campaign=NA-Blog-ChannelAdvisorShipBob-BP%20Q119&utm_medium=partner&utm_source=shipbob&utm_content=blog), dozens of essential advertising options and numerous types of fulfillment.

Similar scenarios have played out across online shopping engines, mobile apps and even social media — all of which have expanded to accommodate consumers’ desires to browse and buy at any time from any device, regardless of what else they may be doing.

Today’s shoppers expect to get exactly what they want, the moment they want it.

This means multichannel retailing is no longer a matter of simply making merchandise available for purchase on more than one sales channel. To be successful in 2019, ecommerce companies will need to embrace a much broader scope of marketing, selling, and fulfilling activities across multiple platforms.

For the retailer, this process might involve looking past local inventory ads to embrace Amazon Advertising and Google Shopping. For the manufacturer, it could mean branching out beyond first-party selling on Amazon to open third-party seller accounts on eBay, Walmart, and other key marketplaces.

There are dozens of different ways multichannel retailing can play out, but the implications are always the same. Meeting today’s empowered consumers on their [ever-evolving paths to purchase](https://www.channeladvisor.com/blog/industry-trends/from-browse-to-buy-how-successful-sellers-leverage-the-new-path-to-purchase/?utm_campaign=NA-Blog-ChannelAdvisorShipBob-BP%20Q119&utm_medium=partner&utm_source=shipbob&utm_content=blog) means putting products in more places of prominence. It means choosing the mediums and methods that most meet their needs and offering depth and breadth to the channels you choose.

In other words: The more channels you learn to leverage, the higher your chances of landing loyalty and sales.

And the more channels you pursue, the more challenges there are to prepare for.

## 3 common challenges in modern multichannel retailing

From ecommerce marketplaces and social media advertising to comparison shopping engines and physical stores, there’s a lot to consider. The main thing to remember is this:

Your consumers are everywhere. Which means you should be, too.

It’s easier said than done, of course — especially when you factor in the sheer magnitude of “everywhere” within the context of multichannel retailing. More than 80% of consumers today [check different retail channels](https://www.forbes.com/sites/johnellett/2018/02/08/new-research-shows-growing-impact-of-online-research-on-in-store-purchases/#95a9fd816a0b) on their smartphones before making in-store purchases, and 88% [conduct research online](https://www.pymnts.com/news/retail/2018/omichannel-ecommerce-consumer-habits/) before making a decision on where, when, and how they’ll buy.

This tendency to compare prices, delivery options and more is blurring the line between multichannel (leveraging the right channels to ensure consumers are drawn to your products) and [omnichannel fulfillment](https://www.shipbob.com/blog/omni-channel/) (ensuring a fluid customer experience across channels).

Before you can begin to accurately identify your ideal mix of channels and how best to leverage them for a seamless shopping experience, it’s important to prepare for the biggest challenges in each of the three key areas:

### **Marketing**

The options for advertising have grown significantly in recent years. Finding ways to expand your reach without overextending your budget is now crucial to success.

### **Sales**

Each sales channel has its own set of listing requirements and data feed specifications, and these requirements change constantly. This makes it difficult to optimize and streamline the flow of customer and product data across different channels.

### **Fulfillment**

Now that sellers are competing in the era of [same-day shipping](https://www.shipbob.com/blog/same-day-shipping-delivery/), success in multichannel retailing means mastering the best fulfillment option for each and every order. This can be especially challenging for the seller that’s long relied on a single carrier strategy.

When you address these three core areas first and build a multichannel retailing strategy around them, it becomes a lot easier to identify the right mix of channels and meet consumers at various stages in the path to purchase.

**Consumer Behavior**

### **Meaning and Definition:**

Consumer behavior is the study of how individual customers, groups or organizations select, buy, use, and dispose ideas, goods, and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions.

Marketers expect that by understanding what causes the consumers to buy particular goods and services, they will be able to determine—which products are needed in the marketplace, which are obsolete, and how best to present the goods to the consumers.

The study of consumer behavior assumes that the consumers are actors in the marketplace. The per­spective of role theory assumes that consumers play various roles in the marketplace. Starting from the information provider, from the user to the payer and to the disposer, consumers play these roles in the decision process.

The roles also vary in different consumption situations; for example, a mother plays the role of an influencer in a child’s purchase process, whereas she plays the role of a disposer for the products consumed by the family.

**Some selected definitions of consumer behavior are as follows:**

1. According to Engel, Blackwell, and Mansard, ‘consumer behavior is the actions and decision processes of people who purchase goods and services for personal consumption’.

2. According to Louden and Bitta, ‘consumer behavior is the decision process and physical activity, which individuals engage in when evaluating, acquiring, using or disposing of goods and services’.

### **Nature of Consumer Behavior:**

**1. Influenced by various factors:**

**The various factors that influence the consumer behavior are as follows:**

a. Marketing factors such as product design, price, promotion, packaging, positioning and dis­tribution.

b. Personal factors such as age, gender, education and income level.

c. Psychological factors such as buying motives, perception of the product and attitudes towards the product.

d. Situational factors such as physical surroundings at the time of purchase, social surroundings and time factor.

e. Social factors such as social status, reference groups and family.

f. Cultural factors, such as religion, social class—caste and sub-castes.

**2. Undergoes a constant change:**

Consumer behavior is not static. It undergoes a change over a period of time depending on the nature of products. For example, kids prefer colorful and fancy footwear, but as they grow up as teenagers and young adults, they prefer trendy footwear, and as middle-aged and senior citizens they prefer more sober footwear. The change in buying behavior may take place due to several other factors such as increase in income level, education level and marketing factors.

**3. Varies from consumer to consumer:**

All consumers do not behave in the same manner. Differ­ent consumers behave differently. The differences in consumer behavior are due to individual factors such as the nature of the consumers, lifestyle and culture.

They borrow money from friends, relatives, banks, and at times even adopt unethical means to spend on shopping of advance technologies. But there are other consumers who, despite having surplus money, do not go even for the regular purchases and avoid use and purchase of advance technologies.

**4. Varies from region to region and country to county:**

The consumer behavior varies across states, regions and countries. For example, the behavior of the urban consumers is different from that of the rural consumers. A good number of rural consumers are conservative in their buying behaviors.

The rich rural consumers may think twice to spend on luxuries despite hav­ing sufficient funds, whereas the urban consumers may even take bank loans to buy luxury items such as cars and household appliances. The consumer behavior may also varies across the states, regions and countries. It may differ depending on the upbringing, lifestyles and level of development.

**5. Information on consumer behavior is important to the marketers:**

Marketers need to have a good knowledge of the consumer behavior. They need to study the various factors that influence the consumer behavior of their target customers.

**The knowledge of consumer behavior enables them to take appropriate marketing decisions in respect of the following factors:**

a. Product design/model

b. Pricing of the product

c. Promotion of the product

d. Packaging

e. Positioning

f. Place of distribution

**6. Leads to purchase decision:**

A positive consumer behavior leads to a purchase decision. A consumer may take the decision of buying a product on the basis of different buying motives. The purchase decision leads to higher demand, and the sales of the marketers increase. Therefore, marketers need to influence consumer behavior to increase their purchases.

**7. Varies from product to product:**

Consumer behavior is different for different products. There are some consumers who may buy more quantity of certain items and very low or no quantity of other items. For example, teenagers may spend heavily on products such as cell phones and branded wears, but may not spend on general and academic reading. A middle- aged person may spend less on clothing, but may invest money in savings, insurance schemes, pension schemes, and so on.

# **Modern consumer behavior in a multi-channel world**

Over the last few years, modern consumer behavior has changed so drastically that even after throwing out huge discounts and offers the retailers aren’t feeling the revenue benefits. Consumer now purchases online with the click, browse and buy ease. Some are loyal to one seller whereas some still opts for brick-&-mortar stores.  Many shoppers are still buying online keeping in mind the convenient of product at doorstep shopping.

The bigger question is how will retailers alter their merchandising and channel strategies to attract customers and provide a multi-channel experience that consumer can remember for long?

Customers are more informed, demanding and have higher service expectations. They expect companies to help them and to value them.

**What Retailers Need to Do?**

An independent survey on ecommerce site usage identified the following demand for multi-channel support:

* 57% of online consumers would abandon their online purchase if they could not find a quick answer to their questions
* 44% felt that having their questions answered by a live person while they were in the process of online shopping was one of the most important features of a website
* 27% stated that they liked having an instant messaging / online chat box appear to ask if they needed help with their online research or purchase.

**With the changed consumer shopping behavior, here are some things that you as a retailer must do to keep up your sales, better customer relationships and increasing your bottom line.**

**Go Multi-Channel**

Surveys suggests 60% believe that multiple retail channels including web, social, mobile, and physical retail will be the norm for most stores. If you want to keep up with those expectations, **Get Me A Shop** makes it really easy with its ecommerce solution to all your business needs.

**Engage Shopper’s Opinions**

Ask your shoppers to like your brand’s Facebook page, take photo with your product and tag the brand hashtag on Facebook & Instagram or to share it over twitter. You could incentive this through contests, giveaways, coupons, and other creative promotional campaigns.

**Embrace Customer Habits**

Consumers will continue to evolve alongside technology, it’s time that businesses own up to the fact that in order to stay competitive, relevant, and most importantly, profitable, you have to keep up. Hopefully this post shed some light on two very buzz-worthy trends and highlighted some practical take-aways for your business.

**Engage Customers with good Service and Incentives**

Human interaction is still an important driver behind why consumers still prefers to purchase products in-store versus online. E-commerce retailers can take advantage of this by increasing interaction between sales staff and customers and making it easier than ever to return, exchange, or refund products.

**Benefits of Multi-channel Retailing**

Multi-channel retailing offers plenty of benefits to retailers, benefits that make investing in the strategy worthwhile.

**Improved customer perception**

"Channels are disintegrating for customers," said Jeremy Gustafson, vice president at KSC Kreate, a digital commerce agency based in Hollywood, Fla. "People are watching television and using their tablet at the same time. They expect the same kind of integration with their shopping experience."

Brands who don't provide that kind of experience, he said, are likely to lose customers, especially as the digital generation gains even more buying power.

Stores who do create a seamless experience that integrates all different forms of technology, however, can gain significant customer loyalty. Those brands are perceived as forward-thinking and responsive to customer's needs — qualities that will keep customers coming back.

That improved perception offers another advantage, as well. In a world of big-box stores and online shopping, finding the best price is easier than ever for customers. A store that is perceived as responsive to customer needs and gives customers easy access to a variety of channels can differentiate itself in a crowded field. That allows the brand to compete on the experience offered, rather than just price. Customers might be willing to pay a little more for the convenience, and will come back repeatedly, and brands don't have to slice their profits just to keep up.

**Increased sales**

The primary driver for a retailer adopting any strategy is, of course, increasing profit, most frequently by increasing sales. Multi-channel retailing, by offering a variety of engagement points for the customer to make a purchase, increases the convenience and ease of sales, thus boosting profit.

A customer who thinks about buying a pair of pants, for example, may not want to drive to the mall, park, walk to the store, find the pants and try them on. For that customer, he/she can go online at home and order the pants from the store's website. Another customer, however, might be in the store trying on the pants and decide he'd like them in a different color. In that case, he can use an in-store kiosk to find the pants in the preferred color, order them and have them delivered to his home. Still another customer can use his smartphone to take a picture of the pants, send it to a friend and discuss whether to purchase them or not. Having a variety of engagement points gives retailers more tools to make a sale.

**Better data collection**

Knowing the customer is a key for successful retailing, and multi-channel engagement points provide more opportunities to gather information about customers.

There are two benefits to the data collection offered by multi-channel retail: First, the possibility for gathering more information exists, and the information can be used more effectively.

"People usually are more comfortable entering information themselves, rather than giving it to a salesperson," said Steve Deckert, marketing manager for Sweet Tooth, a Toronto-based provider of loyalty programs to retailers. "So they are far more likely to enter their email address into a kiosk than give it to a cashier. At the same time, by having that information available across a variety of channels, the retailer has more opportunities to capture the information, and more of it."

If a retailer can track what a customer is purchasing, and where, more targeted marketing can be introduced. Someone who tends to browse online and then purchase in-store, for example, can be emailed an invitation to a private showing in a store, and the list of products to be shown can be sent before the event, increasing the likelihood of purchase.

Not only is it more likely that the customer will provide important information, but if all the different channels are communicating, then the information only needs to be entered once.

**Enhanced productivity**

Multi-channel retailing offers benefits for more than shoppers. Workers, too, can benefit from the use of new technology, by arming them with more information and increasing their efficiency.

A tablet, for example, frees employees from the point-of-sale system, instead allowing them to carry the register with them. Employees can go directly to the aid of customers, helping them to find out what is in stock, what is available at other stores and when new products might be launching. The tablet also can contain information about the loyalty program, so a frequent customer can be given VIP status. Then, when a purchase is ready to be made, the customer does not have to stand in line, but rather can simply continue talking to the salesperson and make her purchase via tablet.

**Best practices**

While every type of channel has its own unique set of challenges, there are some strategies that are true across all engagement points.

1. **Be consistent**

Messaging across all channels should have the same look and feel; the customer should always know exactly what brand she is interacting with.

"Traditionally, retailers have approached each channel individually," said Gustafson. "What is needed, though, is to create a single marketing message, and then figure out how to deploy it across all channels. The messaging doesn't have to be identical, but it all needs to be clearly related."

1. **Provide a value-add.**

Make sure each engagement point offers something to the customer. An in-store kiosk that simply accesses the company's website, for example, is not bringing anything unique to the customer; instead, she can check the website at home, on her own. The same is true of a tablet. If the salesperson with the tablet does not have access to more or better information than the customer can access via her own tablet or smartphone, the application will not bring much value to the transaction.

1. **Security**

There is a fine line between being helpful and being intrusive, and it's a line that is easily crossed. Customers are aware of security issues, and are wary of providing too much personal information.

"There has to be a clear connection between the information collected, how it's used and what value the customer receives from it," said Bagel. "Understand your brand strategy and what level of intimacy is appropriate. Depending on your clientele, privacy might not be as important — digital natives tend to be far less concerned with privacy than Baby Boomers, for example. But everyone wants to know that they will receive a benefit from giving you information."

1. **Be committed**

Multi-channel retailing requires an investment in time and money. There needs to be a clear strategy across all teams, and cooperation is critical to success.

In order to have totally seamless solution, all stakeholders need to be involved, giving their insight and taking ownership and having support and understanding as to what is being done, why and how.