

Cracking the omnichannel retail conundrum

 By [Ajay Lalu](#)

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The Covid-19 lockdowns sparked a massive digital transformation that is in full spate. For retailers, as for many businesses, there has been a decided shift online and, clearly, digital expertise and presence are now critical to a retailer's profitability and ability to survive.



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There's a danger here. Too often, retailers confuse having a multichannel operation with an omnichannel one. By this I mean that it's not enough to offer both brick-and-mortar and digital options – consumers expect a consistent experience across both real-world and online channels, the latter encompassing mobile as well.

Don't imagine that real-world shopping is being eliminated by online – a line often pushed in the popular press. Quite the reverse in fact: A 2020 survey shows that consumers continue to prefer in-person shopping – 53.1% to 46.9% online. However, that split changes for the 17-34 age group, where it is [55.1% online versus 44.9%](#) in person. The balance between the two may shift, but both channels remain important for the foreseeable future. When one adds in the metaverse this will again add another level of complexity for retailers.

The fact that, for example, a digital leader like Amazon is opening brick-and-mortar shops, such as Amazon Go, should tell you all you need to know. For them, and for all of us, the challenge is to provide the consistent experience across channels that consumers definitely want.

In fact, as research group Gartner suggests, having a real-world footprint is vital because customers want an omnichannel experience, and it suggests that pure online plays should consider partnering with third parties. The [same research](#) predicted that by this year, 50% of large organisations would have failed to achieve an omnichannel experience, thus putting their customer bases at risk.

And that's not all. Customers will pay up to [a 16% premium](#) on products and services for a good experience – and they'll be more loyal, according to PWC research.



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Put the customer at the centre

The key to creating a great experience for customers is to put them at the centre of your strategy, and that's especially important for omnichannel. In practical terms, this will mean collecting all the data you can and then interrogating it deeply in order to understand what customers want and how they actually behave, and then use those insights to guide you. Here, the emergence of the cloud and technologies like artificial intelligence and machine learning have a great role to play.

To get a sense of where retail could be going in the future, consider the growing spate of investment in the metaverse. Like the internet before it, how the metaverse will develop is anybody's guess, but what is clear is that in retail it will allow the digital and real-world channels to converge.

For example, it will enable a shopper to "experience" the real-world shop fully, inspecting the tomatoes on display in the real store and choosing the six she wants, which would then be picked by a robot, and so on. In other words, the experience offered by the digital and real-world channels would in effect become virtually identical, and the real-world store would be available 24/7.

Looking at today's reality

It's always stimulating to imagine what the future could look like, and it's essential for business leaders to do it. But what about the present?

Consider the situation of workers whose job is in Sandton and who lives in Diepsloot. His or her biggest constraint is time – when to do the shopping? The next issue is getting it home, given that many people rely on taxis.

In addition, such a person is also well aware of the kind of experience that suburbanites get in Sandton and wants the same.



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All of this can be achieved easily by allowing that person to shop in Sandton and getting the goods delivered to his or her

home, if a last mile delivery service was available in the townships or a locker system at the taxi rank. This is a huge opportunity for retailers to build out their customer base into the thriving but (to many) mysterious township economy.

It's a mobile-oriented market – people can spend up to 30% or even 40% of their income on airtime and data – and they are ready to use their phones to obtain services. The information that the retailer gathers about this new market can then, as outlined above, be used to understand it better and so craft an even better, more relevant experience.

One final point that needs to be engraved on every retailer's heart. To deliver a consistent omnichannel experience, the quality and motivation of their staff is paramount. Training, engagement, well-thought-out career paths, good onboarding, and retention—all of these are vital in developing the employees who will make or break this critical strategy. The days of cheap casual labour are over.

ABOUT AJAY LALU

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