

Association for Information Systems

AIS Electronic Library (AISeL)

12th Scandinavian Conference on Information
Systems

Scandinavian Conference on Information
Systems

6-17-2021

Omnichannel Transition: A Panacea for Retail?

Aparna Lohiya

Linnaeus University, aparna.lohiya@lnu.se

Anita Mirijamdotter

Linnaeus University

Follow this and additional works at: <https://aisel.aisnet.org/scis2021>

Recommended Citation

Lohiya, Aparna and Mirijamdotter, Anita, "Omnichannel Transition: A Panacea for Retail?" (2021). *12th Scandinavian Conference on Information Systems*. 9.

<https://aisel.aisnet.org/scis2021/9>

This material is brought to you by the Scandinavian Conference on Information Systems at AIS Electronic Library (AISeL). It has been accepted for inclusion in 12th Scandinavian Conference on Information Systems by an authorized administrator of AIS Electronic Library (AISeL). For more information, please contact elibrary@aisnet.org.

OMNICHANNEL TRANSITION: A PANACEA FOR RETAIL?

A Literature Review

Lohiya, Aparna, Linnaeus University, Växjö, Sweden, aparna.lohiya@lnu.se

Mirijamdotter, Anita, , Linnaeus University, Växjö, Sweden, anita.mirijamdotter@lnu.se

Abstract

Digitalization has affected the status quo of every industry and retail is no exception. Omnichannel is the new norm in today's retailing. The days of managing and highlighting ecommerce and digital channels are over, now the time is for omnichannel retailing. The shoppers are already omnichannel and this puts pressure on retailers to be omnichannel as soon as possible. In the last few years, academicians as well as practitioners have proposed omnichannel management as the future of retailing. However, the reality looks different; the knowledge about omnichannel management and the omnichannel transition is fragmented in the current literature. This research sheds light on the extant knowledge on omnichannel retail drivers and transition journey. The purpose of this study is to illuminate how the omnichannel concept is used and propose a model for outlining the transition from single channel to omnichannel. Moreover, contemporary research on omnichannel drivers and challenges are provided, as well as areas needed for further research.

Keywords: Digital transformation, omnichannel transition, retailing, ecommerce.

Introduction

Advancement in technology has proliferated the number of channels with which retailers communicate with customers, sell their products and provide services. These channels have significantly affected the business models, operations, and consumer behaviours and demands (Brynjolfsson et al., 2013; Lewis et al., 2014; Verhoef et al., 2015). Today, there are numerous touchpoints such as physical stores, mobile apps, websites, social media, catalogues, hotlines, etc. Consumers are already omnishoppers (they browse online and buy in the store, or feel the product in the store and order online) and retailers need to be one as soon as possible to survive in this changing era. There is a growing priority to coordinate channels in a way that they operate seamlessly and provide a uniform experience. The retailers need to devote substantial efforts and resources to coordinate their channels and data analytics in an effort to combine and integrate the customer data sources and serve the customers in the best possible ways (Grewal et al., 2016; Jeansson et al., 2017).

Retailing channel strategies can be classified based on their usage of internet channel: Hybrid channel or multichannel, Offline concentrated or passive internet strategy, Online concentrated or pure online retailing strategy, and lastly, Omnichannel strategy (Kim & Chun, 2018). The days of simply talking about omnichannel as a theory or future capability are past. Leading retailers now recognize that om-

omnichannel sales and service engagement is no longer a differentiator but instead is fast becoming the new norm and a cost of doing business if retailers expect to retain and grow customers and particularly the most loyal consumers with the highest spending willingness (Cao & Li, 2015). The main essence of omnichannel retailing is the desire to serve the customer, however, whenever and wherever they wish to purchase and return the product. Omnichannel retailers should be able to quickly, accurately, and efficiently fulfil orders coming from any channel, from any location (Kamel & Kay, 2011; Verhoef et al., 2015). However, many companies are stuck with old business models and are at risk of being overrun by companies that are more agile, the cases of Nokia, Kodak, and Toys “R” Us are not that old. This is high time to rethink the business model and transition to omnichannel as customers are already omnishoppers.

Omnichannel is the future of retailing is a consensus among researchers and managers, but exactly how to get there and how the market is currently adapting, is still uncertain. Some research talks about the challenges, benefits (Neslin & Shankar, 2009; Lewis et al., 2014; Verhoef et al., 2015; Chen et al., 2018) and transition (Hansen & Sia, 2015; Hübner et al., 2016; Jocevski et al., 2019) to omnichannel retailing but the literature is still developing and the knowledge is fragmented. Recent work by Mishra et al. (2021) focuses on the consumer perspective in omnichannel retailing, specifically focusing on the methodology of the extant literature on omnichannel. Whereas Cai & Lo (2020) researched operational management for omnichannel retailing using citation network analysis. Moreover, the study by Galipoglu et al. (2018) gives insights into logistics and supply chain aspects of omnichannel retailing from a methodological and concept perspective. Similarly, Kembro et al. (2018) also focus on omnichannel logistics themes and distribution network design. Akter et al. (2019) did a literature review and focused on the service quality dimension of omnichannel integration. The existing literature mainly focuses on the transition from the operations and logistics perspective, whereas the business model and strategy perspective are relatively less focused. The lack of synthesized information in extant literature motivates us to study this phenomenon and contribute towards knowledge creation. This paper is a part of the research that focuses on omnichannel transition. We aim to explore the use of the term omnichannel, stages, and strategies in the transition process, including enablers and constraints to contribute to the existing knowledge. In this paper, first, we present and elaborate the concept and characteristics of single channel, multichannel, crosschannel, and omnichannel, followed by methodology. Then, we elaborate on the omnichannel transition stages and subsequently, present the drivers for omnichannel retail and brief the challenges that retailers face during transition. Finally, we discuss and present our categorization of the stages and conclude our findings.

Omnichannel Retail

Physical stores offer the uniqueness of tactile satisfaction and instant gratification (Grewal et al., 2017; Rigby, 2011) when consumers can touch and feel the product and own it immediately after paying unlike waiting for the product to be delivered when it is ordered online. However, online channels can attract customers with more information, price comparisons, and user-generated information such as reviews and ratings (Cao & Li, 2015). Burberry is an omnichannel leader that offers lessons for others, the company publicizes its strategy of bringing the online experience in-store, and the in-store experience online, and using the best capabilities from each to win more and more customers (Lauchlan, 2017). When customers get a smooth shopping experience regardless of which channel they started off or ended up with, then they spend more and often (Sopadjieva et al., 2017). The customers who use multiple channels (synchronized channels) are also loyal to the retailer and more likely to recommend

the brand to friends and family than single channel users (Lewis et al., 2014; Sopadjieva et al., 2017). Therefore, when the retailer overcomes the initial challenges, they would have loyal customers and more profit. Successful omnichannel strategy leads to increased trust, loyalty, control on the customer, increased support, personalization, and convenience (Lewis et al., 2014; Neslin & Shankar, 2009). Better knowledge of customers improves customer-firm relations and improves service quality; moreover, one channel’s weakness could be overcome by another channel’s strength (Mirsch et al., 2016). Supply chain efficiency, lower stock-outs, increased sales and margins, efficient and complete customer data capture, decreased cross riding behaviour of customers, increased loyalty of customers, branding (Verhoef et al., 2015), the benefit of scope and scale are some of the long-term benefits of implementing omnichannel retail.

Omnichannel comes from the Latin word *omnis*, which means all, or universal. IDC Global Retail Insights Research Report by Parker & Hand (2009) first used it in retailing, however in academic literature; it was first used by Darrell Rigby (Rigby, 2011). The physical store provides touch and feel of the product, whereas internet retailers attract shoppers with wide product selection, low prices, and user-generated content. The retail industry is evolving towards a seamless retailing where the distinction between offline and online will vanish, making retailing a showroom without walls (Brynjolfsson et al., 2013). The most widely used definition of omnichannel in literature is by Verhoef et al. (2015, page 176). They define omnichannel as “the synergetic management of the numerous available channels and customer touchpoints, in such a way that the customer experience across channels and the performance over channels is optimized”. The terms multichannel, crosschannel and omnichannel are often interchangeably used due to the nature of digital retailing (Simone & Sabbadin, 2018). However, recent literature has started to distinguish these three concepts.

Based on the differentiation between multichannel and omnichannel done by Adivar et al. (2019) Verhoef et al., (2015), and Beck & Rygl (2015), we formulated Table 1. The retailers need to understand the characteristics of their operational strategy in terms of focus, management, and integration. They need to chart out the different characteristics and then understand what they look like now and how they want them to look in the future. Table 1 summarizes the characteristics of single or pure player, multichannel, crosschannel, and omnichannel retailers.

Characteristics	Single	Multichannel	Crosschannel	Omnichannel
Focus and management		Channel specific	Channel specific	Brand specific
Channel scope	Website or physical store	Few retail channels	Few retail channels	Most of the channels available are in use (store, online website, and direct marketing, mobile channels (i.e., smart phones, tablets, apps), social media Customer Touchpoints)

Extent of integration (interaction with customers)	In-store or online	Channel specific	Some integration	Complete integration
Branding	Brand	Channel specific	Channel specific	Brand
Management	Brand	Channel specific	Channel specific	Brand
Objective or goal		Channel sales and experience	Channel sales and experience	Total sales and brand experience
Buy online and pick-up in store (BOPIS) or ship to store (BOSS)			Limited	Available
Promotion		Planned	Planned	Continuous
Data		Data not shared across channels	Partially shared	Compete shared data

Table 1. Comparison of traditional, multichannel, crosschannel and omnichannel retailers (Adivar et al., 2019; Beck & Rygl, 2015; Verhoef et al., 2015)

Thus, as illustrated in Table 1 the operation, strategy, management, and data analytics, all need to be shifted from channel-specific to brand-specific. The most important characteristic is data integration as with more channel new opportunities for data sources arises. The complete integration of channels will provide customers seamless operation and at the same time, retailers will have a combined digital and physical teams that work hand in hand. This will not only improve customer experience but also improve employee morale.

Methodology

To provide a comprehensive overview of existing research on omnichannel transition, we conducted a systematic literature review. Due to the interdisciplinary character of omnichannel retailing research, we surveyed the literature for scholarly articles published in three databases; Web of science, Ebsco’s Business Source Premier, and Scopus, thus avoided to focus on specific journals. These three databases were selected as these are the largest electronic databases for peer-reviewed journals and have scientific, business and technology related articles. Ebsco’s Business Source Premier covers nearly 2000 peer-reviewed journals, Scopus has more than 23000 peer-reviewed journals and Web of science covers over 12000 journals. The search took place in July-August 2020 and then again in November 2020 to cover most of the article for 2020. We did not limit the year in search, although these databases have articles since 1900, the selected key terms showed results only from the year 2012, and most of them published since 2015. For identifying relevant literature regarding the omnichannel transition, we followed the method and guidelines proposed by Vom Brocke et al. (2009). Additionally, we used Webster & Watson (2002), to do the backward and forward search for articles with keywords. Webster & Watson (2002) also mentioned the need to have a systematic review and not limiting the searches to a specific journal, methodology, or geographic areas. We have also taken guidance from other related recent literature studies (Kembro et al., 2018; Nadkarni &

Prügl, 2021) done in the field of omnichannel and digital transformation in terms of scoping and description. Similarly, other contemporary literature studies (Gupta et al., 2018; Kar & Navin, 2021; and Verma et al., 2021) that used a systematic literature review method has also been used as a guiding tool for this review paper. These recent studies highlight the importance of systematic literature review, in order to get a better understanding of past, present and future directions, and integrate insights from various bodies of information.

We applied the search in the fields of title, keywords, and abstract. Since there is no consistent use of the term omnichannel in the extant literature, some use omnichannel or omni-channel whereas others use “omni channel”, so we used all these three keywords. Subsequently, as we are looking into transition, we used the keyword transition or transformation. Therefore, the query was “omnichannel OR omni-channel OR “omni channel AND transition OR transformation”. From the databases, we found 110 articles. Afterward we excluded 17 articles that were not in English. Then, we looked thoroughly at each database search result and found 54 articles after removing duplicates. Out of these 54 articles, 16 articles were removed as they have used either only one keyword or no keywords. So finally, we thoroughly reviewed 38 articles. Table 2 summarizes the search results from the three databases.

Database	Search Phrase “omnichannel OR omni-channel OR omni channel AND Transition OR Transformation	Articles in English	Unique Articles	Article using keywords
Web of Science	45	41	41	30
Ebsco BSP	33	24	9	5
Scopus	32	28	4	3
Total	110	93	54	38

Table 2. Search results related to omnichannel transition

Omnichannel Transition stages

The synergies and tensions that arise from coexisting online and offline business models are studied empirically by Wiener et al. (2018). They did case studies with publishing and retailing firms. Their research supports omnichannel in terms of integrating offline and online business models but they talked about the tension of cannibalization and price differences, which does not really hold for omnichannel as the channels do not operate independently in a full omnichannel strategy. Larke et al. (2018) studied the transition to omnichannel from an existing multichannel base, they used a case study methodology and studied four companies in Japan. The core finding of their study shows the importance of the strategic implementation process and the need to adjust and leverage existing facilities and infrastructure. On the other hand, Hübner et al. (2016) surveyed German retail managers but they focused their study on the logistics and distribution system in transition from multichannel to omnichannel.

Authors (Berman & Thelen, 2018; Beck & Rygl, 2015; Cao & Li, 2015; Strang, 2013) have described different stages of the digital retail transition in extant literature. These stages have been used in the context of digital transformation, multichannel or crosschannel transformation however these stages are valid for omnichannel transition as well. Further, the authors have used different terms for multichannel, crosschannel, and omnichannel. We present these various terms and relate them to omnichannel transition based on the characteristics of their operations.

Strang (2013) mentions four stages of the omnichannel journey as below:

- *Crawl*: in this stage, store and online channels exist separately. The webshop cannot see what the store offers and the store does not directly participate in online merchandise.
- *Walk*: in this phase inventory information is shared across stores and distribution centers. The retail system can accommodate to buy online and ship from the store, buy at the store and ship from the distribution center and buy at the store and ship from a different store.
- *Run*: consumers can buy and return the product regardless of channel. The customer database is unified to reflect purchases via any device or channel. Next and same-day delivery is possible but there is still room for improvement for customer experience.
- *Sprint*: in this advanced omnichannel stage, retailers focus on improving the customer experience, increasing revenue, and optimizing supply chain operations. In this stage, the focus is on fulfilling the need before it actually arises with the help of technology.

Cao & Li (2015) examined the effect of crosschannel integration on retailers' sales growth. They classified crosschannel integration into four levels: silo, minimal integration, moderate integration, and full integration. This classification is about crosschannel by the authors but it covers omnichannel transition as well. Below are the various stages:

- *Silo*: in this phase, the retailer operates via multiple channels but pricing, branding, assortment, and service levels differ by channel.
- *Minimal integration*: in this phase, the retailer has integrated marketing communication with customers. They have consistency in brand and marketing messages across channels.
- *Moderate integration*: in this phase, the retailer has integrated order fulfillment and focuses on optimizing activities linked to the transaction with shoppers. For example, consumers can buy online and pick-up and return in the store. Online customers can browse in-store inventory.
- *Full integration*: in this phase, the retailer focus on the alignment of all the services and offerings across channels. They have aligned services, promotion, price, and loyalty programs across channels. The logistics and information systems across channels are integrated.

Another interesting way of categorization is done by LCP (2015). They defined omnichannel journey in terms of the following archetypes:

- *Challenged Multichannel*: in this stage, the retailers are still trying to catch up and adapt to a multichannel world.
- *Optimized multichannel*: in this stage, the retailer has made a strategic decision to adopt a multichannel strategy and is very successful with multiple channel operations.
- *Follower*: in this stage, the retailer has decided to go omnichannel but without a fully integrated business model. The retailer tends to focus on only front-end solutions.
- *Pioneer*: in this stage, the retailer is fully committed to transform front end and back end operations to deliver a seamless experience to customers. This stage is true omnichannel.

Beck & Rygl (2015) distinguished among multichannel, cross-channel, and omnichannel retailing, and additionally included two categories for multichannel, four categories for crosschannel and two categories for omnichannel marketing:

- *Multichannel categories I and II*: in these stages, there is no integration among channels. Customer data, pricing, and inventory data are not shared across channels. At this stage, the retailer has inconsistent service and offerings across channels.
- *Cross-channel Categories III and IV*: in these stages, customers can buy online and return to a physical store. Customer data, pricing, and inventory data are shared between some channels but not all. In this stage, there is partial integration.
- *Cross-channel Categories V and VI*: in these stages, there is a full integration of at least two, but not all channels. Customers can redeem coupons among digital channels but may not in the physical store.
- *Omnichannel Categories VII and VIII*: in these stages, there is full interaction and integration across all channels from both a customer and retailer perspective.

Berman & Thelen (2018) focused their study on marketing strategy for omnichannel and they defined four stages of omnichannel marketing:

- *Level One*: retailers sell goods and services through multiple channels and each channel's marketing program is independently planned and implemented. In this stage, multichannel retailers fail to provide a common and unified service across channels. There is no coordination, joint planning, or sharing of inventory and customer information across channels or devices.
- *Level Two*: in this stage, the retailer has minimum integration across channels. Integration efforts are limited to standardized corporate logos and product descriptions across channels. However, there is no sharing of data across channels. The retailer understands the need for a uniform image across all channels but is limited in the degree of integration among channels.

- *Level Three:* this stage is characterized by standardized ordering and returns policy and customer information across channels. The focus is on developing an integrated order fulfilment and return process across channels (goods purchased on one channel can be picked up and/or returned at another channel). This level requires a uniform inventory look-up system to confirm the date of purchase, price, and credit card information.
- *Level Four:* this stage provides a true omnichannel marketing experience. In this stage, the retailer aims for the highest level of channel integration, common promotions, prices, and one customer loyalty program across channels. Customer purchase history is shared across channels.

In addition to identifying the differences in the use of terms to characterize the omnichannel transition process, the reviewed literature included findings on drivers and challenges for Omnichannel retail.

Drivers and Challenges of Omnichannel Retail

Mobile technologies, the pressure to enhance customer service, expanding market share, brand awareness, use of social media (Ye et al., 2018) all act as a driver for omnichannel retail. As mobile devices and the internet become cheaper and powerful, everyone seems to be having these devices and this has resulted in the growth of mobile commerce (Allagiannis et al., 2021; Ye et al., 2018). Nowadays people live in micro-moments (the moment when a person acts on a need and picks up the phone because they want to do something at this very moment). Google divides micro-moments into four different categories: I want to know moments, I want to go moments, I want to do moments and I want to buy moments, all these happening in minutes with the mobile device in their hands. Access to the internet and technology (smart retailing and mobile payment technology, robot technology) is affecting the way customers shop these days. Liu et al. (2020) argue that, the prevalence of webrooming and showrooming, price comparison, social media, and user generated reviews and recommendations change shopper' behaviour and affect the shoppers' decision. This is seen as a positive effect for the shopper as it enables individual preferences before coming to a decision whether to purchase the product or not. Besides, unusual environmental situations such as the current Covid-19 pandemic and lockdown that currently gripped most of the world, the shopping behaviour of customers has changed, and retailers are forced towards digitalization for survival. The changing shopping behavior and mobile technology are not just affecting the retail but also provide boundless benefit to retailers as well in terms of reaching a wider audience with a webshop and mobile commerce. The demand for faster delivery, inventory accuracy, and real-time tracking of orders (Kembro & Norrman, 2019) are some other drivers that are forcing retailers to opt for omnichannel in order to stay ahead in the game. Omnichannel has the potential to create value from both a customer and retailer perspective (Larke et al., 2018).

Most retailers are still multichannel retailers who have siloed structures where the physical store and the internet channel operate independently of each other (Gallino & Moreno, 2014; Rigby, 2011). This results in cannibalization (Zhang et al., 2010), where each channel competes with its sister channel instead of working together as one entity (Kim & Chun, 2018; Kollmann et al., 2012). Despite the undeniable mandate to meet consumer's demand, achieve personalized and consistent consumer conversations across channels including integrated channels are a complex undertaking (Piotrowicz &

Cuthbertson, 2014). A few authors (Allagiannis et al., 2021; Lewis et al., 2014; Neslin & Shankar, 2009) have discussed the obstacles such as the need to acquire and change resources and channel integration challenges. Enabling seamless and consistent customer experience across all channels, sharing of resources, generating and integrating data across channels are challenging tasks for retailers. It is not just about the IT infrastructure but also about an investment to acquire or modify resources to achieve uniformity across channels (Lewis et al., 2014). Lewis et al. (2014) talk about drivers and technology related obstacles in moving to multichannel, these technological obstacles remain a concern in moving to omnichannel. Customers who buy in-store tend to buy more because they make more impulse purchases and they are more willing to spend money in the store on tactile (feel) goods such as apparel, shoes, makeup, curtains, etc. Therefore, the more profitable play is to coax online shoppers to come into the store and when they are in the store, provide them the environment that can endure them to spend more, this will be a winning omnichannel strategy (Nyquist, 2016).

Discussion

In line with Picot-Coupey et al. (2016), we assert that it is difficult for retailers to directly shift from multichannel to harmonized channels because retailers face strategy, operation, and organization-related challenges. Diligent planning and organizational mindset change along with technological investments can overcome these challenges. Retailers do not need to make a risky jump from multichannel to omnichannel but gradually move from one step to the next till their channels are synchronized. Omnichannel is a little misnomer, the retailers do not need to have all the channels available in the world, they just need to have popular channels and work them in harmony to provide an exceptional customer experience. The quality of channel integration significantly affects the customer experience (Shen et al., 2018).

Based on the literature, we classify the omnichannel transition stages as multichannel, crosschannel, early stage omnichannel, and harmonized channels. See Table 3, these stages are expanded on below and related to the terminology of the reviewed scholars, indicated in the fifth column.

Multi channel	Cross Channel	Early Stage omnichannel	Harmonized (omnichannel)	Authors
Crawl	Walk	Run	Sprint	(Strang, 2013)
Silo	Minimum Integration	Moderate Integration	Full Integration	(Cao & Li, 2015)
Challenged Multichannel	Optimized Multichannel	Follower	Pioneer	(LCP, 2015)

Multichannel Categories I & II	Cross Channel Categories III & IV	Cross Channel Categories V & VI	Omnichannel Categories VII & VIII	(Beck & Rygl, 2015)
Level One	Level Two	Level Three	Level Four	(Berman & Thelen, 2018)

Table 3. Omnichannel transition stages

- **Multichannel:** when retailers have more than one channel, for example, a retailer has a physical store and a website to offer the possibility of ordering online but the product bought online may not be returned in the store. Besides, the website may offer different products than the physical store, and the online and offline teams are incentivized differently. Thus, the retail has multiple channels to reach to customers but these channels operate as independent entities with no integration and exchange of data across channels (Beck & Rygl, 2015; Verhoef et al., 2015). This multichannel setup results in cannibalization because the channel may compete with each other for sales, pricing, promotions, and customer loyalty. In addition, webrooming and showrooming can affect the sales of each channel. This stage is the first step towards omnichannel transition.
- **Crosschannel:** this stage is the later stage of multichannel where there is some integration among channels. Crosschannel provides the possibility for a shopper to switch between some channels but not all available channels (Beck & Rygl, 2015). For example, click and collect facilities (BOPIS- Buy Online and Pick In Store) are available, where customers can order a product online and collect it from the physical store. However, customer data and inventory is shared across digital channels but may not necessarily be shared between digital and physical channels.
- **Early stage omnichannel:** this could be called mature crosschannel or early omnichannel, where full integration among channels from the retailer’s perspective is in place but the customer can face issues during their journey, and buying and returning may not be completely seamless. For example, the offerings are the same across the channel but the online and offline coupons do not work interchangeably. The digital channel may operate seamlessly among themselves but may not work in similar ways with the physical store.
- **Harmonized:** this is when the customer experiences a truly seamless journey. All the offerings and customer data are integrated regardless of channel. Customers can start and finish their journey at any channel. The retail channels operate in a harmony as a brand not as physical and digital channels separately. For example, coupons can be redeemed across channels, customers can buy online and return in the store and all the services are consistent across channels.

Shared inventory data across channels is the key development towards harmonized retail. This is a difficult and expensive capability but once this is in place, retailers can easily reduce the delivery time and cost for digital orders by shipping from the nearest store or distribution center. This can also result in lower lost sales due to out-of-stock items as the retailer can easily fulfill the customer need from nearby stores or even place an order from a webshop to deliver at the customer's door. The retailers can even ship out-of-season stock to fulfill the webshop order, this way they can reduce the cost and optimize the store space. Omnichannel brings benefits to both, customers and retailers. The customer will be more satisfied with the service, and easy and accurate information available readily along with a friendly shopping experience. Omnichannel prevents cannibalization, channel conflict, webrooming, showrooming, and cart abandonment. We argue that the essence of omnichannel lies in harmonized channels that operate seamlessly as a brand. In an omnichannel strategy, the inventory, offers, coupons, pricing, and sales personnel's incentive does not vary based on the channel.

A research study done by Hansen & Sia (2015) in the European market, described how a European sports company based in Germany overcame the challenges and successfully transitioned toward omnichannel retailing. They found that companies must focus on technology infrastructure and organizational practices to successfully transform towards omnichannel. They identified four key aspects of transitioning towards omnichannel- embracing channel partners in the omnichannel strategy, recognizing that a successful omnichannel strategy requires deep change, leveraging the role of the chief digital officer, and evolving the role of the CIO in enabling omnichannel strategy. In addition to discussing these aspects, we argue the need to be harmonized, this study by Hansen & Sia (2015) strongly focused on the role of the CIO and Digital Officer in the transformation journey. However, it provides insights for B2B players and recognizes that deep changes in the organization are needed to avoid internal conflicts and reach a seamless operation across channels. Whereas Piotrowicz & Cuthbertson (2014) mentioned primary issues and trends in omnichannel management in relation to the role of technology, these authors support that wearable technology will drive the transformation further. Although, Cao & Li (2015) recognized that crosschannel integration results in improved trust, increased customer loyalty, higher customer conversion rates, and greater opportunity for cross-selling, which results in growth in firm's sales. This holds for omnichannel in far greater ways. We have found these extant studies as guiding steps toward the omnichannel transition journey. This research seeks to combine the different aspects of omnichannel characteristics into specific stages to devise the four stages of omnichannel transition.

Most of the omnichannel transition research is industry-specific case studies, for example, Rivero Gutiérrez & Samino Garcia (2020) studied an eyewear retailer in Spain, Kembro & Norrman (2019) did a case study in Sweden focusing on fashion, electronics, and DIY construction material, and Chaparro-Peláez et al. (2020) focus on retail electricity in Spain. Similarly, Jocevski et al. (2019) used fashion, electronics, and bookstores as their case in Italy. Their study is the only research based on business model strategies for omnichannel retailing. The business model innovation and strategies that require organizational mindset change are less resource-intensive therefore, it would be beneficial to see future research in this direction. In addition, the influence of the type of industry or product in the transition journey is lacking in extant research. Although the selected articles are industry-specific case studies, there is no study claiming the similarities or differences of industry or product affecting transition, which could be a future avenue for further research. We also found a shortcoming of IS perspective in the omnichannel transition journey, only Kembro & Norrman (2019) have looked from IS perspective but their focus is on the logistics and warehouse, and not from holistic harmonized

channels' perspective. This study provides the different stages of omnichannel transition by using the extant literature and provides harmonized channels (as opposed to the term omnichannel) as the end goal of the journey to provide a seamless customer experience.

Conclusion

Today, going digital and having more than one channel is not just a nice add-on feature to have but it is the need of the hour. The question for retailers is no longer whether to operate an omnichannel strategy, but how to implement it successfully and most effectively. The retailers will win the omnichannel revolution by working across the boundaries of information and product fulfilment, offering the right combination of experiences for the customers. Retailers need to transition from a pure player or multichannel to omnichannel retailers based on which stage they are in currently. Transitioning towards omnichannel is a time and resource-intensive process but it is worth the effort if done timely and rightly. The successful omnichannel strategy leads to improved sales and customer loyalty. Transitioning to omnichannel may not serve as a panacea for retail immediately but it will result in the survival of physical stores and improved digital retail in the long term. The strength of omnichannel lies in harmonizing digital and physical channels. This will minimize cannibalization, webrooming, and showrooming behavior. Thus, the physical store and digital channels need to work as a single entity and represent a brand, instead of separate entities.

In our literature review, we found that most of the studies are done in the developed world (the USA and Europe) and only a few are done in other geographical locations. In addition, most of the research focuses on specific industries with the majority in fashion and sportswear. Although recently, some other industries such as eyewear, retail electricity, and banks have been explored. At present, the omnichannel transition journey is mainly studied from logistics and supply chain perspective and we see potential in terms of future research that could focus on business model strategies and organizational perspective as the business model and organizational perspective is an important key for transitioning to omnichannel. Another interesting area that could be focused on is transitioning to omnichannel from platform strategies and resource orchestration. As the platform strategies could offer retailers to use third-party technologies as well, and the omnichannel transition is a resource-intensive process, thus resource orchestration may bring some novel insights. Additionally, the information systems perspective is also not well explored in the transition journey, future research can focus on the system thinking approach to 'map the mess' of organizational aspects of changes that could help the retailers. Our study is limited to three major datasets, so there could be some missing articles. However, the selected three databases are quite extensive and include science and business research publications so we are confident about covering most of the existing research. However, we searched for the key term omnichannel, therefore there could be articles that have used multichannel or cross channel, which is not included in our study. This study provides both academics and practitioners with an overview of research that has been conducted so far on omnichannel transition and points to the areas that have not been researched in the field of the omnichannel transition journey. Thus, it contributes to the development in the area of retail digitalization and omnichannel transition. In addition, the retailers who are undergoing or plan to adopt the omnichannel strategy for seamless customer experience may use this study as a guideline to understand their current stage based on the characteristics and plan accordingly.

Acknowledgment

This research received funding from the European Union's Horizon 2020 research and innovation programme under the Marie Skłodowska-Curie grant agreement No. 765395.

We also thank our colleagues Diana Chroner and John Jeansson, and anonymous reviewers for their valuable feedback.

References

- Adivar, B., Hüseyinoğlu, I. Ö. Y., & Christopher, M. (2019). A quantitative performance management framework for assessing omnichannel retail supply chains. *Journal of Retailing and Consumer Services*, 48, 257–269. <https://doi.org/10.1016/j.jretconser.2019.02.024>.
- Akter, S., Hossain, M. I., Lu, S., Aditya, S., Hossain, T. M. T., & Kattiyapornpong, U. (2019). Does service quality perception in omnichannel retailing matter? A systematic review and agenda for future research. *Exploring omnichannel retailing*, 71–97.
- Allagiannis, I., Lohiya, A., & Mirijamdotter, A. (2021). Omnichannel Retail and Business Model Transformation. *Proceedings of the 2nd Linnaeus Student Conference on Information Technology: The Impact of Information Technology on Society*. <https://doi.org/10.15626/lscit2020.05>.
- Berman, B., & Thelen, S. (2018). Planning and implementing an effective omnichannel marketing program. *International Journal of Retail & Distribution Management*, 46(7), 598–614.
- Beck, N., & Rygl, D. (2015). Categorization of multiple channel retailing in Multi-, Cross-, and Omni-Channel Retailing for retailers and retailing. *Journal of Retailing and Consumer Services*, 27, 170–178. <https://doi.org/10.1016/j.jretconser.2015.08.001>.
- Brynjolfsson, E., Hu, Y. J., & Rahman, M. S. (2013). Competing in the age of omnichannel retailing. *MIT Sloan Management Review*, 54(4), 1–7.
- Cai, Y.-J., & Lo, C. K. Y. (2020). Omni-channel management in the new retailing era: A systematic review and future research agenda. *International Journal of Production Economics*, 229, <https://doi.org/10.1016/j.ijpe.2020.107729>.
- Cao, L., & Li, L. (2015). The Impact of Cross-Channel Integration on Retailers' Sales Growth. *Journal of Retailing*, 91(2), 198–216. <https://doi.org/10.1016/j.jretai.2014.12.005>.
- Chaparro-Peláez, J., Acquila-Natale, E., Hernández-García, Á., & Iglesias-Pradas, S. (2020). The digital transformation of the retail electricity market in Spain. *Energies*, 13(8). <https://doi.org/10.3390/en13082085>.
- Chen, Y., Cheung, C. M., & Tan, C. W. (2018). Omnichannel business research: Opportunities and challenges. *Decision Support Systems*, 109, 1–4. <https://doi.org/10.1016/j.dss.2018.03.007>.
- Galipoglu, E., Kotzab, H., Teller, C., Hüseyinoğlu, I. Ö. Y., & Pöppelbuß, J. (2018). Omni-channel retailing research—state of the art and intellectual foundation. *International Journal of Physical Distribution & Logistics Management*.
- Gallino, S., & Moreno, A. (2014). Integration of online and offline channels in retail: The impact of sharing reliable inventory availability information. *Management Science*, 60(6), 1434–1451. <https://doi.org/10.1287/mnsc.2014.1951>.
- Grewal, D., Roggeveen, A. L., & Nordfält, J. (2016). Roles of retailer tactics and customer-specific factors in shopper marketing: Substantive, methodological, and conceptual issues. *Journal of Business Research*, 69(3), 1009–1013. <https://doi.org/10.1016/j.jbusres.2015.08.012>.
- Grewal, D., Roggeveen, A. L., & Nordfält, J. (2017). The Future of Retailing. *Journal of Retailing*, 93(1), 1–6. <https://doi.org/10.1016/j.jretai.2016.12.008>.
- Gupta, S., Kar, A. K., Baabdullah, A., & Al-Khowaiter, W. A. A. (2018). Big data with cognitive computing: A review for the future. *International Journal of Information Management*, 42(April), 78–89. <https://doi.org/10.1016/j.ijinfomgt.2018.06.005>.

- Hansen, R., & Sia, S. K. (2015). Hummel's Digital Transformation Toward Omnichannel Retailing: Key Lessons Learned. *MIS Quarterly Executive*, 14(2).
- Hübner, A., Holzapfel, A., & Kuhn, H. (2016). Distribution systems in omni-channel retailing. *Business Research* (Vol. 9, Issue 2). <https://doi.org/10.1007/s40685-016-0034-7>.
- Kar, A. K., & Navin, L. (2021). Diffusion of blockchain in insurance industry: An analysis through the review of academic and trade literature. *Telematics and Informatics*, 58(November 2020), 101532. <https://doi.org/10.1016/j.tele.2020.101532>.
- Jeansson, J., Nikou, S., Lundqvist, S., Marcusson, L., Sell, A., & Walden, P. (2017). SMEs' online channel expansion: value creating activities. *Electronic Markets*, 27(1), 49–66. <https://doi.org/10.1007/s12525-016-0234-1>.
- Jocevski, M., Arvidsson, N., Miragliotta, G., Ghezzi, A., & Mangiaracina, R. (2019). Transitions towards omni-channel retailing strategies: a business model perspective. *International Journal of Retail & Distribution Management*. <https://doi.org/10.1108/IJRDM-08-2018-0176>.
- Kamel, J. P., & Kay, M. (2011). RFID Opening the Door to Omni-Channel Retailing. *Apparel Exclusive Report*, 53(2), Special Section p1.
- Kembro, J. H., & Norrman, A. (2019). Warehouse configuration in omni-channel retailing: a multiple case study. *International Journal of Physical Distribution and Logistics Management*, 50(5), 509–533. <https://doi.org/10.1108/IJPDLM-01-2019-0034>.
- Kembro, J. H., Norrman, A., & Eriksson, E. (2018). Adapting warehouse operations and design to omni-channel logistics. *International Journal of Physical Distribution & Logistics Management*, Vol. 48 No. 9, pp. 890-912. <https://doi.org/10.1108/IJPDLM-01-2017-0052>.
- Kim, J. C., & Chun, S. H. (2018). Cannibalization and competition effects on a manufacturer's retail channel strategies: Implications on an omni-channel business model. *Decision Support Systems*, 109, 5–14. <https://doi.org/10.1016/j.dss.2018.01.007>.
- Kollmann, T., Kuckertz, A., & Kayser, I. (2012). Cannibalization or synergy? Consumers' channel selection in online-offline multichannel systems. *Journal of Retailing and Consumer Services*, 19(2), 186–194. <https://doi.org/10.1016/j.jretconser.2011.11.008>.
- Larke, R., Kilgour, M., & O'Connor, H. (2018). Build touchpoints and they will come: transitioning to omnichannel retailing. *International Journal of Physical Distribution and Logistics Management*, 48(4), 465–483. <https://doi.org/10.1108/IJPDLM-09-2016-0276>.
- Lauchlan, S. (2017). Burberry-meeting the omni-channel retail challenges front and back. *Dignomica.com*, May.
- LCP Consulting (2015). The omni-channel journey: balancing customer expectations with business profitability.
- Lewis, J., Whysall, P., & Foster, C. (2014). Drivers and technology-related obstacles in moving to multichannel retailing. *International Journal of Electronic Commerce*, 18(4), 43–67. <https://doi.org/10.2753/JEC1086-4415180402>.
- Liu, L., Feng, L., Xu, B., & Deng, W. (2020). Operation strategies for an omni-channel supply chain: who is better off taking on the online channel and offline service? *Electronic Commerce Research and Applications*, 39, 100918. <https://doi.org/10.1016/j.elerap.2019.100918>.
- Mirsch, T., Lehrer, C., & Jung, R. (2016). Channel integration towards omnichannel management: A literature review. *Pacific Asia Conference on Information Systems, PACIS 2016 - Proceedings*.
- Mishra, R., Singh, R. K., & Koles, B. (2021). Consumer decision-making in omnichannel retailing: Literature review and future research agenda. *International Journal of Consumer Studies*, 45(2), 147–174. <https://doi.org/10.1111/ijcs.12617>.
- Nadkarni, S., & Prügl, R. (2021). Digital transformation: a review, synthesis and opportunities for future research. *Management Review Quarterly*, 71(2), 233-341.
- Neslin, S. A., & Shankar, V. (2009). Key Issues in Multichannel Customer Management: Current Knowledge and Future Directions. *Journal of Interactive Marketing*, 23(1), 70–81. <https://doi.org/10.1016/j.intmar.2008.10.005>.
- Nyquist, E. (2016). How to make most of omnichannel retailing. *Harvard Business Review*.
- Parker, R., & Hand, L. (2009). Satisfying the Omnichannel Consumers Whenever and Wherever They Shop. IDC Retail Insights report.

- Picot-Coupey, K., Huré, E., & Piveteau, L. (2016). Channel design to enrich customers' shopping experiences: Synchronizing clicks with bricks in an omni-channel perspective – the Direct Optic case. In *International Journal of Retail and Distribution Management* (Vol. 44, Issue 3). <https://doi.org/10.1108/IJRDM-04-2015-0056>.
- Piotrowicz, W., & Cuthbertson, R. (2014). Introduction to the special issue information technology in retail: Toward omnichannel retailing. *International Journal of Electronic Commerce*, 18(4), 5–16. <https://doi.org/10.2753/JEC1086-4415180400>.
- Rigby, D. K. (2011). The future of shopping. *Harvard Business Review*, 89(12), 65–76.
- Rivero Gutiérrez, L., & Samino Garcia, R. (2020). *Omnichannel Strategy and Consumer Behavior in Distribution Channels: Trends in the Ophthalmology Sector*. *Frontiers in Psychology*, 11, 1142. <https://doi.org/10.3389/fpsyg.2020.01142>.
- Shen, X.-L., Li, Y.-J., Sun, Y., & Wang, N. (2018). Channel integration quality, perceived fluency and omnichannel service usage: The moderating roles of internal and external usage experience. *Decision Support Systems*, 109, 61-73. <https://doi.org/10.1016/j.dss.2018.01.006>.
- Simone, A., & Sabbadin, E. (2018). The New Paradigm of the Omnichannel Retailing: Key Drivers, New Challenges and Potential Outcomes Resulting from the Adoption of an Omnichannel Approach. *International Journal of Business and Management*, 13(1), 85. <https://doi.org/10.5539/ijbm.v13n1p85>.
- Sopadjieva, E., Dholakia, M. U., & Benjamin, B. (2017, January 3). A Study of 46,000 Shoppers Shows That Omnichannel Retailing Works. *Harvard Business Review*. <https://hbr.org/2017/01>.
- Strang, B. R. (2013). Retail Without Boundaries. *Supply Chain Management Review*.
- Verhoef, P. C., Kannan, P. K., & Inman, J. J. (2015). From Multi-Channel Retailing to Omni-Channel Retailing. Introduction to the Special Issue on Multi-Channel Retailing. *Journal of Retailing*, 91(2), 174–181. <https://doi.org/10.1016/j.jretai.2015.02.005>.
- Verma, S., Sharma, R., Deb, S., & Maitra, D. (2021). Artificial intelligence in marketing: Systematic review and future research direction. *International Journal of Information Management Data Insights*, 1(1), 100002. <https://doi.org/10.1016/j.ijime.2020.100002>.
- Vom Brocke, J., Simons, A., Niehaves, B., Riemer, K., Plattfaut, R., & Cleven, A. (2009). Reconstructing the giant: On the importance of rigour in documenting the literature search process. *17th European Conference on Information Systems, ECIS 2009*.
- Webster, J., & Watson, R. T. (2002). Analyzing the past to prepare for the future: Writing a literature review. *MIS Quarterly* (Vol. 26, Issue 2). <http://www.misq.org/misreview/announce>.
- Wiener, M., Hoßbach, N., & Saunders, C. (2018). Omnichannel businesses in the publishing and retailing industries: Synergies and tensions between coexisting online and offline business models. *Decision Support Systems*, 109, 15–26. <https://doi.org/10.1016/j.dss.2018.01.008>.
- Ye, Y., Lau, K. H., & Teo, L. K. Y. (2018). Drivers and barriers of omni-channel retailing in China. *International Journal of Retail & Distribution Management*. <https://doi.org/10.1108/IJRDM-04-2017-0062>.
- Zhang, J., Farris, P. W., Irvin, J. W., Kushwaha, T., Steenburgh, T. J., & Weitz, B. A. (2010). Crafting integrated multichannel retailing strategies. *Journal of Interactive Marketing*, 24(2), 168–180. <https://doi.org/10.1016/j.intmar.2010.02.002>.