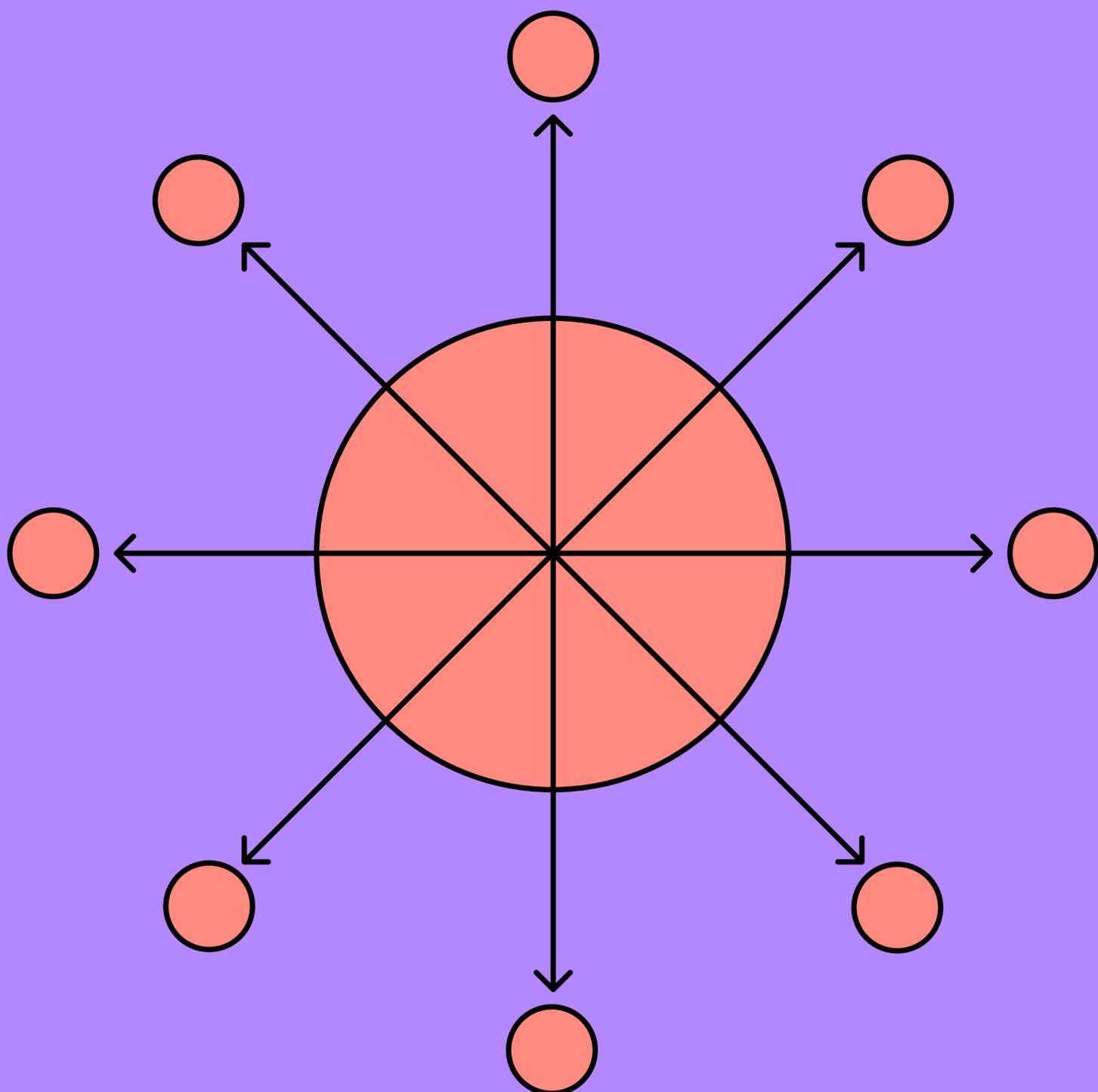
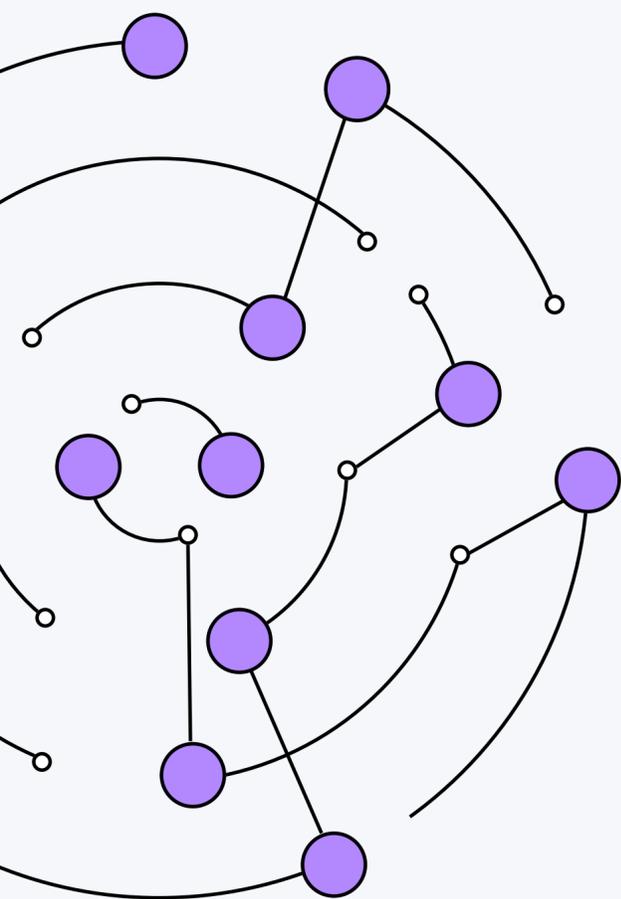


How to set-up Omnichannel strategy for better brand experiences



Omnichannel retail is interwoven into the fabric of our digital and physical lives.



Retail channels are no longer their own bounded, individual entities, or confined to brick-and-mortar, paper catalogues and telephone order systems.

Now, a great brand experience demands an omnichannel strategy, that integrates retail channels across an entire spectrum of digital and physical spaces and devices.

We can order refills from our coffee machines, talk over our birthday present ideas with our smart speakers, order items from in-store tablets for delivery to our home and even visualise what products would look like in our house - or on our bodies - without even leaving the sofa.

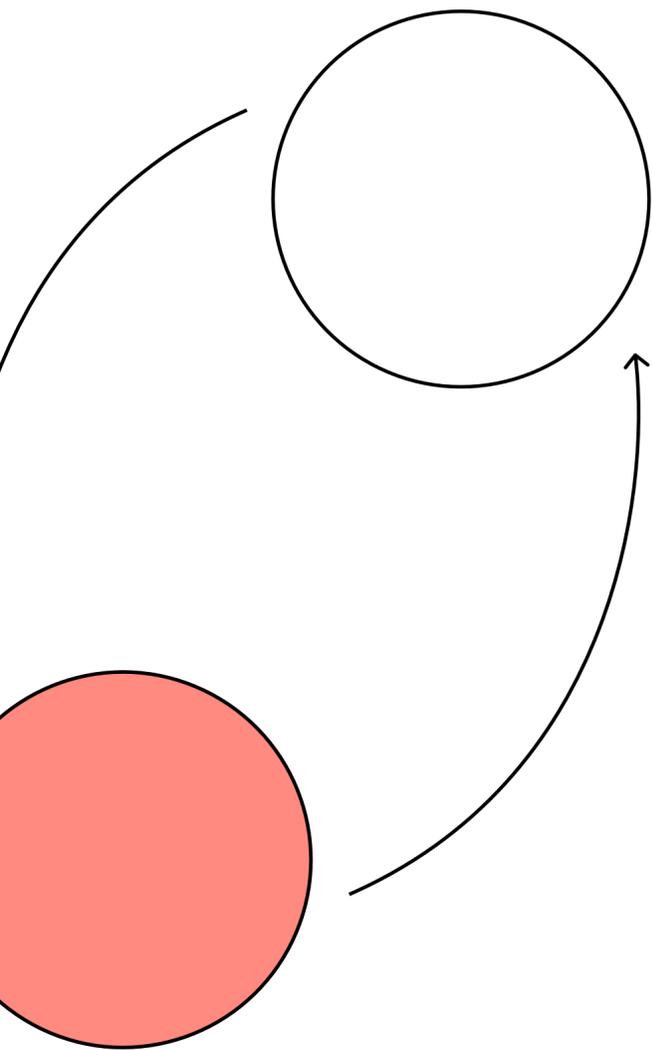
Google found that 6/10 users start their shopping experiences on one device before finishing it on another. Harvard Business Review found that 73% of retail shoppers now use multiple channels when buying products online.

Whilst the omnichannel experience might feel like a retail utopia to some, it might feel overly pervasive to others, as highlighted by The Drum who reinforce how customers still yearn for a human, more personal touch. Therefore, the omnichannel experience is not simply a business mantra - it has to build value for customers.

Here's how to build an omnichannel experience that drives value for both your business and your customers.

let's start →

Omnichannel defined



The idealistic omnichannel experience is one where each and every retail channel is interconnected, both on the front-end and back-end.

The main retail channels are:

- ▶ Own online shop
- ▶ Online marketplaces
- ▶ Third-party sellers and affiliates
- ▶ DTC
- ▶ Social media
- ▶ Mobile optimised shops
- ▶ Smartphone and tablet apps
- ▶ Phone and catalogue order
- ▶ Smart speakers, wearables and IoT devices
- ▶ In-store
- ▶ Kiosks and digital screens

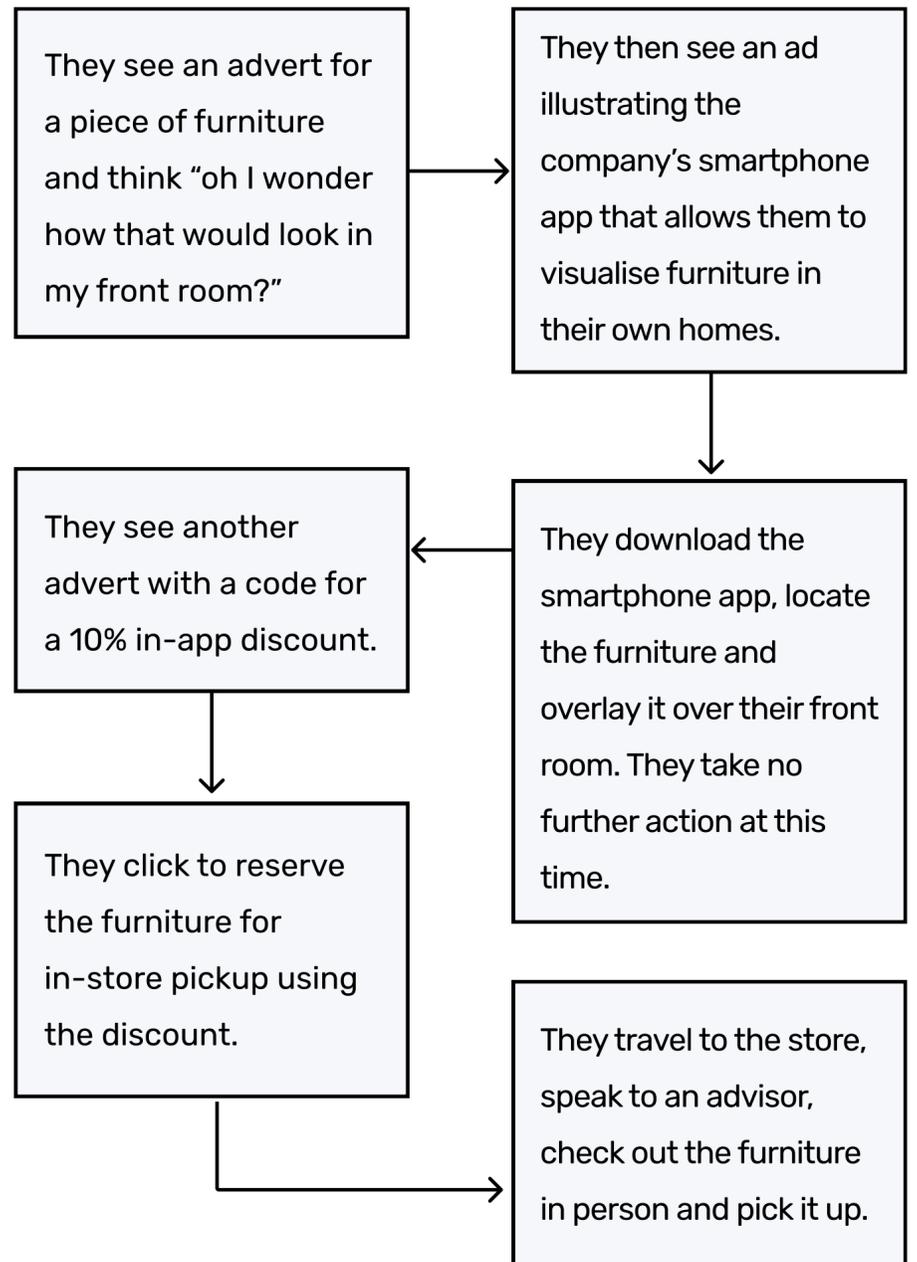
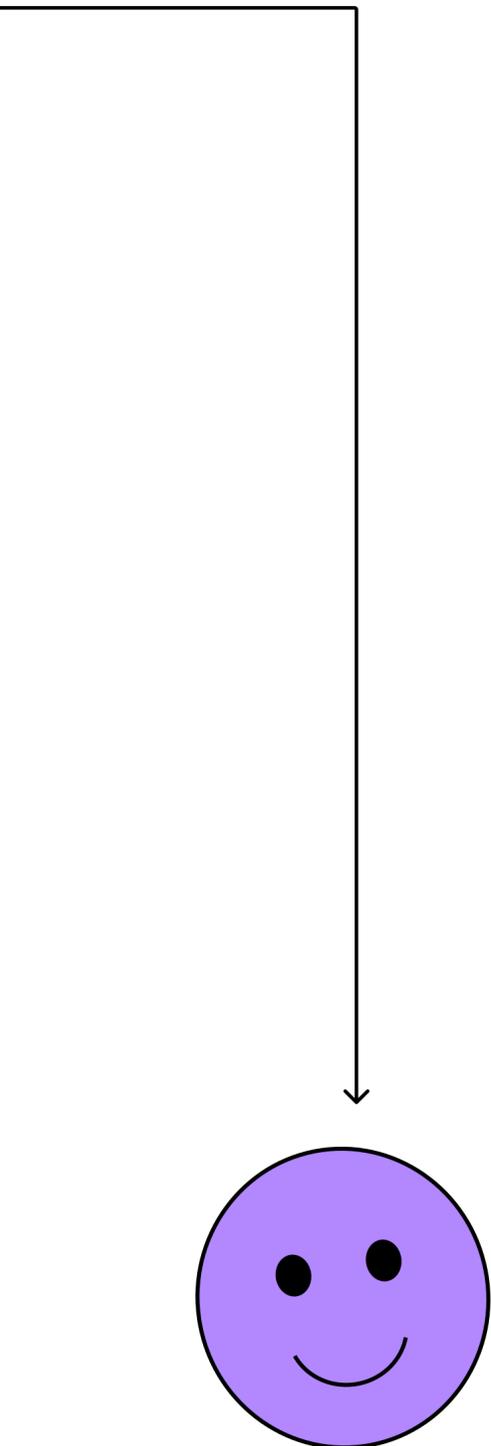
On the front end, these channels might be interlinked so the customer can take advantage of, say, an AR-enabled smartphone app that enables them to visualise what a piece of furniture looks like in their front room.

Wayfair, an American furniture retailer does exactly this, liberating its products from the showroom. The customer may, however, choose to go in-store and view the furniture in real life to verify their AR experience. They can reserve the piece on their phone and go in-store to view it and collect it.

This is an example of how channels are connected on the front-end, but what about the back-end?

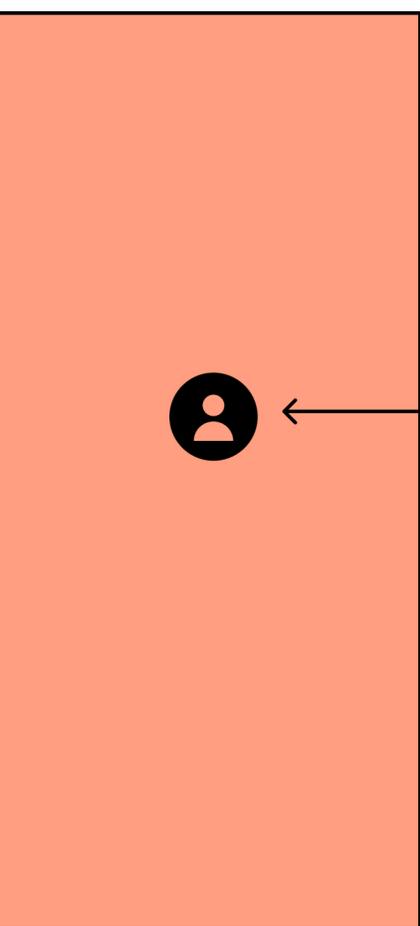
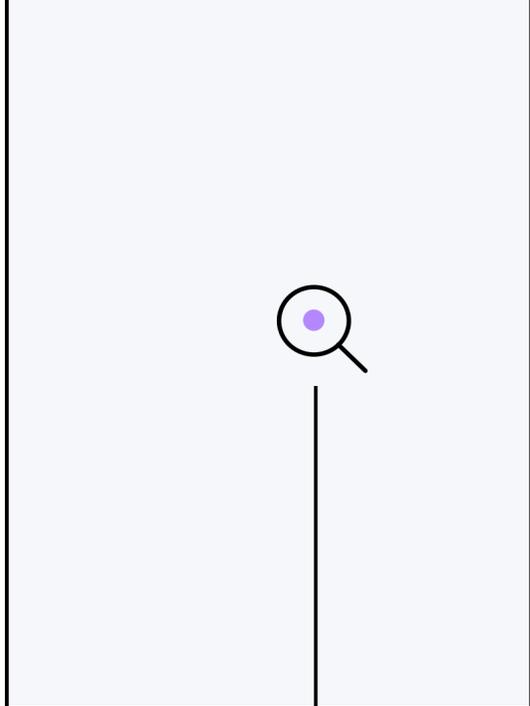
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Imagine this same customer journey:



Here, the various channels are connected both in the front-end and back-end. The customer can control their experience, shifting between channels in a way that suits them. The retailer can glue together this experience with a personalised marketing campaign that runs in the background, helping the customer navigate from touchpoint to touchpoint.

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Customers enjoy this seamless experience as it's incredibly low-friction. In addition to Google and HBR's findings, WebPR found that 56% of customers enjoyed share carts whereas CX Today found that 9/10 of customers appreciate the omnichannel experience.

We can browse items on our laptops, spot social media ads for them on our smartphones and then receive a promotional code in our inbox - it's smooth, synchronised and modern.

Still not convinced that people value the omnichannel experience? Consider the kind of frustrating experiences that the omnichannel experience helps customers avoid, as explained by Sean Downey of Google:

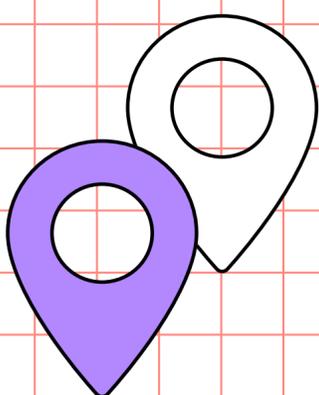
- ▶ Someone tends to buy a game each year for their son's birthday.
- ▶ The company doesn't store past purchases in any sort of database. They have no way of reserving games pre-release for in-store collection upon release.
- ▶ The buyer still buys the game.
- ▶ The buyer then sees an advert for the game, after they've bought it, offering a discount code.
- ▶ The buyer effectively thinks "screw this" and decides to leave the company, even despite being a loyal customer for many years.

This situation is antithetical to the omnichannel personalised retail experience.

Ideally, the person should have already been sent a discount code in anticipation of their regular purchase.

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Disney omnichannel case study



The retailer should have also highlighted whether stocks were expected to be low across selected high-demand titles at the time, enabling the loyal customer to reserve the game in advance of the date.

This level of personalised, omnichannel customer experience is what retailers must aim for, and it's what customers want because it yields genuine value, as you can see from this example.

Disney provides a superb example of an omnichannel strategy that extends to both the backend and frontend of their various channels and touchpoints.

After booking tickets to Disneyland, users can download the Disneyland app which lets them explore various content ahead of their trip. Of course, there are numerous opportunities for upselling everything from photographs with famous Disneyland characters to one-off events and more.

The travel itinerary itself also provides Disney with a data point that lets them select personalised recommendations based on when they're travelling.

The app interlinks data from Disney Plus and other Disney-related merchandising to personalise in-app experiences to the Disney franchises they enjoy the most.

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Under Armour omnichannel case study



Under Armour provides an excellent case study of a DTC brand that uses IoT devices like fitness trackers as well as app data.

Data collected from Under Armour apps and fitness trackers allow the brand to personalise merchandise based on their fitness levels, climate and activities. If the user is working out in the cold, Under Armour can then provide them with recommendations for their ColdGear range.

Building the groundwork for omnichannel strategy

So where do you start when building a successful omnichannel strategy?

Naturally, building an omnichannel strategy starts with building the channels themselves. There are many retail channels, easily hundreds or even thousands when you count third-party channels like third-party marketplaces.

Channels inhabit both the physical and digital realms - they can be interconnected in various ways, but first, you need to build the channels themselves.

Omniverse

Let's break down the 4 main types of sales channels to help you visualise how an omnichannel strategy connects at both the front-end and back-end.

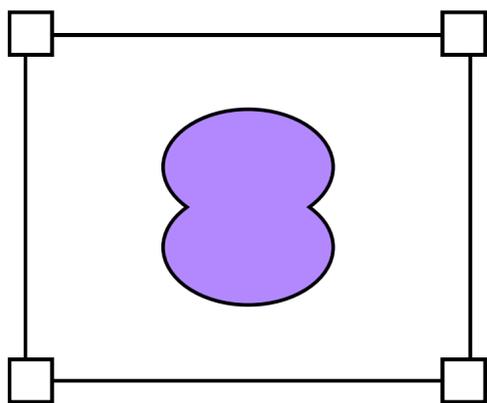
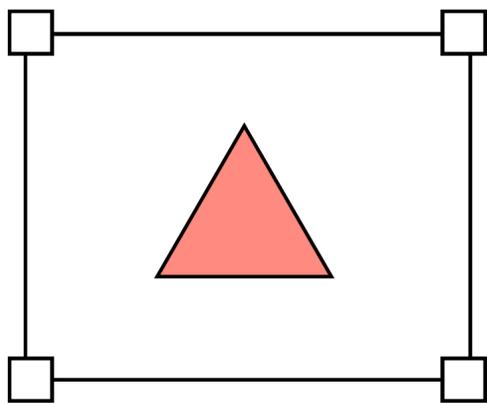
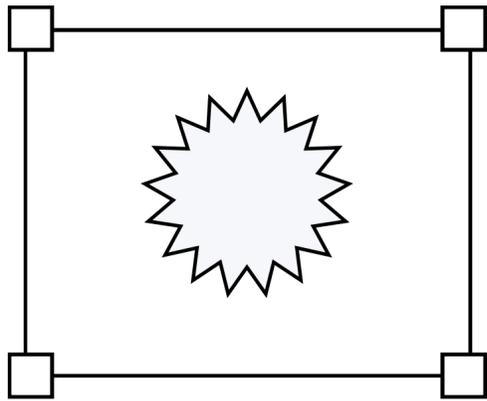
A forenote; it's imperative that channels must be unified and continuous in their branding.

This includes:

Brand name

the name of the brand and any related services

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Visual branding

colour usage, logos, icons, typography

Brand messaging

tone, hooks, taglines

Product naming

what products are called and how they're referred to

Social and cultural principles and roles

the sociocultural background of the brand, e.g. who they support, who they help, what they care about

Social media practices

hashtags, social conversation and posting policies

All channels have to be continuous and cohesive with each other. Even when selling on a third-party marketplace, it's possible to add brand touches like watermarks or logos.

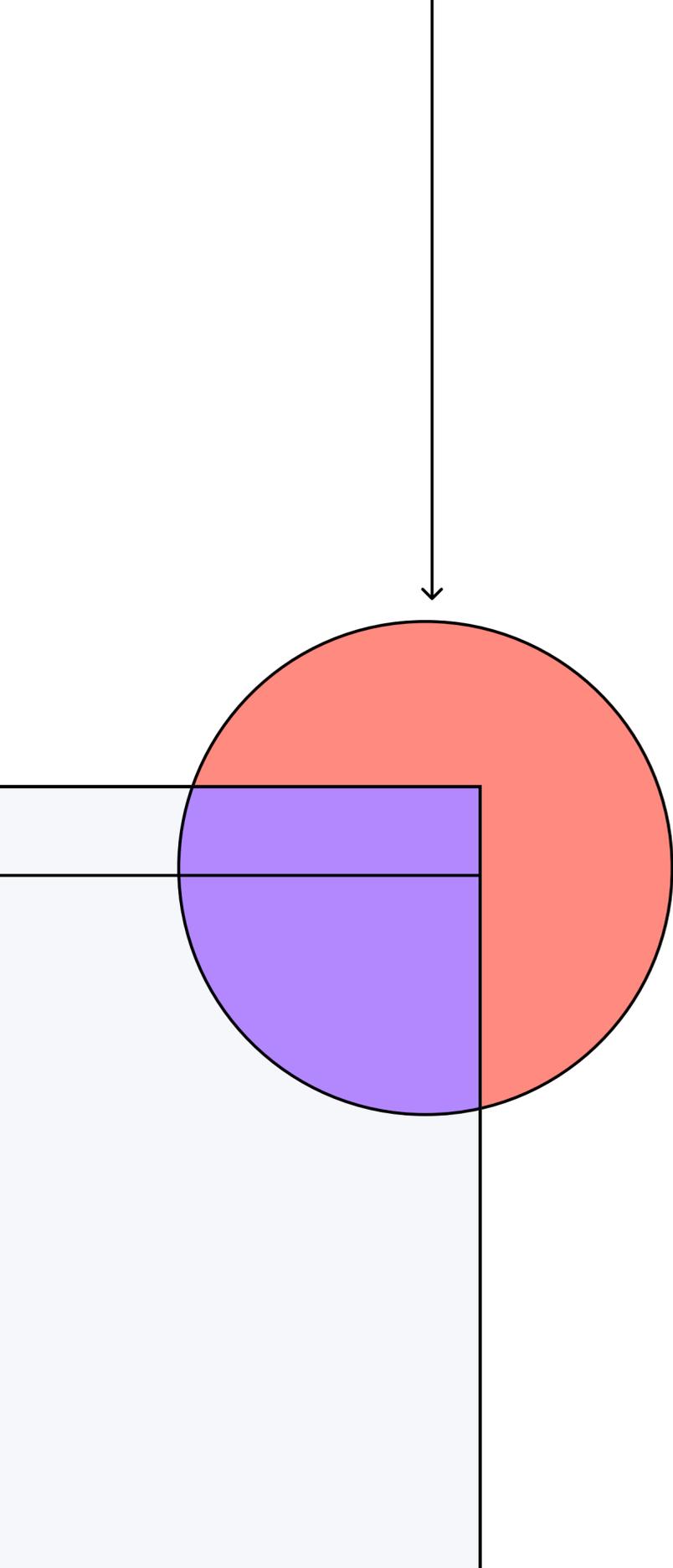
Channel 1

Third-party marketplaces

Third-party sales channels involve an intermediary. Whenever you, as a producer, manufacturer or primary source of a product involves an intermediary, you're making a third-party sale.

You don't necessarily need to make the product itself, you could buy it elsewhere wholesale and sell it on.

more →



Third-party channels include the likes of:

- ▶ Amazon
- ▶ eBay
- ▶ Etsy
- ▶ Google Shopping
- ▶ Smart speakers
- ▶ Affiliate programs

Big-name marketplaces allow small businesses to access a vast network of buyers with relatively low hassle. It enables retailers to skip the DIY - you don't even need a website or a social media account to dropship on eBay or Amazon, but that's not to say it'll be easy!

The use of third-party marketplace sales channels is of course scalable as a business develops. Look no farther than Amazon - it's inhabited by many of the world's biggest retailers including Apple, Sony and Microsoft.

Channel 2

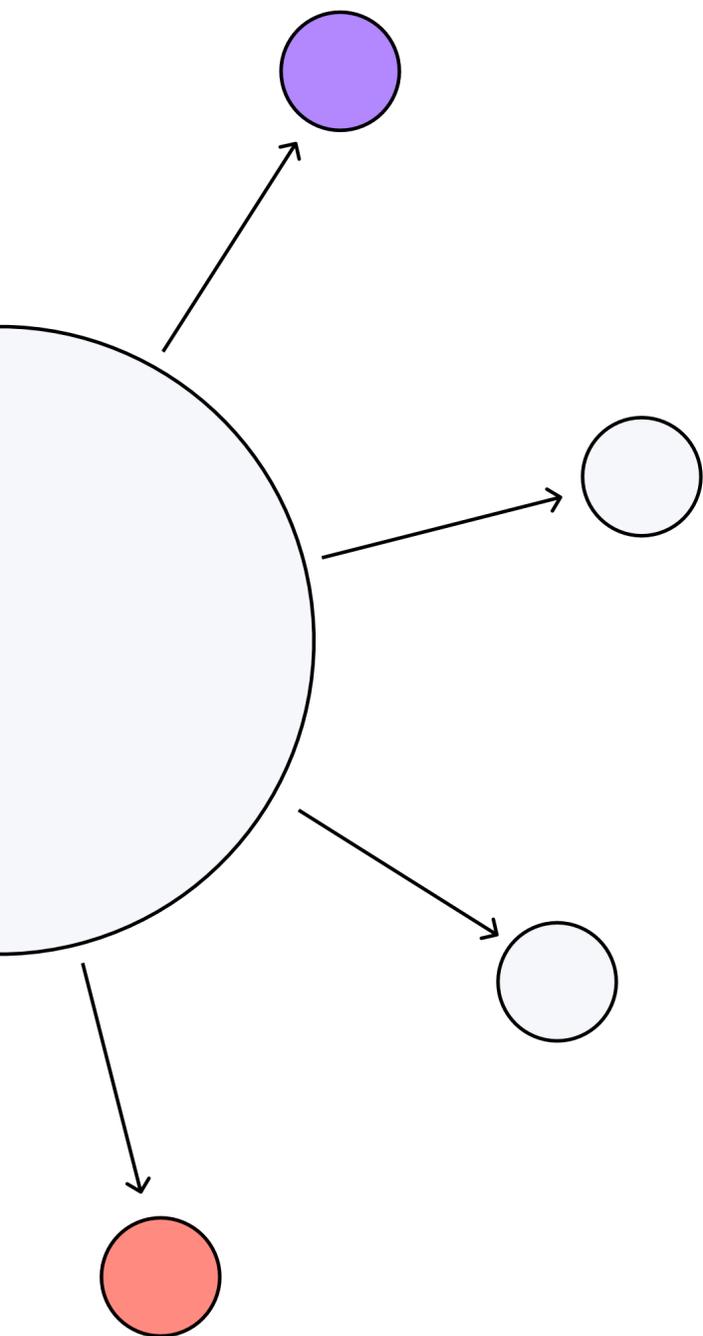
DTC, websites, apps and first-party channels

There are numerous drawbacks to third-party marketplaces, namely fees and the loss of maximal control over sales and marketing.

First-party channels encapsulate:

- ▶ A brand's own website
- ▶ A brand's own smartphone or tablet app
- ▶ DTC
- ▶ IoT devices (like a coffee machine that facilitates on-screen restocking)

more →



DTC is unique in that it transforms traditionally manufacturing or production-oriented brands into first-party retailers that sell their products directly to customers without the use of a wholesaler or intermediary.

If you think back 20 to 30 years, brands like Nike and Adidas operated solely through wholesalers and third-party marketplaces. You couldn't go on Nike's own website and order a pair of trainers.

This has changed at a spectacular pace as traditionally production-oriented brands have transformed into their own DTC channels.

McKinsey draws attention to PepsiCo, Nike and Kraft Heinz who both launched new DTC strategies during 2020.

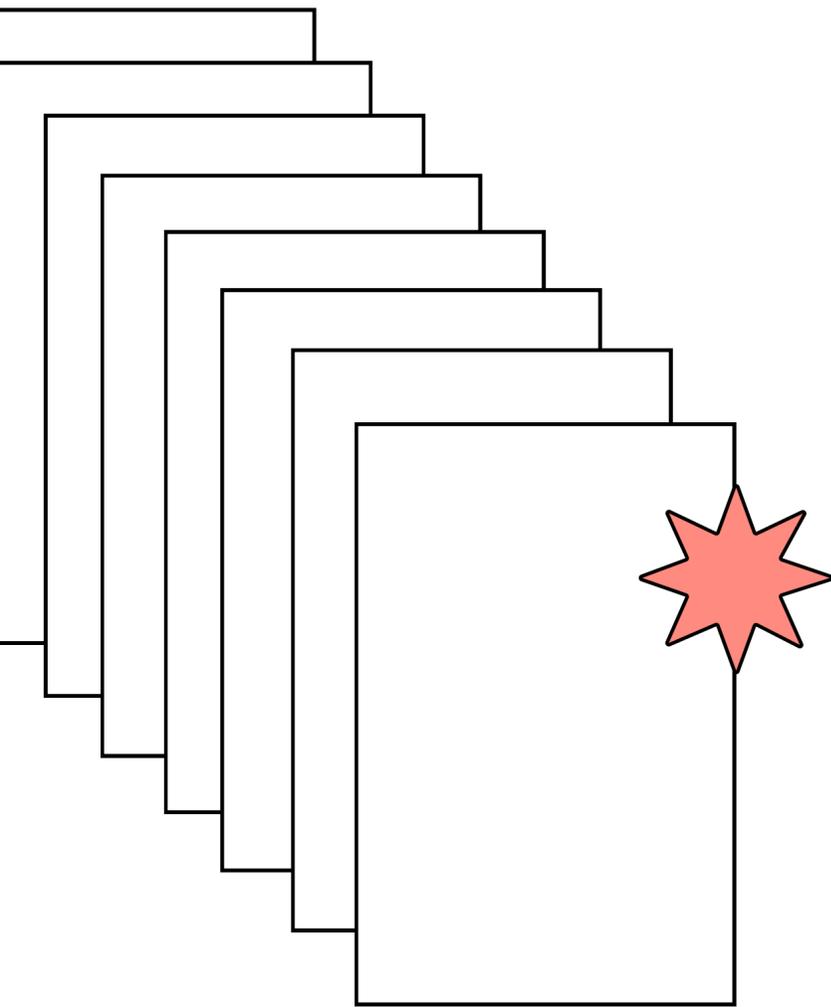
Builder.ai worked with PepsiCo on a wholesale DTC B2B ecommerce solution - [read more about the case study here](#).

Nike now takes 30% of its sales from DTC and is hoping to elevate this to some 50% in the near future.

Builder.ai has written about the [benefits of setting up a DTC retail channel](#); not only does DTC place greater brand control and autonomy in the hands of the brand itself, but it also enables the brand to build stronger, more direct relationships with its customers.

Brands like Nike, Ray-Ban and Vans have been exploring exciting new features like customisation. It's now possible to custom-build unique products via their official websites - this is facilitated by DTC strategy and acts as the perfect muse for omnichannel retail.

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- ▶ DTC enables direct, two-way communication between brands and customers
- ▶ Dropping intermediary services cuts supply chain costs
- ▶ Provides greater value for customers through the implementation of custom features
- ▶ Grants brands total autonomy and creative control
- ▶ Acts as a new channel in itself that works both independently and in unison with existing channels

The power of smartphone apps

According to Google, 34% of online retail purchases now happen on mobile devices, 50% of all sales traffic is now generated by mobile devices.

Smartphone app download rates are forever rocketing as phones are now able to take on huge quantities of apps without storage issues.

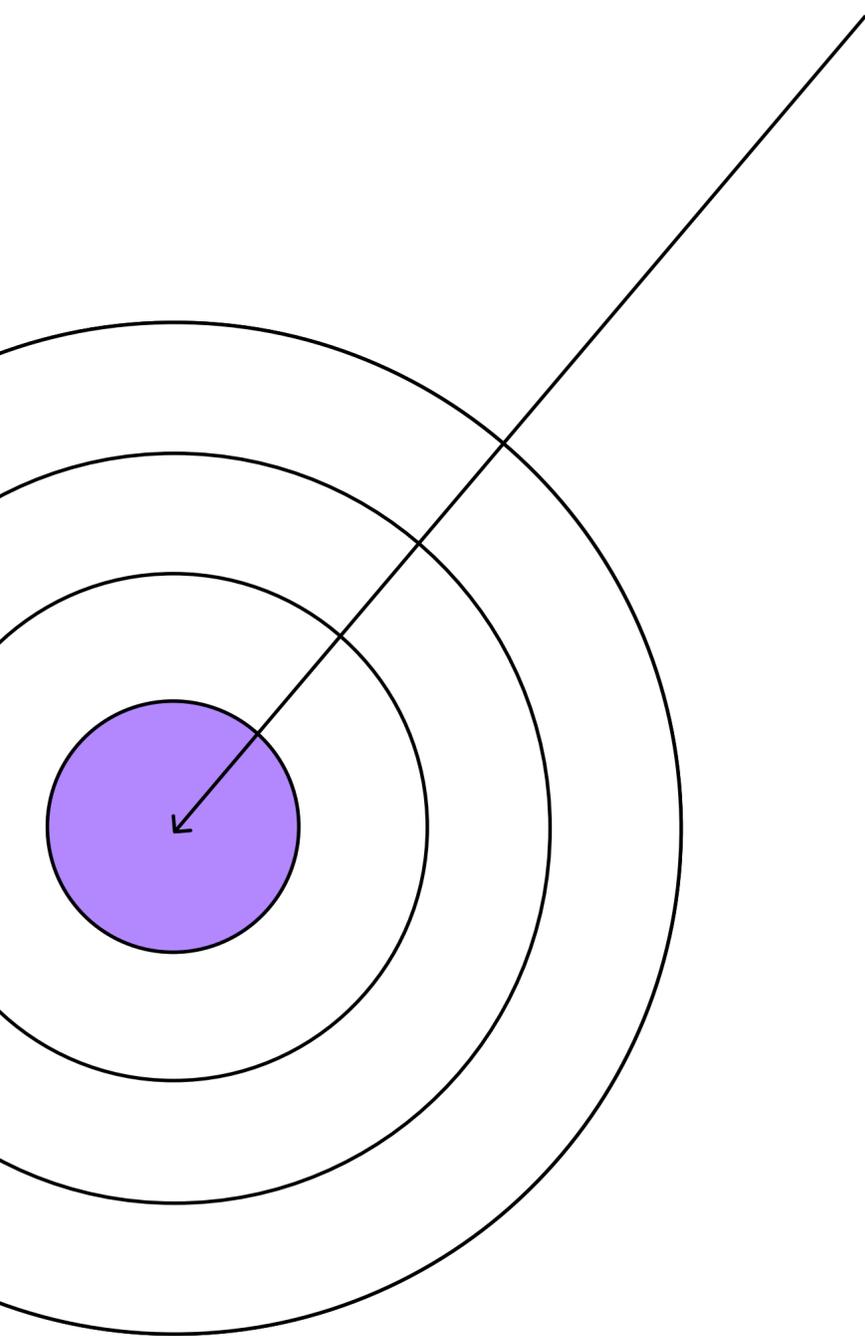
Apps work offline, take advantage of phone features like cameras and NFT and provide a robust, fluid UX and UI.

Earlier, we mentioned how Wayfair's smartphone app allowed users to visualise how furniture would look in their room, which is something offered by Ikea and numerous clothing brands that provide virtual in-app dressing rooms.

Since apps require native installation, they enable brands to collect a wider range of more accurate customer data than a mobile website.

Push notifications, recommendations engines and loyalty programs are all much-enhanced by mobile apps.

more →



All of [Builder.ai's apps](#) feature loyalty programs, notification systems and recommendation engines.

Starbucks reported that their US membership increased by [15% to 17.6 million members in 2019](#) following the rollout of Deep Brew, an AI-powered loyalty and recommendations system for their app.

Apps are one of the headline channels within the omnichannel network. They can easily integrate with first-party and third-party services to induct data from brick-and-mortar stores, webshops, social media and other channels.

Channel 3

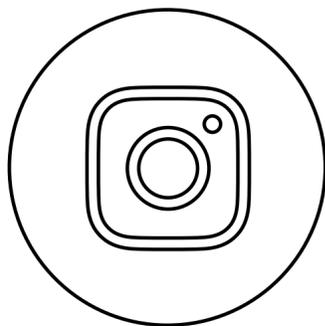
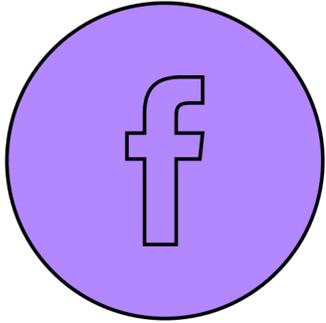
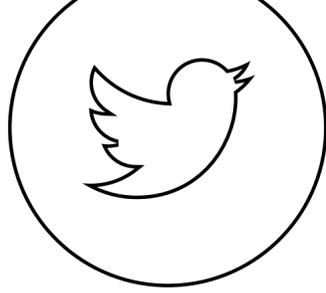
In-store channels

As well as click-and-collect services, brick-and-mortar stores are finding more ways to integrate physical and digital channels together.

[Accenture](#) provides an excellent example of their design agency Fjord that worked with a large organic grocery store to provide an AR in-store experience. Using apps, shoppers could view product choices that aligned to their dietary requirements, (e.g. paleo, vegan, low sodium, gluten-free, organic).

This drives genuine value for the customer who enjoys an optimised, fast and stress-free shopping experience that incentivises them to follow their diet.

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Channel 4

Social media

Social media now serves as its own multi-purpose channel. Facebook and Instagram Shops enable brands to curate shopping experiences directly from social media. This combines with content and influencer marketing, integrating social experiences with shopping experiences to bridge the gap between conversation and shopping.

Social media also acts as a touchpoint for marketing and advertising. Organic content and adverts often play a part in the customer's journey - the ability for retailers to introduce products to this touchpoint is a major transformation in the omnichannel experience.

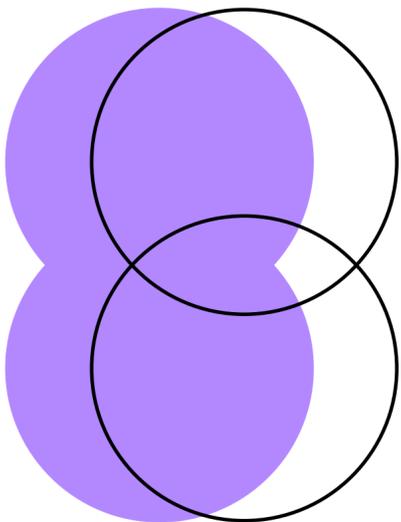
To summarise this section, consider what channels you already use. Are you taking advantage of sufficient channels? A small business selling via Amazon or eBay could easily branch out with an app or website, for example. Are you taking advantage of social media sales channels?

Larger businesses - enterprises or SMEs - should consider DTC. Perhaps your products sell well through third-party vendors, but a lightweight, streamlined no-code smartphone app could provide you with an excellent DTC option for B2C or B2B sales.

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Connecting the channels together in an omnichannel environment

Unifying the back-end



This is the technical component of omnichannel strategy.

Once you have multiple channels in order, how do you weave them together? How can you trigger adverts to occur at different stages of the customer journey, as we suggested in our examples earlier?

As one might suspect, the answer lies in data and automation.

Whilst front-end data collection sources tend to be disparate, and possibly even spread across both physical and digital touchpoints, the back-end does not need to be disparate itself.

Unifying back-end data architecture enables businesses to pool their data into a centralised database. This may not be wholly necessary for businesses that have a relatively compact and close-knit set of channels.

For example, apps can provide an all-in-one solution for a brick-and-mortar store that wants to provide in-store customers with a set of digital touchpoints that unifies their physical and digital shopping experiences.

In other situations, channels and touchpoints can connect to either:

- ▶ Customer data platforms (CDPs)
- ▶ Customer experience platforms (CXPs)

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These data products serve similar functions, though CDPs are focussed more on the collection, storage and analysis of customer data (e.g. replacing traditional relational databases or even ETL/ELT pipelines). CX platforms allow businesses to track and influence the customer's experience throughout their journey or lifecycle (e.g. through from acquisition to conversions and retainment).

One case study that demonstrates the unification of channels and touchpoints is Compass Canada, a catering business that serves some 2,500 locations across Canada. With so many touchpoints spanning various software architectures, the development of a headless data stack enabled data to be synced across all touchpoints, managed and analysed from one central database.

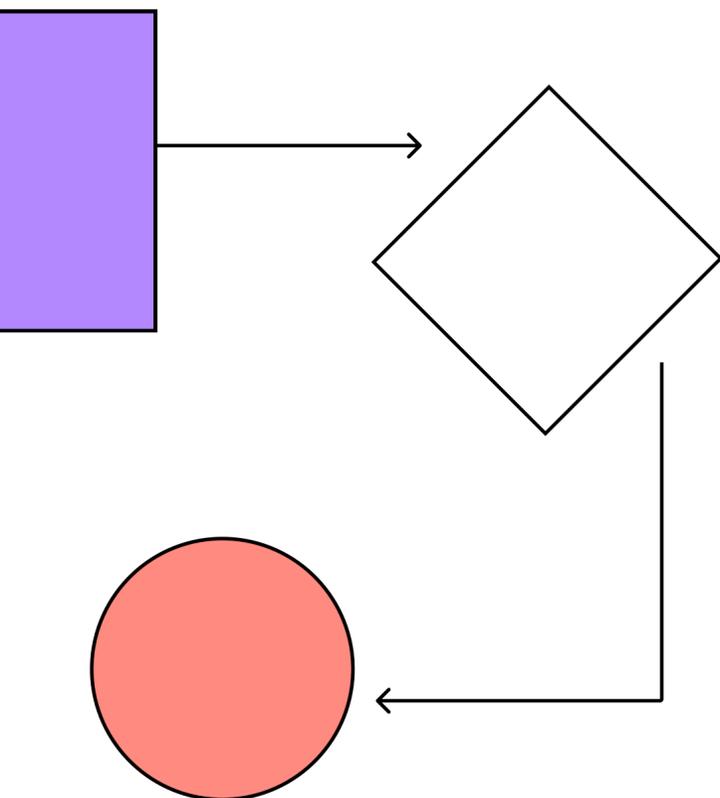
Mapping customer journeys

Mapping customer journeys connect omnichannel strategy with personalisation strategy.

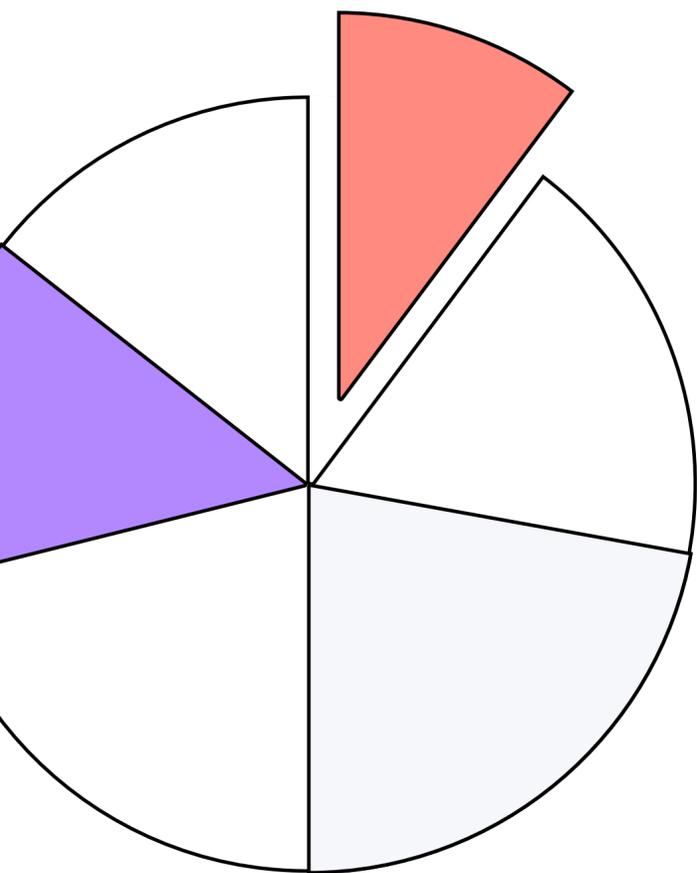
To do this, you'll need to learn about how your customers interact with channels, and at what stage of the customer journey different channels pop up.

This revolves around a process called segmentation - customers can be segmented in many ways relating to their buying history, profile, location, gender, etc. Omnichannel strategies should also break down customers by channel interaction, e.g. what types of customers interact with the brand via social media, which use click-and-collect, etc?

This allows brands to modify channels based on their primary users. A typical example would be that younger people may engage more with your brand's social media - how can you tailor your social media marketing efforts for users that engage with the channel?



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Customer service is hugely important to omnichannel strategy

Here's another example; you might find that your smartphone app users also have the highest retainment and loyalty levels.

This makes sense - they've downloaded your app, after all, so you'll need to reward them for engagement with this channel. These customers could be segmented and delivered higher-value promos via push notifications to incentivise future purchases and retainment. You can use customer data to build and tune customer lifetime value models.

The channels of an omnichannel strategy should evolve in time, both with wider consumer trends and more segmented, nuanced insights.

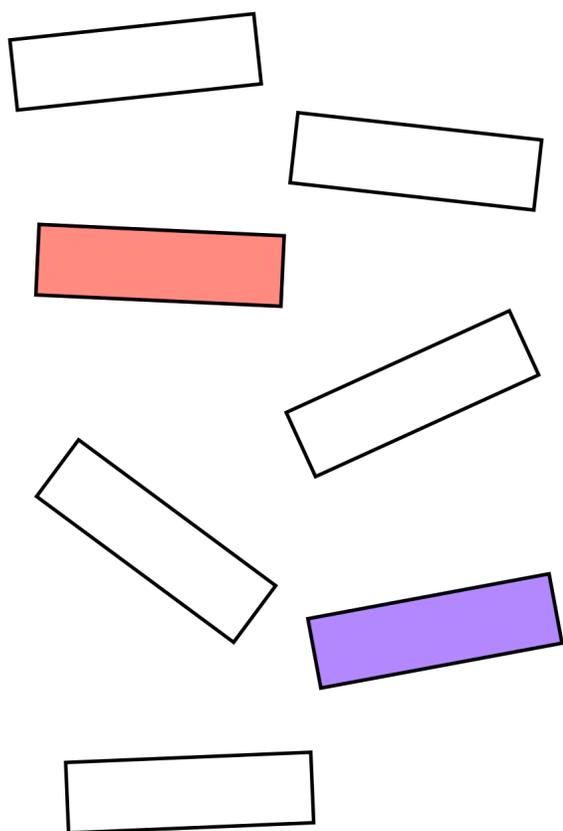
Start by looking at the data you already collect through your channels and touchpoints, maybe through a CMS, an OMS, social media, a relational database or Google Analytics. Compare data inducted from different channels to map the customer's journey from point to point.

Omnichannel retail means omni-directional responsibility for customer service. The more channels you use, the more communications you have to maintain.

HubSpot found that over \$60 billion is lost from US companies each year due to poor customer service whereas 60% of customers would consider switching brands if they experience two or three instances of bad customer service.

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Watch your omnichannel inventory management



Chatbots have revolutionised multi and omnichannel customer service, allowing customers to interact with the same customer service functionality via multiple channels. There are many 'single view' customer service platforms around these days like [Zendesk](#) and [Gladly](#).

Here's an omnichannel inventory case study that made headline news in 2020; [the release of the Playstation 5](#).

The release of the Playstation 5 put a massive burden on retailers in the UK, many of which failed to provide customers with their orders for weeks, maybe even months after release.

Omnichannel retailers didn't properly synchronise their channels to their inventories, nor did company partnerships manage to maintain their joint supply chains in such a way that met demand.

You've got to predict situations where every single channel experiences a massive surge in sales, like in this example.

[Backroom and fulfilment optimisation](#) should develop parallel with omnichannel strategy to ensure that stock and fulfilment is well-managed across every channel.

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Summary: how to set up omnichannel strategy for better brand experiences

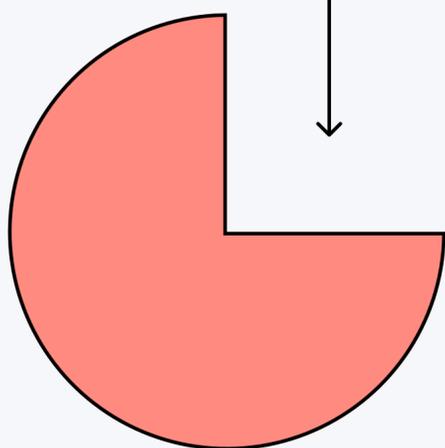
Omnichannel strategy encompasses many processes that span both the front and back-end of a brand, business or organisation.

The main aim of the omnichannel game is to give customers what they want; a fluid, free-flowing, robust, reliable and high-value brand experience.

The lifeblood of the omnichannel experience is data but the mainstay is the software architecture.

Businesses can now take advantage of lightweight but powerful and expandable channels and data solutions - headless ecommerce solutions combine channels into sensical, centrally manageable systems.

It's important to not lose sight of the fundamentals; solid, continuous branding, content marketing, advertising, quality omnichannel customer service and robust backroom management are all part of omnichannel strategy.



thank you! 

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