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**The deployment of the omnichannel strategy:
an empirical study on the retail industry**

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Introduction

The present research aims at contributing to the investigation about the evolution of firms' approach to retail, through the integration of multiple distribution and marketing channels and customer touchpoints, according to the omnichannel approach.

This work was realized within an executive PHD program, designed by Università degli Studi di Pavia and Università degli Studi di Bergamo to create a tighter link between academic research and professional practice. I had therefore the chance to capitalize on my professional experience as a business consultant specialized in the retail industry to address the theme of the deployment of the emerging retail strategy, with the ambition to contribute to both the related literature and the managerial know-how on it.

The omnichannel approach consists in adopting and synergistically managing a mix of several channels and touchpoints, both physical and digital, with an integrated approach, aimed at delivering a consistent and seamless customer experience across them.

The subject is relatively recent in both literature and field experience and, as a consequence, many academic contributions deal with the conceptualization of the omnichannel strategy, while the focus of the present work is on its deployment. To better understand the features and the key issues of the deployment process of such a strategic approach, I first considered its causes.

Many exogenous factors influence the design and the deployment of a new strategy, but for the purpose of analysing most recent shifts in distribution and retail fields, the most relevant influence comes from technological innovation.

In the past years we experienced a growing introduction of devices (mobile phones, smartphones, personal computers, tablets, etc.) and services (internet data, web sites, mobile applications, social networks, etc) that, thanks to their user-friendliness and easy access, allowed customers to enlarge their purchase experience adopting new and various channels (Prandelli, Verona 2011).

The proliferation of potentially and actually available marketing channels and customer touchpoints, on the one hand led customers to dramatically change their shopping behaviour, on the other forced companies to review their distribution strategies and their operating paradigms.

Companies gave different answers to the transforming needs of their customers, gradually projecting and implementing new and different distribution channels and customer touchpoints, so adopting more and more complex distribution models, such as the multi-channel approach, the cross - channel approach until the recently so defined omnichannel approach.

Retail companies' managers are aware they need to revamp the distribution policy, moving towards the full integration of channels' management, in order to deliver the demanded customer experience and not to disappoint customers' expectations, but the topic is so broad and it involves so many business functions and skills, that practitioners may find a theoretical and operational framework on the subject a useful tool.

Since omnichannel strategy is a vast and multidisciplinary subject and the research interest is focussed on its sole managerial and operational implications at the firm level, to first assess the existing academic contributions on the theme a combination of research methodologies was used: an explorative focus group and a set of informal unstructured interviews with a panel of managers and a systematic literature review.

Interviewed practitioners were managers from leading Italian retail companies currently dealing with the execution of the deliberated omnichannel strategy and the first exploratory study, in which they took part, gave as an output a set of ten areas of intervention identified as relevant for the deployment of the change process. These ten dimensions gave an answer to the first research question presented in chapter 1, i.e. "what company's dimensions are likely to be involved in the transformation towards the omnichannel approach?", and were subsequently implied to perform a systematic literature review, in which were selected those researches which gave advice on either *why* or *how* to intervene with refer to the selected dimension.

Identified the literature's gaps in offering a guide to practitioners committed to lead their companies through the transformation journey, so addressing the second research question of chapter 1, a second exploratory inductive study was realized. Four Italian retail companies were sampled to conduct a multiple case study analysis, targeted at obtaining empirical evidences and coupling them with existing literature on the following themes: (i) the strategic reasons which led companies to undertake the transformation journey toward the omnichannel approach, (ii) the areas of intervention companies actually encompassed in planning the deployment of such a strategy and (iii) the barriers they met in the process, if any.

The first research question of the second section of the work was "why do retail companies decide to adopt the omnichannel approach?". In both academic and marketing practitioners' worlds there is lot of interest in the subject and *omnichannel retail* seems to have become a sort of buzzword; therefore, before focusing on the most technical side of the theme, it seemed due (i) to understand what strategic intentions and objectives led companies to undertake such an

onerous transformation, allocating important resources in terms of financial capital, working time, intellectual energies to it and (ii) to eventually report on any significant connection between such reasons and the emergent omnichannel marketing model as actually realized by them.

The second research question of the second section of the research naturally followed: “how do retail companies deploy the omnichannel strategy?”. To give answer to this research question, the units of analysis were the ten areas of intervention previously identified and re-organized to assess three main aspects of the deployment process:

(i) the organizational solution designed and adopted to lead the companies through the transformation journey: the change process required to move toward omnichannel retailing involves many business functions and requires the cooperation of players from the supply chain too, therefore interventions on the organization, with refer to both the features of the structure and its intangible mechanisms of coordination and control, were expected to be crucial.

(ii) the comprehensiveness of the approach to the deployment: this concept was addressed to understand the extensiveness of the transformation project, i.e. the number and variety of encompassed areas of intervention which ultimately define the boundaries and the goals of the deployment process.

(iii) the formalization of the managerial guide to the deployment of the strategic decision: leading a whole company through the transformation journey is a challenging objective, as emerged from the first field analysis, and an analysis of different managerial solutions adopted by practitioners to sustain the effectiveness of their guide was considered interesting.

When collecting empirical evidences of the deployment of the strategy, it emerged that the transformation journeys could be a non-linear process, where many obstacles required to be overcome. Therefore, the third research question was “What barriers, if any, to the full deployment of the omnichannel approach do companies face?”. Since the shift from the multi-channel marketing system to the omnichannel one is not instantaneous, while it implies to undertake a transformation journey where lot of corporate functions are involved and budgets need to be approved, both the change process and its results can be different from what was planned. Many exogenous and endogenous variables can intervene in influencing them. This research question was therefore aimed at understanding what barriers managers committed to lead their retail companies through the transformation journey had to face, if any, and if, in the end, alternative models to the fully integrated one actually emerged.

The results of the inductive study will be presented in the following chapters, with the final objective to elicit an operational framework which encompasses the relevant areas of intervention and the actual tasks performed within retail companies moving from a multi-channel approach to an omnichannel one.

The ambition would be to come to useful managerial advices for practitioners and managers interested in planning the transformation journey: a sort of guide which suggests the areas of interventions to be considered in planning the deployment of the deliberated strategy and the related key issues.

Chapter 1

How to deploy an omnichannel strategy: a literature review

1.1 Introduction

Technological innovation led to an increase in the number of available distribution channels and touchpoints, so influencing consumers' behaviour and expectations and pushing retailers to adopt multiple-channel models. The goal to deliver the demanded, seamless customer experience across channels forced companies to question on how to integrate and synergistically manage different channels and customer touchpoints, moving toward the omnichannel approach. The omnichannel approach consists in adopting and synergistically managing a mix of several channels and touchpoints, both physical and digital, with an integrated approach, aimed at delivering a consistent and seamless customer experience across channels.

The present chapter focuses on the omnichannel strategy execution rather than on its conceptualization, with the aim to clearly identify (i) what corporate dimensions are involved in the adoption of the omnichannel strategy and (ii) the literature gaps in offering relevant information to practitioner dedicated to such strategy's deployment.

The purpose of the present chapter 1 is therefore to select and systematize researches and other professional contributions on the most practical side of the subject, conducting the analysis at a firm's level.

This chapter seeks to answer the following research questions:

RQ1 What company's dimensions are likely to be involved in the transformation towards the omnichannel approach?

RQ2 What are the main research gaps in literature about the deployment of the omnichannel strategy?

1.2 Research design and methods

The research design represents the structure and strategy used to conduct a specific research. A qualitative research method was chosen for this study.

The qualitative approach was selected because of the scarcity of prior researches in the field and due its ability to provide rich insight, consisting of explanations

and descriptions on the phenomenon and behaviour taking place within organizations (Miles & Huberman 1994).

Qualitative research methods were selected to gain data on strategic intentions and decisions of retailers and thus also to acquire a systematic overview on the phenomenon. The present study is an exploratory research on a relatively recent theme and, though an inductive analysis, it is meant to build theory on the deployment of the omnichannel strategy, in a way that can result useful for both practitioners and researchers.

The work can be divided in two main sections: the first is aimed at identifying the exact boundaries of the theme of my interest, clearly defining its units of analysis, capitalizing on both practitioners and researchers' contributions; the second is targeted at testing the relevance of those units of analysis and the related phenomenology at a field level, investigating real business cases.

Although this chapter is focused on the first section, I will illustrate the components of the whole research design in the following table 1.

Since *omnichannel strategy* is a vast and multidisciplinary subject and the research interest is focussed on its sole managerial and operational implications at the firm level, so excluding other branches of research, for instance those which deal with customer related topics, to answer the first two research questions of the first section of the work a combination of research methods was used: an explorative focus group and a set of informal unstructured interviews with a panel of retail managers conducted in July 2016 and a systematic literature review conducted in August 2016.

The focus group and semi-structured interviews

The aim of the focus group was to identify the most relevant topics for retail practitioners committed to manage physical and digital distribution channels and customer touchpoints and adapt them to changing consumers' habits.

Participants to panel discussions and interviewees were selected through a non-probability sampling method and in particular through a consecutive sampling one: all accessible subjects were included. With the cooperation of the most important Italian trade association of retailers, *Confimprese*, an invitation to take part to the exploratory investigation was sent to a database of 126 Italian retailers or Italian branches of multinational retailers, informing that the main topic of discussion would have been *the impact of technological innovations on distribution policy and marketing strategy with refer to managerial implication in integrating channels and customers touchpoints*. All the 42 companies which

replied to the communication were first analysed at a desk level to check, from a consumer's point of view, if they were at least managing multiple channels.

Table 1 Research design

Section 1 – Chapter 1	Section 2 – Chapter 2 and 3
<p>Research question 1 <i>What company's dimensions are likely to be involved in the transformation towards the omnichannel approach?</i></p>	<p>Research question 1 <i>Why do retail companies decide to adopt the omnichannel approach?</i></p> <p>Research question 2 <i>How do retail companies deploy the omnichannel strategy?</i></p> <p>Research question 3 <i>What barriers, if any, to the full deployment of the omnichannel approach do companies face?</i></p>
<p>Research methods</p> <ul style="list-style-type: none"> ▪ Explorative focus group with experts from the industry in July 2016. ▪ Semi-structured interviews to expert from the industry in July 2016. 	<p>Research methods Multiple case study from February 2017 to July 2017</p>
<p>Focus of the analysis Company's dimensions involved in the deployment of an omnichannel strategy</p>	<p>Focus of the analysis Strategic intentions moving companies to adopt the omnichannel approach. Features of the managerial approach to the design and the deployment of the omnichannel strategy. Obstacles and barriers to the deployment of the omnichannel strategy.</p>
<p>Research question 2 <i>What are the main research gaps in literature about the deployment of the omnichannel strategy?</i></p>	<p>Research method Systematic literature review conducted on the base of the results of the focus group and the semi-structured interviews to practitioners in August 2016.</p>
<p>Units focus of the analysis Company's dimensions involved in the deployment of an omnichannel strategy.</p>	

Since the whole sample resulted to meet this first requirement, the second step was sending an individual communication to these 42 companies to ask them if *any strategic objective dealing with the omnichannel approach was being*

pursued throughout the company. The sample meeting this second requirement was composed of 15 retail brands from the following industries: fast fashion, kids clothing, sportive apparel, beauty and cosmetics, technological devices, leisure goods, household, food, financial services. When analysing the contributions of companies which distribute their products through more than one retail brand, each of them was considered as a single case.

The participants to the focus group were senior members of the organizations, working as marketing managers (12 cases), sales directors (2 cases) or CEO (1 case) and they were interviewed by me and by a professional moderator, a journalist from *Largo Consumo*, a leading Italian retail review, who ensured that everyone would equally participate to discussion and that the panel would not have been prevailed by any individual.

Managers were informed about the target of the day, namely *identifying which were the relevant dimensions in the deployment of the omnichannel strategy within their organizations*, so they introduced themselves and the efforts their companies were doing in keeping the pace of customer behaviour's changes, while optimizing channels' management.

Being an exploratory study, the questions addressed to participants were wide, not to influence their answers: the most important goal was to understand how managers and entrepreneurs were planning and executing the strategy, identifying the managerial and operative decisions they had taken or planned to take and the corporate functions and assets they had involved in the strategic journey. Each practitioner shared the singular experience of his/her company, illustrating:

- how managers from the company though the consumer behaviour and the typical customer journey were evolving and how they adapted the retail strategy to be coherent with those changes;
- how they planned the changing process, the precise areas of intervention and relative decisions and actions;

While participants were left free to describe the whole strategic plan in an unstructured way, the single areas of interventions as mentioned by them were the subject of specific and technical questions: the main objective was to first identify the company's dimensions involved in the transformation journey, a deeper analysis of which would have been conducted in the second part of the exploratory study.

The focus group was held near *Confimprese's* headquarters and lasted 6 hours, informal interviews were made at the end of it to those managers who had given the most consistent and information-rich contribution to the discussion, i.e. the

marketing managers of companies from the following industries: leisure goods, sportive apparel, fast fashion, technological devices. They lasted forty minutes each approximately.

The one to one interviews were held by me and were focused on the same issues of the focus group, but they allowed a deeper understanding of single cases.

This part of the field research permitted me to (i) precisely identify what themes have an effective relevance for marketing and sales practitioners dedicated to synergistically manage multiple channels and touchpoints, (ii) consequently select the key words to perform a systematic literature review which could permit to identify what are academic contributions' lacks in offering relevant information to doubtful practitioners, (iii) gain insights on the state of art in Italy, (iv) collect data from primary sources in a short time.

Systematic literature review

To select what corporate dimensions (i) could be considered as relevant for practitioners dealing with the deployment of the strategy and (ii) could have been implied in the systematic literature review consequently, I considered those *areas of intervention* mentioned as interested by the transformation journey by at least half of the managers.

Once the most relevant variables had been selected, to provide an exhaustive overview on the existing research on the theme the integration in the management of multiple channels and touchpoints and to identify the existing gaps, a systematic literature review was conducted in August 2016, accordingly to the methodology proposed by vom Brocke et al. (2009).

I (i) selected the following research fields from the Academic Journal Guide 2015 issued by The Association of Business Schools: *General management, ethics and social responsibility, Operation and technology management, Strategy, Marketing, Operation research and management science*; (ii) selected the journals ranked 4 and 3 within each field; (iii) conducted a search spanning multidisciplinary databases which included the selected journals; (iv) applied the Boolean search strings in title, keywords and abstract; (v) removed doubles, articles not published in journals, articles not written in English nor in Italian; (vi) examined the remaining articles to judge whether they could contribute to the work.

To select the relevant contributions, the various multiple channels distribution approaches were clearly differentiated, i.e. *multi-channel, cross-channel* and *omnichannel* models, to exclusively focus on the latter and exclude even those articles which matched the interest of the research questions but concerned the

customer level analysis, for instance *the effects of the omnichannel customer experience on clients' satisfaction and loyalty*.

The very interest of the present chapter 1 is on the challenge of the integration in channels and touchpoints' designing and management with the aim to obtain that marketing single view on customers which allows companies to offer them a proper omnichannel customer experience.

1.2.1 Conceptualization of the theoretical notions implied in the present study: channels and customer touchpoints

Berry and other authors (2010) state that distribution channels can be seen as a mechanism of communication, for selling and sending items and services and for completing transactions among customers and firms.

The main object of a distribution channel is to connect consumers and companies creating a touchpoint through which companies can deliver products, services and information to their market (Koistines and Jarvinen, 2009).

Furthermore a distribution channel can be intended either as a tool to engage in marketing communication and as a system to build loyalty and to manage the acquisition and retention of new and old customers (Slack et al. 2008). This last definition highlights how powerful channels can be and what an effective role they can play in the whole marketing strategy.

Building on (i) the formal definition of distribution channels as networks of individuals and organizations involved in getting a product or service from the manufacturer to the customer and on (ii) the functional interpretation of early '70s, according to which distribution channels simply perform operative functions and the presence of intermediaries is justified by their capability to generate economies of specialization (Mallen, 1973), and coping with the changes of the present time as well, in this research what really matters are the intangible contributions of channels, rather than their functional role, and their effectiveness in evolving alongside customers' behaviour expectations.

The majority of the reported definitions of distribution channels highlights their multi-functionality, making the difference between distribution and communication channels relatively irrelevant. Nevertheless it seems necessary to address the dispute which typically arises when dealing with multi-channel strategies, i.e. if it concerns distribution channels only (e.g. Zhang et al., 2010) or communication and relationship management channels too (e.g. Keller 2010); in other words, if the perimeter of the studies about multi-channel approaches should coincide with that of multi-channel marketing, therefore including all type

of channels, or if it is limited to multi-channel retailing, so focussing on the sole distribution channels, accordingly to the distinction made by Zhang et al. (2010). Keller (2010) states the importance of considering both distribution and communication channels when working on brands' equity in a scenario where customers are multi-channel; while other authors, such as Verhoef (2010), Sa Vinhas (2010) and Berman & Thelen (2004), consider the sole distribution channels in analysing the theme, therefore one could argue that they focus on multi-channel retailing actually.

Furthermore, among authors who include communication channels in multi-channel marketing, different positions emerge again: e.g. Neslin et al. (2006) outline *channels* as "a customer contact point, or a medium through which the firm and the customer interact", in this way excluding one-way communication such as TV advertising, consistently with the focus of his research, the customer management, where interaction is critical.

On the other hand, Keller (2010) includes both interactive and one-way communication channels in his studies, considering them all relevant in a firm's marketing strategy, regardless the general approach the company is adopting. Verhoef and Donkers (2005) share this latter position, since they consider mass media and personal communication as customer acquisition channels.

These considerations made, the present study focuses on the omnichannel approach which can be considered as an evolution of the multi-channel one, where the main innovation is in the shift of firms' focus to the customer experience, while designing and managing all the points of contact between brands and consumers: all the efforts made by the aspirant omnichannel retailers are aimed at the delivery of the expected, seamless and consistent customer experience; hence the dispute about whether to include or not all kind of channels, namely distribution, communication and customer care ones, in the boundaries of the analysis results to be obsolete.

In this study by *channels* are considered as all physical or virtual points of contact through which products and services flow and nodes of connection that enables brands and consumers to exchange information both ways.

Therefore in this research, when analysing the design and the management of *multiple channels* in the framework of the omnichannel approach, I refer to:

- Distribution channels
- Communication channels
- Customer care channels
- Customer touchpoints

Jointly referred to as "channels and touchpoints".

Theoretical definition of distribution channels in literature have already been provided, but a clarification is due: the relevant elements of distribution channels are the terminal intermediaries when dealing with off-line distribution channels (i.e. brick and mortar retail formats) and the user interfaces (i.e. web sites, apps, etc.) when dealing with on-line ones, since they deliver value to both producers and consumers and actually play a role in innovating brands' marketing positioning. To better understand how important retailer and e-retailer are, one should focus on the value they create (i) for customers in terms of availability of products/service in space and time, transmission of information, experientiality and (ii) for producers in terms of brands' positioning and collection of information on the target market.

By *communication channels* in this research are meant the means by which firms attempt to inform, persuade, and remind consumers - directly or indirectly - about the products and brands that they sell, according to Kotler and Kellter's definition. They include, among others advertising, events and public relations, direct and interactive marketing, etc.

By *customer care channels* are meant those means such as phone, e-mail, help desk, live chatting, etc., serving clients in satisfying pre-sales and after-sales needs for assistance and information.

By *touchpoint* is meant any customer interaction (passive, active, direct, or indirect) with a company or a brand, which implies the use of senses, from the time a customer becomes aware of the brand or the company, for the duration of the relationship. In this study are particularly relevant since their contribution to customer experience and to customer satisfaction is decisive; among customer touchpoints there are the social media accounts, the points of sale, the websites, the call centre, etc.

Although this elucidation is right and proper, one could argue that, within the omnichannel approach, the distinction among channels according to the function they play is fuzzy and outdated: it is sufficient to consider the example of brands' social media accounts: they are at the same time (i) a communication channel, since they permit to transmit messages and promotional contents about the brand, (ii) a customer care channel, since among customers it became very common to seek the brand's assistance on platform such as Facebook for instance, (iii) a customer touchpoint, since it enables the direct experience of the brand through the use of senses.

1.3 Main drivers of innovation in distribution strategy design: consumer behaviour and technological shifts

Before conceptualizing the omnichannel strategy, it seems appropriate to digress on the drivers of innovation in distribution, to understand which endogenous and exogenous factors led to the proliferation of the number and type of managed channels before and to the integration in their management procedures then:

(i) law: the recent European reduction in regulatory constraints encouraged the development of competition by eliminating the “spatial monopolies”;

(ii) enlargement of the competitive arena: the progressive European integration process led to the widening of the geographical boundaries of competitive arenas;

(iii) changes in consumer behaviour: increased sensitivity to intangible and experiential components of the offer system favoured the enhancement of service components;

(iv) Information technology diffusion in retail industry: the adoption of new technologies and new technological tools in the retail industry made it possible to conceive and offer new services and new points of contact to final consumers. Lately, the relevance of globalization (Rosenbloom, Larsen, 2008) and the large diffusion and adoption of information and communication technologies by the players involved in marketing channels, consumers included, highlighted the importance of channel structure design and mix adjustment (Musso, 2010).

Companies, increasingly searching for efficiency and speed in vertical channels, need to cope with new organizational, logistic and marketing challenges (Ganesan et. al., 2009), while consumers, benefitting from the huge amount of available information and media, on the one hand perfectly command their buying processes, so downplaying the role of middlemen, on the other hand are now reachable from multiple touchpoints.

Some highlights about global evolution in customers’ technological adoption¹:

- 35% of global population will be using a mobile phone within 2020;
- Global e-commerce sales are expected to approach 4,058 US\$ billion within 2020;
- E-commerce made handheld device is expected to grow aggressively in the next three years.

Some highlights about Italian evolution in costumers’ technological adoption²:

- 74% of Italians had broadband access in 2015 and 87% owned a smartphone;

¹ Source: www.statista.com 2016 – Statistics Portal for market data

² Source: “Online Retailing – Italy, July 2016” published by Mintel Group Ltd

- Usage of smartphones for shopping online grew the fastest during 2015, with 31% of Italians buying something through those devices during 2015;
- Italian e-retail sales grew from €500 million in 2011 to €2.8 billion in 2015;
- Online sales are expected to grow by 90% between 2016 and 2021.

It has been demonstrated that once mobile-shoppers experience mobile purchase to satisfy some needs, for instance electronic devices shopping, they tend to adopt the same purchasing behaviour for other goods categories they are used to buy. For this reason, one could argue that the volume of sales generated by a certain merchandise on the mobile channel tends to positively affect the sales generated by other merchandise, because of this feature of consumer behaviour. Sales through mobile can indeed be seen as an important source of competitive advantage for retailers.

It can be said that looking at the growing digital trends and multi-channel shopper behaviour, a massive effort is required to companies that want to keep the pace of digital growth. The embrace of technology is having a dramatic impact on media usage, marketing and e-commerce, enabling new consumer behaviours: the major challenge for retailers that want to compete in the market is to identify, understand and manage these trends in order to deliver a relevant and valued offer.

With refer to this last issue and with a focus on Italian market's trends and challenges, the research on *Italian online retailing*³ published by Mintel in July 2016 highlights what are the opportunities for retailers to deliver to customers the expected value: 59% of people who had shopped online during the previous year say they are interested in help being at hand from customer service and via social network, while 51% are interested in being sent personalised offers and personalised recommendations.

The evident implication is that Italian online shoppers are keen to communicate with retailers and they would embrace e-shopping more frequently if they felt that there was an easy way to get in touch with brands, both before and after purchase.

The future success of retailers is no longer linked to the mere products' attributes or pricing strategy, but to the capability to offer to consumers a unique and valued shopping experience through different channels and *touchpoints*, giving them the option to compare products and brands from any device they prefer, at any time they want.

³ on a sample of 2000 respondents from all national regions

However, being the online presence still a small percentage of total retail, it is not enough by itself to satisfy market requirements, but converging toward a comprehensive retail proposition, that merges online and offline channels, can be necessary to be competitive and to meet customers' expectations.

For all these reasons in this research the importance of offering a well-integrated multi-channel retail solution is being investigated.

The ability to merge online and physical channels into a unique and seamless experience can be a way to leverage more value out of the business for both customers and companies.

1.4 The evolution of multiple channel distribution models: a literature review

Since *the connected mobile customer can access information and buy anything, anywhere, anytime* (Piotrowicz and Cuthbertson, 2014), retailers have to consequently adapt the mix of channels and touchpoints they adopt and the customer experience their brands deliver across them, progressively implementing more complex distribution approaches, from multi-channel, to cross-channel and omnichannel.

Before analysing the theme of the implementation of the emerging omnichannel strategy, I briefly describe the previous dominant distribution models, whose evolution, in accordance with the progressive sophistication of customer behaviour and the innovation in information and communication technology, led to the present model to emerge.

The starting point is the most traditional scenario, not common nowadays, in which companies market their product through just one type of BtoC distribution channel: brick and mortar stores. At this stage, consumers live just one type of brand experience and have almost this sole point of contact with brands.

The management of such a retail model results quite basic and retailers have the whole responsibility to communicate the right brand's positioning, beyond the products' attributes.

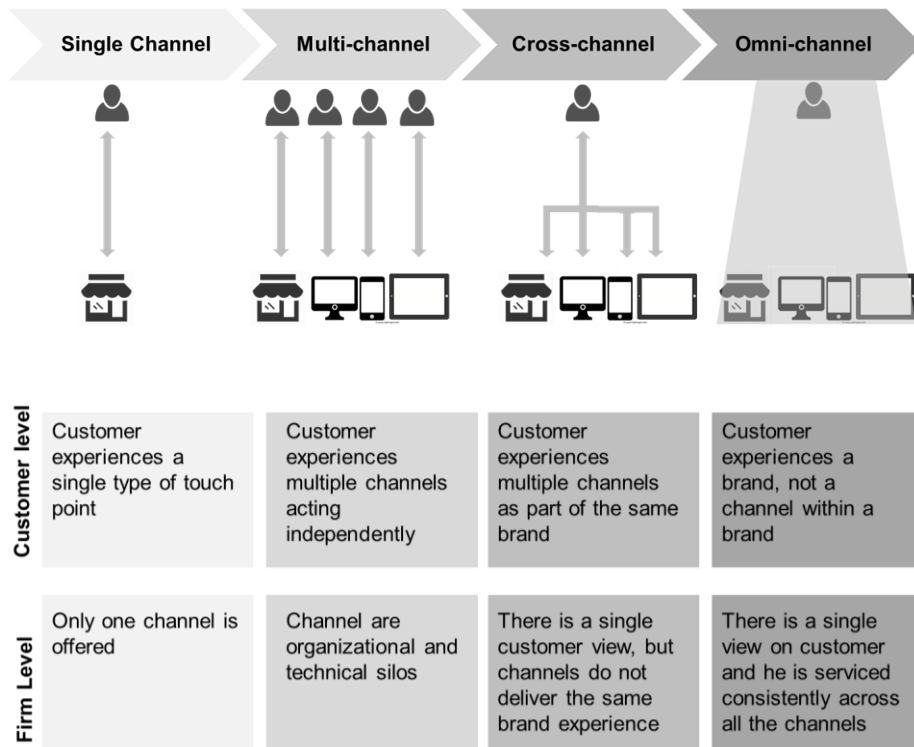
As the number of types of adopted BtoC channels increases, the complexity of the distribution strategy and customer care models raises.

1.4.1 Multi-channel management

Multi-channel management indicates that a company markets its product/services through more than one channel.

According to Levy and Weitz (2009) multi-channel retailing consist in a set of activities involved in selling merchandise or services to consumer through more than one channel, being each channel managed as a separate silo.

Picture 1 The evolution of channel mix (Elaboration of the author, 2016)



The academic interest in the proliferation of the number and type of managed channels, namely in the design of multiple-channel distribution models, was first driven by the advancement and large diffusion of online distribution channels, such as the e-commerce websites, which had become a concrete option beside the traditional brick and mortar points of sales and the catalogues. Indeed, early studies focus on the innovative channels, as catalogues first and e-commerce web site then, singly considered.

Neslin et al. (2006) define multi-channel customer management as *the design, deployment, coordination and evaluation of channels to enhance customer value through effective customer acquisition, retention and development*. This definition introduces an opinion about the effectiveness of such a strategic choice and, more important, presents a relevant factor for change in the interpretation of

channels, now intended as points of contact, enabling two-ways communication processes among companies and their consumers.

Companies project and create many channels because customers' decision to use different and innovative channels can vary along the entire path to purchase (Pay, 2012). The possibility to touch and examine products, to obtain advices from sale associates and to get immediate gratification from purchasing are the three main factors that keep traditional stores as the main option to satisfy most shopping occasions. At the same time consumers adopt on-line and digital solution because of their convenience and easiness to provide extensive information about products and retailers and to eventually finalize the purchase (Chu, Pike, 2002).

1.4.2 Cross-channel management

Beck and Rygil (2015) define cross-channel retailing as a partially integrated system of channels which allow consumers to shift among some touchpoints, but not between all, during their customer journey.

The theme of *integration mechanisms* across channels has been little considered within the multi-channel literature, mainly focused on the analysis of the impact of customer behaviour changes on the channel mix. By *integration mechanisms* are meant those services, technological tools (e.g. technology near the traditional point of sales) and technological applications (e.g. common ERP software's dashboard throughout the supply chain) which on the one hand allow companies (i) to have a single marketing view on customers, whatever journey they follow and whatever distribution channel they use to actually finalize the purchase (e.g. multi-channel loyalty programs) and (ii) to capitalize on corporate resources and assets, avoiding duplication and boosting synergies (e.g. cross-functional teams); on the other one allow customers (i) to live a consistent brand experience, with refer to both tangible (e.g. pricing) and intangible (e.g. brand's tone of voice) elements, disregarding the chosen channel and (ii) to have a seamless experience even when shifting from one touchpoint to another (e.g. digital navigation processes that keep memory of the customer journey although fragmented).

1.4.3 Omnichannel management

The first appearance of the term "omnichannel" is at IDC's Global Retail Insights research unit reports, where Park and Hand (2009) and Ortis and Casoli (2009) use the term to identify a sort of evolution of the multi-channel consumer, where this latter uses channels in parallel, while the omnichannel one uses them simultaneously.

The first time the word appeared in academic literature it was in Rigby (2011) who analysed the omnichannel retailing putting his focus on the sale experience, which the author defines as integrated and merging the convenience of brick and mortar stores with the information-richness of the on-line channels.

It followed a comprehensive definition by Levy et al. (2013, p.67) who introduced “omniretailing” as “a coordinated multi-channel offering that provides a seamless experience when using all of the retailer’s shopping channels”.

From both these early definitions it clearly emerges that the most important concept associate with the new term refers to the customer experience: becoming omnichannel retailers means reviewing and innovating the offered customer experience.

Verhoef et al. (2015) describe omnichannel retailing as “the synergetic management of the numerous available channels and customer touchpoints, in such a way that the customer experience and the performance over channels is optimized”. This last definition alludes to an additional theme, the performance over channels, but it keeps the focus on the customer experience, which is expected to be coherent, consistent and seamless, regardless the touchpoint used to enter in contact with the brand.

The very interest of the present research is on the implementation of the omnichannel strategy, a process which involves the entire organization and on the reasons that lead companies to engage in such a complicated plan.

Multi-channel consumers are highly exposed to the risk to be confused by a misalignment among different channels: this conflict can be generated by the incoherence in the messages delivered and services offered though different points of contact, generating a wrong brand’s perception and frustration among users, fostering a negative word of mouth (Payne 2014).

The concept of omnichannel is embodied by the topic of the *fully integration in managing several channels and touchpoints*. It has been considered worthy of further investigation since, although regarding multiple disciplines and domains, it still needs an in-depth analysis performed on the basis of a comprehensive approach, which can render a taxonomy of all the variables involved in the internal design and external experience of it. Indeed, the present study seeks to systematize the academic contribution about the relevant issues and actions when designing and executing an omnichannel strategy.

1.5 The integration of channels and touchpoints' management: the execution of the omnichannel strategy

The use of multiple channels to interact with customers is nothing new for practitioners. The topical theme is no longer the evaluation of the opportunity to adopt different channels and customer touchpoints, but it is *how* to execute their *integration* in order to offer an *omnichannel customer experience*, i.e. coherent, consistent, seamless, regardless of the technology or the channel chosen to enter in contact with the brand.

Whether to move towards an omnichannel approach is no longer an option for retail companies, as customers do expect to use different technologies in different stages of the buying process and to decide *when, how, where* to buy the products/services, using the points of contact indifferently, making the same experience of the brands they are interested in.

This new model of interaction has considerable impact on companies which are called to adapt their *operating paradigms* and *level of service* to these new approaches to customer relationships (Bettucci, D'Amato, Perego, 2015).

The transition of the whole organization toward the complete integration is a complex process, but it is necessary (i) to ensure that the back-end processes provide useful services to support front-end ones, (ii) to exploit any emerging synergies in the supply chain and information technology infrastructure and (iii) to avoid unnecessary increase in the complexity of management and duplication of assets and processes.

Given the importance of the topic, which is broad and multi-disciplinary, I questioned whether academic literature and research gave any relevant answer and practically applicable contents to managers and practitioners committed to lead their organizations in projecting and implementing an omnichannel approach to clients.

The ideal result of the continuation of this research work is the elaboration of a general framework, which, building on the existing and forthcoming theoretical contributions, and combining them with field experience, gives a practically applicable plan of actions to companies committed to adopt an omnichannel customer management model.

The first step is to exactly identify what matters to such companies.

1.6 Relevant dimensions: results of the focus group

To give answer to the first research question, namely "*What company's dimensions are likely to be involved in the transformation towards the*

omnichannel approach” and to set the research work which could lead to answer the second one, I decided to first use a field research methodology, i.e. an exploratory focus group and a series of individual interviews to managers, who were currently dealing with the issue of integrating the management of diverse channels.

Practitioners who took part in the field research, held in July 2016, had been told that the main topic of discussion would have been *the impact of technological innovations on distribution policy and marketing strategy with refer to managerial implication in integrating channels*; on an individual base, they introduced themselves and the past, current and future initiatives they were managing with refer to the transformation journey toward channels and touchpoints’ integration that their organizations were undertaking.

What follows reports on the main areas of intervention mentioned by managers as affected by the change process towards the integration in the management of multiple and different channels. Not all the managers mentioned all the following areas of intervention as interested by the transformation, because either the missing areas had already been subject to revision in their companies or because they did not matter because of the peculiarities of their companies / products or because of the incompleteness in their approach.

Nevertheless, the mission is to identify a comprehensive framework of actions and therefore to map *all the potentially involved dimensions* and so, to generalize the results emerging from some interviews to the whole sample at least, all the interviewees were asked if they considered the areas of interventions they did not mentioned as relevant indeed and their answers always fell into one of three situations listed above.

The answer to the first research question of the present chapter is in the following table 2 - *Relevant areas of intervention in the integration of channels*.

To systematize the results and outline the following research work, I identified two kinds of dimensions according to their visibility to final customers: (i) *internal dimensions* deal with processes, procedures and assets used to internally govern the company and the third parties it collaborates with; (ii) *external dimension* are those services, technological tools and contents which contribute to deliver the intended brand experience.

Moreover, this bipartition is coherent with the two main goals of the strategy: on the one hand avoiding duplications, creating synergies and on the other achieving a single view on customers to offer them a seamless, consistent and relevant experience.

Table 2 Relevant areas of intervention in the integration of channels

Type of Dimension	Relevant Dimensions (i.e. areas of intervention) as emerged from exploratory focus group
<i>External Dimensions</i>	Channels and touchpoints' mix
	Offer system
	Communication strategy
	Customer care and loyalty system
	In-store and cross-channel customer experience
<i>Internal Dimension</i>	Information and communication technology
	Data-driven marketing
	Logistics and retail operations
	Organizational structure and corporate culture
	Performance measurement and incentive system

Description of the relevant dimensions

To align all the consideration and the comments which may follow to the introduction of practitioners and researchers' contribution reported in table 3, I would make a clear description of the dimensions emerged as relevant through the focus group and the following interviews:

- Channels and touchpoints' mix: the mix, i.e. number and variety, of distribution and communication channels and the customer touchpoints, both on line and off line; with refer to distribution channels, the focus of the present study is on the BtoC channels and on their very last intermediaries, typically directly operated and affiliate brick and mortar retail formats and e-commerce platforms.
- Offer system: it can be described by the width and the depth of the assortment, the pricing, the promotional policies, the level of service associated to the sale as transmitted through distribution channels.
- Communication strategy: the brand's tone of voice across all the communication channels, the number, the variety and the consistency of communication channels used in the communication campaigns of the brand and the creative nucleus of such campaigns.
- Customer care channels and loyalty system: the first deal with channels and touchpoints serving clients who need assistance or information in the pre-sale and after-sales phases; by loyalty system is meant the reward program offered by a company to customers who frequently make purchases, with the

objectives to boost their satisfaction and their loyalty, while gaining insights on them.

- In-store and cross-channel customer experience: customer experience is the product of an interaction between an organization and a customer over the duration of their relationship. This interaction is made up of three parts: the customer journey, the brand touchpoints the customer interacts with, and the environments the customer experiences, including digital environments, during their experience. For the purpose of the present study this last component is the most important and it refers to the changes occurred in the features of the physical stores, due to novelties such as the adoption of customer engaging and innovative technologies (digital signage, beacons, NFC, RFDI, kiosks, augmented and virtual reality, eye tracking, QR codes, etc) and to those coordination mechanisms which allow actual and potential clients to shift from one channel to another in a seamless customer experience (e.g. buy online and pick up offline services).
- Information and communication technology: with reference to the discussed theme, it is meant as those software used to collect, store and model data to formalize and optimize the management and the execution of operations in administration, logistics, sales and marketing, such as Enterprise Resource Planning (ERP), CRM (Customer Relationship Management), CMS (Content Management System).
- Data-driven marketing: it is meant as the process of gathering large amounts of on-line data on customers that are combined with the most traditional off-line data to quickly provide analysis and customer information from multiple integrated channels. It is therefore a tool to provide customers with relevant solutions, having inferred on their actual needs.
- Retail logistics and operations: retail logistics is the organizational process of managing the flow of merchandise from the source of supply to the customer; it includes, for instance, brick and mortar stores' stock management practices, processes and working assets.
Organizational structure and corporate culture: the first is meant as the hierarchical arrangement of lines of authority, communications, rights and duties of the units the structure of the company is made of; the second refers to the shared values, attitudes, standards and beliefs that characterize members of an organization and define its nature.
- Performance measurement and incentive system: in this case the dimension is meant as the bundle of channel specific performance metrics which compose the dashboard used to monitor the evolution of the transformation

journey towards the adoption of the omnichannel approach; the incentive systems is made of a set of clearly identified set of goals and the relative rewards to their achievement for teams of people involved in the change.

1.7 Results of the focus group and of the informal interviews

As a premise about the analytical approach of both practitioners and researchers on the theme, I would report the impression that interviewers had on interviewees, who, although senior members of their organizations and excellent professionals, did not address the issue according to any general framework, but, as in a sort of holistic approach, without planning and designing the single interventions referred to single involved dimensions.

The result of the focus group and of the informal approach are reported in table 3.

Table 3 Relevant dimension (i.e. areas of intervention) as emerged from the focus group		
Type of dimension	Relevant dimensions	Practitioners' contribution about the relevance of the dimension
<i>External Dimensions</i>	Channels and touchpoints' mix	This area of intervention, quite obviously, has been addressed and consequently mentioned by all the managers of the panel, who oversaw the progressive design and management of multiple channels and touchpoints. All of them considered the design and the adoption of on-line channels and touchpoints as crucial for the future commercial performance of their companies, although the launch of the e-commerce platform results to be relatively recent in most of the cases (it occurred less than 3 years ago for more than ¾ of the sample).
	Offer System	Among the elements which contribute to define the offer system, the most frequently mentioned is <i>pricing</i> : managers resulted to be concerned with the alignment of products and services' prices across channels. They firmly believe in the need to preserve the brand's consistency, ensuring that the sell-out prices are the same, regardless the channel.
	Communication Strategy	Even though it is considered important for the final impact it has on customer experience, managers seem to solely address the need to ensure the coherence in the brand's tone of voice across channels. What is important is therefore the coordination of contents and tools, while nobody mentioned the contents themselves.
	Customer Care and Loyalty System	The supply of customer care services is considered as a relevant area of intervention as long as it entails the planning of extra dedicated channels and touchpoints to comply with the shift in the consumers' behaviour, recently asking for assistance from new channels and touchpoints. With refer to the transformation towards the omnichannel approach, the dimension of the loyalty system has been addressed with the aim to support the collection of data on customers, rather than to work on customers' fidelity.
	In-store and cross-channel customer experience	Since one of the final targets of the omnichannel strategy's adoption is to deliver the expected customer experience to actual and potential clients, this has obviously been identified as a primary area of intervention and as a very interesting one, because it implies interventions on technological platforms, store management procedures, training of sales people.

Type of dimension	Relevant dimensions	Practitioners' contribution about the relevance of single dimensions
<i>Internal Dimension</i>	Information and Communication Technology	This area of intervention encompasses the adoption through licensing or through internal development of new technological platforms and / or those interventions aimed at integrating the already existing platforms such as ERP and CRM.
	Data-driven marketing	Managers are aware that to offer a real omnichannel customer experience to their clients, their companies have first to achieve an intermediate goal: to have a single view on customer and to adapt the whole marketing system to it. In this scenario, marketing managers know that they have to lead the deployment of the deliberated strategy through an intervention on the marketing system, in a way that puts the greatest emphasis on data collection, modelling and use in decision taking processes.
	Logistics and retail operations	This area of intervention has been mentioned just by those managers which were in an advanced phase of the transformation journey and it mainly deals with processes' planning or re-engineering.
	Organizational Structure and Corporate Culture	This dimension has been mentioned by all the participants to the focus group and it represents their greatest concern with refer to the transformation journey, since changing people's habits, working routines and approach to technology is considered to be challenging, while the deployment of the strategy requires an effort on organizational structure's re-design.
	Performance measurement and incentive system	The adoption of a system of key performance indicators to monitor the advancement of the transformation journey has been mentioned as a desirable project management tool by some of the managers composing the panel, but few of them were actually working on his definition, probably because of the immaturity of the phase they were in. The incentive system has been identified as a necessary area of intervention by all those managers who highlighted the features of the organizational structure and of the corporate culture as a critical issue in the process, accordingly to the shared belief that people's attitude makes the difference in the strategy's deployment.

1.8 Omnichannel strategy deployment: results of the literature review

The review of the literature on the theme of the execution of the omnichannel strategy rather than on its conceptualization was conducted with the aim to identify what relevant academic contributions existed with refer to the topics emerged in the exploratory focus group and for this reason considered as relevant at a firm's level.

This premise done, in this research are consider as *relevant* those researches which give advice either on *why* or *how* to intervene with refer to the selected dimensions.

In commenting the results of the literature review, as reported in the following table 4, adhering to the bipartition adopted in the present work, namely *internal and external dimensions*, one could state that, among authors who deal with omnichannel strategy execution, the most recurrent interest is in the role of the information and communication system, commonly seen as an enabler, and in the internal organizational structure and corporate culture, often considered as an obstacle to the transformation journey.

Information and communication technology

Innovations in information and communication technology permit to collect, model ad share information and data about the market, the clients, their consumer behaviour and their preferences, as emerging from the multiple channels they use, throughout the organization, so enabling that *single view on customer* which permits to offer the expected value, as in a win-win game for both customers and firms (Brynjolfsson et al. 2013; Trenz 2015; Hansen and Sia 2015).

Data-driven marketing

Brynjolfsson et al. (2013), when analysing the interesting theme of the role of mobile technologies in influencing consumer behaviour and firms' marketing strategy, underline the precious contribution of mobile technology in collecting data on consumer behaviour through social networks, on line and off-line channels; so introducing the importance of studying purchasing habits, but above all the paths followed in customer journeys.

In the same direction, Spaid and Flint (2014) and Kiba-Janiak (2014) sustain the importance of free WIFI internet access or Bluetooth based technologies, such as beacons, to obtain insights on customers. This contribution is coherent

Table 4 Literature on integration of channels' management in designing and executing the omnichannel strategy

Relevant Dimensions	Authors
Information and Communication Technology	Hansen and Sia (2015) Blazquez (2014) Fulgoni (2014) Spaid and Flint (2014) Kiba-Janiak (2014)
Data-driven marketing	Fulgoni (2014) Pousttchi and Hufenbach (2014) Groß (2014) Brynjolfsson et al. (2013) Zhang (2010)
Logistics and retail operations	Hübner , Wollenburg, Holzapfel, (2016) Peltola (2015) Piotrowicz (2014) Piotrowics and Cuthbertson (2014)
Organizational Structure and Corporate Culture	Peltola (2015) Hansen and Sia (2015) Piotrowics and Cuthbertson (2014) Fulgoni (2014) Zhang et al. (2010)
Performance measurement and incentive system	(Naslin et al., 2006)
Channels and touchpoints' mix	Verohoeft et al. (2015) Blazquez (2014) Brynjolfsson et al. (2013)
Offer System	Verohoeft et al. (2015) Berman and Thelen (2004) Cao (2014)
Communication Strategy	Weinberg et al. (2007) Goersch (2002)
In-store and cross-channel customer experience	Fulgoni (2014) Piotrowics and Cuthbertson (2014) Flint (2014)

with Zhang et al. (2010) who suggest retailers to use data on consumer collected through a certain channel to improve the experience offered by other channels. The idea that different channels are useful sources of data on customers, who are supposed to use many points of contact with brands by assumptions, is common in both the academic and professional worlds; more relevant than collecting data, is the integration of data coming from different sources, for instance from the loyalty programs or special initiatives such as couponing and the sharing of such an asset throughout the company: this allows retailers to exploit predictive models to make relevant and personalized offers and recommendations (Pousttchi and Hufenbach, 2014).

Omnichannel retailers must adopt a data-driven marketing system, where data collected through multiple sources are integrated, in an analytics-oriented approach, which allows brands to send relevant and accurate messages to customers (Brynjolfsson et al., 2013 or Zhang et al., 2010 or Fulgoni, 2014), so facing the competition of pure e-retailers, such as *Amazon* (Pousttchi and Hufenbach, 2014) and avoiding to send undesired contents to clients (Groß, 2014).

Logistics and retail operations

With refer to logistics and retail operations, what managers highlight and academics confirm is the need to involve and integrate all the players belonging to the supply chain, in order to redesign the flow of information and make it possible a high degree of sharing of information (Hansen and Sia, 2015; Tate et al., 2004), e.g. making the level of inventories and the sell-out data of different references visible to the whole chain to make production more responsive to demand shifts, if any.

Internal organizational structure and corporate culture

The reference to internal organizational structure Fulgoni (2014) identifies three primary areas of intervention for retailers who want to adopt the omnichannel strategy, the first of which deals with the organizational structure: the author states that to offer a seamless customer experience across channels, companies must eliminate organizational silos. In general, lot of related literature is about the necessity to eliminate organizational silos (Mueller-Lankenau et al, 2004, 2006), creating cross-function and cross-channel integration mechanisms, such as the commitment of specific managers to “omnichannel development canvas”, or the creation of the “Digital Chief Officer” job position who leads the

organization in achieving those cross objectives necessary to the implementation of such a strategy (Hansen and Sia, 2015).

Performance measurement and incentive system

The last of *internal dimensions* emerged from the exploratory study and searched through literature is the performance measurement and incentive system, the interventions on which should be targeted at obtaining consistency in reporting and control activities and at incentivize human resources to adopt an integrated management approach (Naslin et al., 2006).

When managing multiple channels as separate silos, the view on the whole organization's income goals can be too fragmented: an omnichannel retailer should set company's general goals and coherent channel-specific objectives and metrics for control.

Channels and touchpoints' mix

Among *externally visible variables*, the most intuitive area of intervention is the channels and touchpoints' mix.

Verhoeve et al. (2015) make a comparison with the previous multi-channel retail model, stating that omnichannel retailing implies the adoption of a greater number of channels and touchpoints, where the differences among the functions they play may become fuzzy.

About the reasons to project and adopt more channels and touchpoints, Brynjolfsson, Hu and Rahman (2013) state that new channels can help brands in overcoming classical barriers to growth, such as geography and customer ignorance, making the review of the distribution strategy a smart decision for those companies which still did not innovate their competitive strategy.

Brynjolfsson et al. (2013), in analysing the vanishing differences among physical and digital retail, so referring to the proliferation of means and technologies to reach customers, highlight how the adoption of the mobile channel allows brand to generate more leads and expand the dimension of the potential market.

Offer system

In an omnichannel competitive arena companies have to align pricing, promotional strategy, products' range across all the served touchpoints to limit the risk of cannibalization among channels and preserve the consistency of the customer experience (Berman and Thelen 2004; Cao 2014).

Communication strategy

The area of intervention which deal with the communication strategy is mainly finalized at protecting the coherence of the brand experience made by customers across many touchpoints, where the brand has to present always the same tone of voice (Weinberg et al. 2007; Goersch 2002), e.g. companies should do integrated multi-channel communication plans, delivering the same marketing positioning, although any channel pursues specific goals and has its own communication code.

In-store and cross-channel customer experience

The theme of the innovation of the customer experience both near the brick and mortar points of sales and in shift from one channel to another is commonly associated to the adoption of new hardware and software technologies, the mobile one in particular.

Fulgoni (2014) for instance sustains that omnichannel retailers should electronically communicate with clients to gain insights on the most opportune digital advertisement and incentives to be sent to mobile devices, to integrate the experiences near the different touchpoints.

To this area of intervention are referred also channels' integration mechanisms which are those services and technological tools, that permit to deliver a cross-channel customer experience and to optimize and innovate the function of brick and mortar points of sales according to the functions they have to play in the new customers' approach (Aubrey and Judge 2012; Mueller-Lankenau et al. 2004, 2006; Piotrowicz and Cuthbertson 2014), e.g. omnichannel loyalty program, omnichannel gift cards and coupons, buy on line and pick up off line and *vice versa* services, stock monitoring near POS, in-store technology adoption for the engagement of walking in consumers.

1.9 Conclusions and implication for research and practice

The vast majority of authors agrees that the design and execution of an omnichannel customer management model is the mission retailers should focus on in the present and in the near future; nevertheless, the theme is broad, multi-disciplinary, involves many company's functions and capabilities and academic contributions are relatively recent; these are indeed the reasons why literature and research lack in giving some of the *relevant* answers practitioners are looking for nowadays.

In reviewing the literature about the integration of channels according to the omnichannel paradigm, two gaps emerge: (i) scholars do not approach the theme according to any general framework, which could systematize all the endogenous and exogenous variables involved in such a transformation, at the firm's level; (ii) although many studies exist on single areas of interventions, e.g. information and communication technology, there is little analysis about the operative deployment of strategic and managerial decisions referring to those single dimensions involved in the transformation journey.

An incontrovertible response on the plan of actions to move towards the full integration of channels is still missing.

Academic contributions offer a clear picture of omnichannel management and clear strategy's conceptualization, but lacks in the formalization of a theoretical framework of the all involved variables and in the formulation of recommendations and plans of action to operatively deploy the strategy.

The reasons of this gap are probably linked to two situations: (i) researchers' contributions on the theme of omnichannel customer management system implementation are difficultly generalizable, since many exogenous and endogenous may influence firms' strategic responses, for instance the dynamic capabilities of firms or the proneness to innovation of the industry firms compete in; (ii) while more practical and professional experience should be gained at the field level, the conceptualization and *normalization* of such an experience should be done at the desk level.

What is identified as worthy of further investigation is the development of an exhaustive and generalizable a framework of relevant areas and actions to achieve a full integration of channels' management, disregarding firms and industries' peculiarities.

A limitation of the present research and, in general, of the research approach on theme is that it considers BtoC channels only, since the stimulus to the adoption of such a strategy came, among others causes, from consumer behaviour's changes and it is targeted at better embrace them; nevertheless, the design and implementation of some integration mechanisms, such as the inclusion of all the players of the supply chain in the use of companies' ERP technology, could be source of efficiency and effectiveness of the BtoB channels too, and it is therefore considered worthy of further analysis directed at testing this hypothesis.

Chapter 2

Research design and methodology implied in the empirical analysis on Italian retail companies deploying the omnichannel strategy

2.1 Introduction and background

The present chapter is intended to clarify the methodological approach chosen to give continuation to the investigation presented in the previous chapter 1. Since my research interest is in the deployment of the ultimately emerging retail strategy, the omnichannel one, I first verified what contribution on the theme existed in academic literature. The key decision that I took as a researcher in the chapter 1 was to consider just those studies which suggested *how* and/or *why* to intervene on those corporate dimensions which I could consider as relevant areas of intervention in the execution of the deliberated strategy, accordingly to the exploratory analysis conducted with managers and entrepreneurs who were currently dealing with the theme in their professional lives.

The final goal of this study and of those which shall follow is to create and refine a theoretical and operational framework on the execution of the omnichannel strategy, which could result as relevant and useful for both researchers and practitioners who are leading or advising retail companies in the challenging transformation journey required to shift from a simply multi-channel marketing system to an omnichannel one.

The output of the chapter 1 is therefore considered an input for the present study: having selected those corporate dimensions which are involved in the deployment of the strategy according to practitioners' point of view and having reviewed what researchers elaborated on those, in this phase of the work my intention is to assess what are the strategic intentions which led top managers and entrepreneurs to deliberate the strategy, how they are actually deploying it and what barriers they are facing in doing so, if any.

Capitalizing on the framework of *external* and *internal variables* involved in the transformation journey toward the adoption of the strategy, in this chapter I will verify if there is any correspondence with the reality of four retail companies which were actually dealing with the theme while this research was being written.

2.2 Research questions

When reviewing the academic contribution about the omnichannel strategy, several perspectives on the theme emerge, but the different research streams result to be focussed on narrow sections of the theme, e.g. the role of mobile technologies' adoption in shaping the present customer behaviour or the importance of ICT innovations in influencing the managerial approach to distribution or the logistic processes' re-engineering to serve the emerging operational needs, etc.

Although these studies give relevant information on determined sections of the theme, none deals with general strategic frameworks to actually and fully deploy the strategy.

The causes of this lacks are likely to be due (i) to the extensiveness of the theme: it involves different areas of managerial competence and multiple corporate functions' operations and (ii) to the relative novelty of such a retail strategy.

These considerations suggest that managers and practitioners committed to the deployment of the omnichannel strategy may be missing a comprehensive guide to plan the strategic venture and lead people in the deployment of the identified actions. This observation, coupled with the limited research base on the technical side of the strategic deployment, led to the inductive study presented in this work. The empirical grounding of a theoretical framework for the planning of the deployment of the omnichannel approach is the subject of the present chapter.

Clarified the research interest and objectives of the study, an explanation of the selected research questions follows:

Research question 1: Why do retail companies decide to adopt the omnichannel approach?

In both academic and marketing practitioners' worlds there is lot of interest in the subject and *omnichannel retail* seems to have become a sort of buzzword; therefore, before focusing on the most technical side of the theme, it seemed due to understand (i) what strategic intentions and objectives lead companies to deal with the theme and to allocate important resources in terms of financial capital, working time, intellectual energies to the strategy's adoption and (ii) to eventually report on any significant connection between such reasons and the emergent omnichannel marketing model as actually realized by them.

Research question 2: How do retail companies deploy the omnichannel strategy?

To give answer to this research question, the units of analysis are the areas of intervention selected by practitioners and managers in charge of leading the omnichannel strategy deployment as emerged during the previous exploratory study.

The final objective is to elicit an operational framework which encompasses such areas of intervention and the actual tasks performed within retail companies which are moving from a multi-channel approach to an omnichannel one. The ambition would be to come to useful managerial advices for practitioners and managers interested in planning the transformation journey: a sort of guide which suggests the areas of interventions to be considered in planning the deployment of the deliberated strategy and the related key issues.

Research question 3: What barriers, if any, to the full deployment of the omnichannel approach do companies face?

Since the shift from the multi-channel marketing system to the omnichannel one is not instantaneous, while it implies to undertake a transformation journey where lot of corporate functions are involved and budgets need to be approved, both the change process and its results can be different from what was planned. Many exogenous and endogenous variables can intervene in influencing them. This research question is therefore aimed at understanding what barriers managers committed to lead their retail companies through the transformation journey face, if any, and if, in the end, alternative models to the fully integrated one actually emerge.

2.3 Research Methodology

This chapter will present the methodological aspects of the second section of this research.

The first part of the chapter will introduce the selected research paradigm, which serves as a basis for the selection of the rest of the methodological elements. Next, the chapter will introduce the research design, elaborating on the selected case study design, the collection and generation of empirical data as well as the approach to analysing the collected data. To conclude, the quality criteria and research ethics will be addressed.

2.3.1 Research paradigm

A core issue in research is related to the acknowledgement of research paradigms. Paradigm can be regarded as the “world view that guides the investigator”. The

elements composing the research paradigm which will be addressed shortly are ontology, epistemology and methodology.

Essentially, ontology can be described as “reality”, epistemology as the relationship between reality and the researcher, and methodology as the techniques used by the researcher to discover that reality (Sobh & Perry 2006). The four different paradigms of science are positivism, realism, constructivism and critical theory. The basis for the four paradigms is the question of knowledge creation, i.e. how can the findings of a research project be generalized to other situations?

In positivism, reality is real and apprehensible and knowledge can be statistically generalized to a population. To a large extent, positivism concerns with testing of theory, by using quantitative methods.

In realism reality is real, but only imperfectly and probabilistically apprehensible and the aim is to generalize to theoretical propositions and not to populations. Realist researchers need to triangulate any perceptions being collected and they mainly use qualitative methods.

In the two other paradigms, constructivism and critical theory, reality is regarded as perception, and a generalization of one’s perception to someone else’s theory cannot be done. The findings when using these two latter paradigms are related to individual views of the world and create a world of multiple constructed realities. (Sobh & Perry 2006.)

The research in this thesis is guided by the realism paradigm. The philosophical position in realism is that reality exists independently of the researcher’s mind, meaning that there exists an external reality (Sobh & Perry 2006). In realism research, triangulation provides a “family of answers” (Pawson & Tilley 1997, 115). Common methods used in the case of the realism paradigm consist mainly of qualitative methods, such as case studies and convergent interviews and the research design concerns selection of cases, referred to as replication (Sobh & Perry 2006).

Replication in realism research refers to careful choosing of cases in which results are expected to be similar (literal replication) or contrary (theoretical replication) for predictable reasons (Yin 1994, 45-53).

In realism research, the researcher should begin by exploring prior literature on the phenomenon before beginning interviews, and continue to study prior research during the whole interview process, linking prior research to the findings as they unfold from the interviews (Sobh & Perry 2006).

Miles and Huberman (1994, 17) advice that a preliminary conceptual framework about the underlying structures and mechanisms should be developed from the literature before beginning the collection of data.

The conceptual framework and data collected will then determine how the findings are displayed (Sobh & Perry 2006). This prior knowledge is also very helpful in the selection of the interviewees.

In other words, when using a realism paradigm, a two-stage approach to research should be taken, one stage to build a conceptual framework and another one to confirm or disconfirm the framework.

2.3.2 Case study design

Yin (1994) states that in general case studies are the preferred strategy when the investigator has very little control over events, when the focus is on a contemporary phenomenon within real life context and when “why” and “how” questions are being asked.

In this particular occurrence the research questions are formed using questions “why” and “how” and therefore the use of a case study is in line with Yin’s (1994) generalization for the use of such a methodology.

Yin also states (1994, 3-17) that the case study design is appropriate for studies of an exploratory, explanatory, and/or descriptive nature.

Yin (1994, 39-53) draws distinction between four major case study design options to select from, depending on whether the analysis is based on a single study or a multiple study and whether the approach is holistic or embedded.

2.3.3 Case study design options

A holistic single case study seeks to understand and analyse a particular phenomenon based on a single case unit of evidence, whereas a holistic multiple case study seeks to comprehend a phenomenon by contrasting and comparing cases.

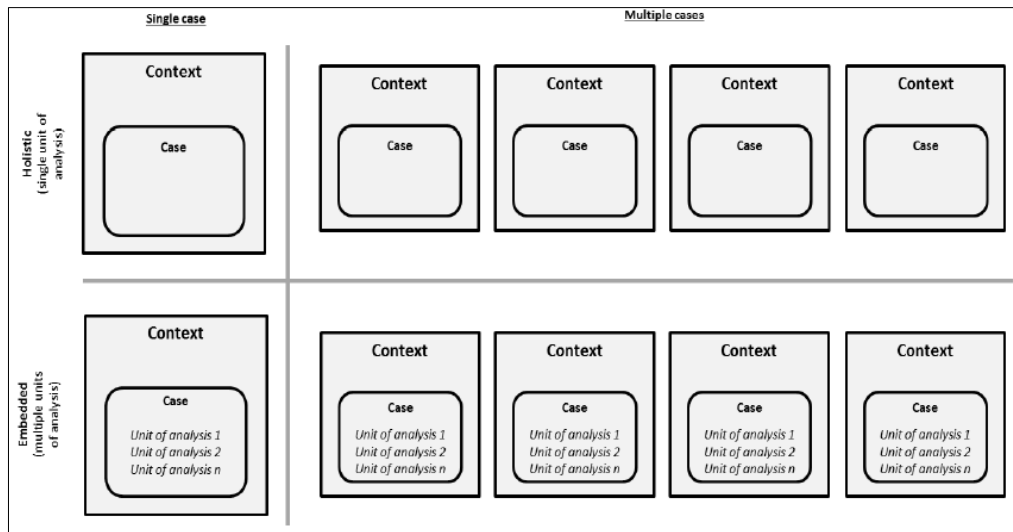
An embedded single case study is based on single case evidence, but embedded design enables to use several units of analysis to draw an overall conclusion on the single case level, while in an embedded multiple case study evidence is drawn from multiple cases and from multiple units of analysis.

A multiple case study is often considered to provide stronger evidence, being “more compelling or robust”, however the resources needed are also often much greater compared to single case studies. Multiple cases allow researchers to make comparisons that clarify whether an emergent finding is simply idiosyncratic to a single case or consistently replicated by several cases (Eisenhardt, 1991).

For this study an embedded multiple case study is conducted, as the reasons for adopting a certain strategy and the decision on how to deploy it are supposed to be influenced by many variables and therefore considered worthy to be investigated from different points of view.

The design of the case study follows the principles set by Yin (1994) and the design is depicted in the picture 2.

Picture 2 Design of case study (source: Yin, R., 1994)



2.3.4 Criteria for sampling

Composing the sample of interesting and relevant retail companies implied to access information about their strategic management: while the adoption of multi-channel retail strategy can be noticed as a consumer, being its exterior manifestation the existence of more than one distribution channels offering similar experiences, the adoption of the omnichannel strategy finds its main manifestations within the boundaries of the company, as demonstrated by the relevant corporate dimensions discussed in chapter 1.

The relevant population the sample was drawn from, is composed of Italian medium to large multi-channel retailers, where the proxy for their dimensions is number of brick and mortar stores and the generated turnover.

The relevant population was therefore represented by retail companies with more than 50 stores and, generating more than 50 million euros as turnover, according to the assumption that the transformation journey toward integration

would have been more information-rich when observed in more complex companies.

The retail companies which took part in the first exploratory study, i.e. the focus group, were selected through a non-probability method, a consecutive one: all the accessible subjects were included.

The four retail companies which have been the subject of the multiple case study analysis were selected among those which took part in the first exploratory analysis, namely the participant of the focus group which I reported about in the chapter 1: I already had accessed the private information about whether those companies were moving toward the omnichannel approach and those companies had already been screened and selected according to a process I here recall. With the cooperation of the most important Italian trade association of retailers, *Confimprese*, an invitation to take part to the exploratory investigation was sent to a database of 126 Italian retailers or Italian branches of multinational retailers, informing that the main topic of discussion would have been *the impact of technological innovations on distribution policy and marketing strategy with refer to managerial implication in integrating channels and customers touchpoints*. All the 42 companies which replied to the communication were first analysed at a desk level to check, from a consumer's point of view, if they were at least managing multiple channels. Since the whole sample resulted to meet this first requirement, the second step was sending an individual communication to these 42 companies to ask them if *any strategic objective dealing with the omnichannel approach was being pursued throughout the company*. The sample meeting this second requirement was composed of 15 retail brands from the following industries: fast fashion, kids clothing, sportive apparel, beauty and cosmetics, technological devices, leisure goods, household, food, financial services.

Among these 15 companies, 6 were identified as suitable for sampling, according to a purposive sampling method, in virtue of being information – rich and a good level of progression of the transformation journey; among these six, four gave their availability to participate to the investigation.

Given this selection process based on purposive sampling procedure, in the following table 5 are reported the reasons which led me to sample the four companies and the main contribution they are expected to give, consistently with the information shared by their representatives during the focus group.

To respect the privacy of the involved companies, as they decided to share with me valuable and relevant information about their competitive strategies, in this

work, sampled companies will be identified by the name of the industry they compete in.

Table 5 Sampled companies and reasons to be sampled

Case	Reasons to be sampled
Fashion	Adoption of an <i>ad hoc</i> organizational solution to lead the transformation: the omnichannel manager job position. Expected contribution about the role of the organizational structure in the deployment of the strategy.
Leisure goods	Creation of a centralized virtual warehouse, serving both a widespread network of brick and mortar retail stores and the on-line channel. Expected contribution about the logistic and retail operations.
Financial services	Richness of data on customers because of the type of services it supplies and the technology it uses. Expected contribution on the theme of single view on customers and data-driven marketing.
Household	Great interest in the impact of the omnichannel approach adoption on the features of the off-line channels. Expected contribution on the theme of in-store technology adoption.

2.3.5 Case study method

First, after identifying the research objectives and questions, meaningful units of analysis are determined and introduced.

A theoretical framework is then built by collecting data from multiple sources of evidence.

Instead of utilizing a purely deductive strategy, in which theory is tested and either confirmed or discarded, elements of abductive logic (Dubois & Gadde 2002) are partly used.

The central idea is that the theory from prior research, the theoretical framework constructed guide the research, however they are subject to modification during the empirical phase, much as in inductive research.

However, in opposition to pure inductive research, the theory is explored and analysed before conducting the empirical phase of the study.

2.3.6 Data collection

Central for the research is that the collected empirical material is suitable for answering the research questions (Eriksson & Kovalainen 2008).

Multiple data collection methods to substantiate construct and hypothesis were used (Eisenhardt 1989), in order to enhance construct validity, and triangulation of data and evidence were used to establish a chain of evidence (Yin 1994).

Interviews

Using interviews is a suitable method as it allows the generation of deep and broad information about the subject and as Yin (1994, 84) states, interviews are often the most important source of information to a case study. Information gathered through semi-structured interviews allowed me to move from general topics, the domains, to more specific insights, factors and variables (Bernard, 2000).

Open – ended, but concise questions were prepared and formalized in a document which was sent to interviewees some days in advance, in a way that they could gather missing information from their colleagues or decide to invite them to take part in the investigation.

For this study, data was collected through semi-structured face-to-face interviews with experts of marketing and management in the retail field. Some details about the interviews are reported in the following table 6.

Having already collected detailed data about interviewees' professional profile, background and role played with refer to the transformation journey within the

company during the first phase of the research, preparing the first exploratory field study, i.e. the focus group, the semi-structured format of the interviews was composed of the following sections:

- Competitive environment and firm's features: interviewees were asked to report on the main changes occurred in the competitive arena in the last years with refer to endogenous factors such as innovation in technology, consequent shifts in consumer behaviour, competitors' strategic moves in retailing, and on the distinctive competencies of the companies they work for in analysing and responding to such forces.
- Strategic intentions: before reporting on the timed history of the changing process, they were asked to explain the reasons which led their companies to review the retail and marketing systems to move toward the omnichannel approach and who the drive came from.
- Areas of intervention: capitalizing on the results of the exploratory study, ten sections were elaborated on the variables emerged as relevant (namely, channels and touchpoints' mix, offer system, communication strategy, customer care and loyalty system, in-store and cross-channel customer experience, information and communication technology, data-driven marketing, logistics and retail operations, organizational structure and corporate culture, performance measurement and incentive system), being each area first introduced and described by me to ensure the alignment between speakers. Interviewees were asked to highlight the main decisions and consequent actions already undertaken or planned with refer to each area and the eventual outcome.

Practitioners, who had been informed about the conclusions and the highlights on the results of the focus group in which they had taken part, were encouraged to name other areas of interventions not mentioned up to that moment or to ignore those which they had not involved in the transformation journey of their company.

- Barriers: since the result of the exploratory study conducted in advance highlighted that none of the companies which took part in the focus group had achieved the full integration in the management of different channels and touchpoints, the last part of the interviews was dedicate to understand what kind of difficulties and obstacles were impeding or slowing down the perfect actual deployment of the conceptualized strategy.

These questions were supplemented with others which seemed consistent and useful to gain insights on the particular features of the companies represented by interviewees.

The interviewees were selected based (i) on their experience in working in job assignments and projects aimed at the integration of physical and online sales channels and (ii) on the extent of the level of control they had of the transformation journey. Being the transition toward the omnichannel approach a cross-channel and cross-function project, high seniority professional figures were needed.

Each interview was recorded and transcribed within the following 24 hours, reporting both the actual answers and my impression and notes, this activity was followed by an exchange of e-mails with interviewees to fill gaps eventually emerged in organizing the data or to gain deeper insights on theme which emerged as firm-peculiar.

Table 6 Information about the interviews held

Retail brand	Interviewee's job title	Number of interviews	Duration of the interviews	Data
Fashion	"Head of Global Omnichannel"	2	20 minutes 90 minutes	9/06/2017 4/07/2017
Leisure goods	"Marketing Manager"	1	120 minutes	25/07/2017
Financial services	"Omnichannel Manager"	2	30 minutes 60 minutes	1/06/2017 19/07/2017
Household	"CEO" "Digital Marketing Manager"	2	60 minutes 60 minutes	17/05/2017

Documents

Annual reports, corporate presentations, websites' contents, articles published by specialized press about the sampled companies were examined to aid understanding of the current situation and future ambitions of interviewed retailers.

Direct observation

Physical stores, e-commerce channels, available digital touchpoints, such as apps, social media accounts, etc., were analysed in order to prepare for the interviews and learn about their innovativeness and the existing level of integration across retailers' online and physical channels.

Analysis of the empirical data and single-case analysis

Unlike the analysis of quantitative data, the analysis of qualitative data is not subject to fixed formulas (Yin 1994, 102). Instead it is very much dependent upon the researcher's style and thorough assessment as well as adequate use of evidence and careful evaluation of alternative interpretations (Yin 1994, 102-103).

In order to support the systematic analysis of the collected data as well as to support the data triangulation the analysis technique of constant comparison is utilized.

Constant comparison is rooted in the principles of Grounded Theory (Glaser & Strauss 1967) and is used to break down the material being analysed into fragments as well as codify it according to emerging themes.

In practice, the transcribed interviews are compared with each other in the analysis process, with the aim of searching for similarities and differences between them (Eriksson & Kovalainen 2008, 159).

The constant comparison is implemented in this study according to the principles of Strauss and Corbin (1998).

First the interviews were recorded upon the consent of the interviewees and then transcribed. The transcribed content that emerged from the interviews was then manually decomposed and organized based on different themes, treating each interviewed person separately.

This process allowed the unique path of each case to emerge before generalizing patterns across cases (Eisenhardt, 1989).

The analysis of single cases allowed me to have a picture of the general approach to transformation that managers had. With this refer I would like to point out that the very interest of the research is on the process of change undertake by companies, e.g. when analysing the theme of the key performance indicators, I refer to those implied to measure the results of the chance in the execution of the deliberated strategy.

The cross-case pattern search, which followed the analysis of single cases, in this research is peculiar, since the searched pattern do not allude to relationships of influence among variables: the key research question is indeed about *how* companies generally deploy the strategic decision of becoming omnichannel

retailers, so the recurrent paths I was looking for were set of decisions referred to the relevant themes I selected in the exploratory phase of the work.

Results about strategic intentions, processes aimed at the execution of the strategy and met obstacles were then organized according to emergent codes: the ten internal and external variables were analysed singularly, then grouped around larger concepts to make clear what were the aggregate dimensions. The empirical evidences were synthetized and reported in tables, to permit the access to detailed contents to readers particularly interested in the field level of the analysis.

Adopting a replication logic, the following step was to demonstrate that certain sets of decisions were recurrent in the different case, so, assuming the decision-makers to be rational agents and to have elaborate the relevant information before shaping the transformation journey, they can be said to offer an interesting base to elicit main findings on the theme.

The comparison of the emerging propositions with literature was not always telling: as stated elsewhere interesting academic contribution exist on the previous retail approach, namely the multi-channel one, while literature about omnichannel retail is still lacking contribution on how to execute it. Consequently, a meaningful comparison resulted to be possible with refer to some themes, such as the strategic intentions underlying the adoption of the strategy, while it resulted to be arduous to compare empirical evidences on the deployment of the approach with the related literature, since researchers seem to have focused mainly on the strategy's conceptualization, jumping to the phase in which companies have already completed the transformation journey.

2.3.7 Quality of research

Validity and reliability have commonly been used to establish the quality of empirical social research. Even though these concepts are often connected to quantitative research, they are also relevant to case studies (Yin 1994, 32). Construct validity is related to establishing correct operational measures for the concepts being measured and this is especially problematic for case study research, as "subjective" judgments are often used to collect the data (Yin 1994, 33-35).

There are, however tactics to increase construct validity and in order to do that in this study multiple sources of evidence were utilized and triangulation of data and evidence was used to establish a chain of evidence. External validity, referring to, can the findings be generalized beyond the immediate case study at hand, is essentially related to the research design (Yin 1994, 35). External validity has been a major barrier in executing case studies, because no set of cases, no

matter how large, is likely to enable the generalization from one case to another (Yin 1994, 36- 37).

Instead of generalization to other case studies, generalization of findings should be done to “theory”.

Internal validity of the case study design was strengthened by the utilization of thematic coding, pattern matching and explanation building during the analysis of the data (Yin 1994, 33-35).

Reliability on the other hand is related to demonstrating that the operations of a study, such as data collection are repeatable with the same results (Yin 1994, 33).

2.3.8 Research ethics

Scientific research questions, practices and processes have ethical aspects that need to be taken into consideration when planning and conducting a study (Eriksson & Kovalainen 2008, 63).

However, research ethics are rarely discussed in relation to business research (ibid.). This part aims to discuss how the collection of empirical data for this study followed research ethical principles.

According to Eriksson and Kovalainen (2008, 64-65) important dimensions in regard to research ethics are ones related to the relationships between the researcher and participants. These dimensions include voluntary participation, informed consent, confidentiality and anonymity when asked for.

Several steps were taken in order to comply with these ethical issues.

First, all participants were voluntary and wanted to contribute to the study. The research topic and motivation for the researched derived from a personal strong interest towards the area of omnichannel retailing and no sponsor was included in the process. Informed consent was achieved by disclosing the research topic in depth, if asked for, to the participants before final consent to participate. All information gathered during the interviews was handled with confidentiality and all participants were given the possibility to remain anonymous in the final report if it was desired.

Chapter 3

The omnichannel approach: reasons to move toward it, how to deploy it, barriers to full integration. A case study analysis

3.1 Introduction

The objective of the present research is to build theory on the theme of the omnichannel strategy in a way that can directly contribute to the know-how of managers and practitioners about the deployment of the deliberated strategy.

Becoming an omnichannel retailer means to be able to offer to the market that consistent and seamless customer experience across channels and touchpoints which has been described elsewhere. To achieve that result the main areas of intervention deal with dimensions which are not visible to final clients: companies' internal processes, tangible and intangible assets and managerial practices.

For this reason, the previous section of the work has been aimed at identifying the *relevant dimensions* involved in the transformation journey toward the adoption of the omnichannel strategy, making clear the difference among *internal* and *external dimensions*: in general, it can be said that working on the first enables the subsequent work on the latter, but an operational framework of the precise actions to be planned and executed is still missing.

The combination of an exploratory field research, namely a focus group and a set of interviews, and a review of the related literature has permitted to identify the boundaries of the research work presented in this chapter: once the relevant areas have been identified, an empirical study at a firm level is expected to highlight *why* and *how* the deployment of the omnichannel strategy is commonly executed by retailers.

Therefore, in the following paragraphs a description of the sampled companies will be presented, with the aim to give an overview on (i) the strategic reasons which led companies to undertake the transformation journey toward the omnichannel approach, (ii) the areas of intervention they encompassed in planning the deployment of such a strategy, (iii) the barriers they met in such a process, if any.

A cross-case analysis will follow with the aim to build theory from case studies on the framework of decisions and actions to be undertaken to become an omnichannel retailer and to give explanations to the emergence of omnichannels

approaches which are different from the fully integrated one, i.e. where not all the areas of interventions have been encompassed and not with the same commitment.

3.2 Description of the sampled retail companies

The four sampled retail companies are identified by the name of the specific product or service category they supply and not by the retail brand they have been analysed about, because we agreed that the information they provided were too precious to be publicly linked to the actual competitive strategy they were deploying.

In the table 7 a synthetic overview of their profiles is given.

Fashion is the Italian retail branch of a multinational company, producing and commercializing sportive technical equipment, casual clothing and accessories. It was founded more than thirty years ago and it went international quite quickly. The company is fully vertically integrated, from style conception to manufacturing and retailing, and in Italy it distributes its products through a wholesale channel, 15 directly operated stores, 90 affiliate stores and an e-commerce platform, generating a total turnover of about 200 million of euro in 2016.

Leisure goods belongs to an Italian historical corporate group and is the company in charge of the retail distribution of books, music, technological devices, toys, etc. through a network of about 30 directly operated stores, about 550 affiliate stores, about 50 shops-in-shop and an e-commerce channel, so generating a turnover of about 200 million of euro in 2016, 77% of which made by the sale of books.

Financial services is the youngest company of the sample, since it was founded in early '90s as a pure e-player, launched by a corporate group of traditional players of the industry. Nowadays it manages both physical and digital channels, generating a turnover of about 200 million of euro in 2016.

Household is an Italian retailer, managing many retail brands in the same industry. It has a long history and a leading position in its market, where it distributes its products through a wholesale channel, a network of directly operated and affiliate stores and an e-commerce channel, generating about 270 million of euro of turnover in 2016.

Table 7 Synthetic overview of the sampled retail companies

Company (Industry)	Year of Foundation	Turnover 2016	Number of Employees	Level of vertical integration	Distribution Structure	E-commerce sales on total sales in 2016	Level of Internationality
Fashion	1985	Sales about 200 ml €	About 800	From design and manufacturing to retail	<ul style="list-style-type: none"> ▪ DOS (15) ▪ Franchisee (90) ▪ Wholesaler ▪ E-commerce 		International
Leisure goods	Group 1907 Company as it is now 2013	Sales about 200 ml €	547	Retailer	<ul style="list-style-type: none"> ▪ DOS (30) ▪ Franchisee (547) ▪ Shop in shop (52) ▪ E-commerce 	5%	European
Financial services	1991	Earning Margin about 190 ml € (30/6/2016)	900	From services design to retail	<ul style="list-style-type: none"> ▪ DOS (47) ▪ E-commerce 	Not applicable	National
Household	1968	270 ml €	1627	Retailer	<ul style="list-style-type: none"> ▪ Wholesaler ▪ DOS ▪ Franchisee ▪ E-commerce 	0.5%	International

3.3 Why do retail companies decide to adopt the omnichannel approach?

Understanding the actual reasons leading companies to undertake such an onerous transformation process which involves nearly the whole organization seemed to be as due for the sake of the completeness of the research approach and to capture the eventual relationship, if any, among the moving reasons and the achieved results in both the implementation of the strategy and the subsequent output.

The aim is to compare and complement the extant literature with practitioners' perspective: drawing on the previous research, a review of current knowledge and an empirical study have been combined.

3.3.1 Literature review

Omnichannel retailing offers new occasions to retailers: from the potential increase in domestic sales to the possibility to reach and serve high spending customers or to boost brand awareness and customers' loyalty (Deloitte 2015).

Academic research explicitly addressing retailers' motivations to adopt an omnichannel approach lacks a comprehensive contribution, while some research exists on the implementation of the multi-channel approach.

Literature about multi-channel retailing has resulted to be relevant, since omnichannel retailing can be seen as a sophistication of the previous retail approach, although substantial differences occur with refer to the customer experience and to the customers' expectations: in the most recent scenario consumers are supposed to adopt many channels as in the previous one, what is dramatically different is their supposed expectation to live a consistent experience when shifting from one channel to another.

I organized the relevant current knowledge on motivations to move toward the omnichannel retailing by the main adopted focuses to subsequently compare it with the results of the empirical analysis.

It is worth noting that economic-driven motives and customer-driven motives are not necessarily mutually exclusive in the previous research (e.g. Falk, et al., 2007; Sultan & Rohm, 2004).

3.3.1.1 Economic driven motivations

The hypothesis that the decision to adopt a new retailing paradigm is targeted at achieving economic goals can appear to be predictable, while what can be very interesting is to identify which specific economic goal retailers are pursuing.

Direct increase in sales through maximization of market coverage

Omnichannel retailing means of course to offer a flexible and seamless shopping experience regardless the client visits the brick and mortar store, browses the web, makes a purchase through the mobile application, but first of all it implies that that brand distributes its products or services through many channels, so strengthening its market coverage and enlarging the boundaries of its potential market (Sharma & Mehrotra, 2007; Berger et al., 2006).

Moreover, the availability of multiple channels can enable purchases of products/services that would not been available in local stores, by providing a more flexible shopping experience: a research on the omnichannel strategy released by Deloitte in 2015 states that in 2015 25% of recent online or mobile purchases in the UK and Germany involved products which customers could not found near the stores they could reach.

Increase in sales due to more profitable segmentation

Being an omnichannel retailer means to collect and analyse data about the consumer behaviour of the managed market base; thanks to this precious asset, the data, a retailer can identify what consumer segment is the most valuable and focus on it (Ansari et al., 2008; Dholakia et al., 2005; Konus et al., 2008; Park and Lennon, 2006; Verhoef et al., 2007).

In general, multi-channel clients are suggested to be spending more than non-multi-channel customers (Kumar & Venkatesan, 2005).

Omnichannel retailing offers the chance to make additional sales through emerging channels such as mobile and to reach profitable markets: frequent and high spender buyers are more likely to use a range of channels to satisfy their needs and to shift across channels, therefore a presence across channels allows retailers to capture this market segment.

In 63% of cases, high spenders adopt more than one channel in their customer journey and those who shop online at least once per week are 30% more likely than less frequent shoppers to do research online (Deloitte, 2015).

The evolution of this concept is that I do not consider the multi-channel consumer, but the omnichannel one, who surely adopts more than one channel to interact with the same brand or to satisfy the same need, but moreover has certain expectations, i.e. to live a consistent, flexible, seamless experience across channels.

Increase in sales due to stronger brand awareness

Broad and flexible presence online increases the opportunity that consumers will search for, find and interact with a brand when searching online. Awareness created by the brand's presence on websites, apps and online marketplaces generates a positive effect across all sales channels, not just on the online platforms.

An econometric analysis of the key drivers of sales in the UK women's dresses market and the German domestic appliance market reveals the magnitude of this impact. A presence across channels helps leading retailers to increase their store and total sales. This effect results from increased awareness of retailers' products built through online presence, and the expansion of these retailers' non-store sales, which are found to be largely incremental to their store sales (Deloitte, 2015).

Decrease in operational costs

Designing and creating many channels and the relative coordination mechanism is supposed to optimize firm operations and generate benefits from cross-channel synergies (Falk et al., 2007; Naik & Peters, 2009; Berger et al., 2006), avoiding duplication of assets and creating economies of scope and economies of scale.

3.3.1.2 Customer driven motivations

The design and the deployment of an omnichannel strategy involves many corporate functions and teams and the marketing one in particular. Moreover, the difficulties companies are facing in measuring the performance of such an investment could lead them to consider it as a pure marketing expenditure. Given that the perfect identification of a unique motivation is hard and maybe pointless, these considerations are made to sustain that customer related motivations are supposed to be expected.

Boost customers' satisfaction

The idea to link the decision to deploy the omnichannel strategy to the intention to better satisfy customers moves from Rangaswamy and van Bruggen (2005), who suggested that the progressive proliferation of channels available to customers enables them to choose their preferred ones, so nurturing their satisfaction. With refer to the satisfaction of omnichannel customers there is little

research and the impression is that living that flexible and seamless customer experience corresponds to basic expectations of a growing share of customers, as if that should be necessarily offered and its gaps were sources of un-satisfaction indeed.

Create utility for the customer

Many authors include the utility along the purchase process among motivations to design and implement multiple channels (Balasubramanian et al., 2005; Frambach et al., 2007), the customer experience (van Noort et al., 2012) and the customer engagement, especially when channel such as social media is involved (de Vries et al., 2012; Singh & Sonnenburg, 2012).

An omnichannel retail system from the customer point of view offers an higher level of service and assistance: clients can access an higher volume of information to compare product details, prices and fulfilment options, they have greater possibility to choose since can access a wider range of brands' offer and products, they can get more convenience in their buying process since they can research, purchase and receive products anytime, anywhere.

3.3.1.3 Motivations compelled by competition

In the research released in 2015, the advisory company Deloitte states that the progressive diffusion of the new marketing approach would have created new sources of competition, leading to redistribution of sales across retailers: the significant shift in both the consumer behaviour and companies' distribution and marketing strategies would have created new competition dynamics, where the faster and the wiser retailers would have occupied the new market spaces. In this scenario a valid motivation to move toward the omnichannel approach could be the necessity to effectively compete with other brands from the same industry which already innovated their approach to retail.

3.3.2 Empirical results on the motivations for the adoption of the omnichannel strategy: practitioners' perspectives

The practitioners during the interviews revealed a large variety of reasons motivating them to implement and/or to continue deploying the strategy, with examples abundant in both economic-driven and customer-driven nature.

A brief overview of the most interesting answers is given in the following table 8.

Table 8 Motivations for the adoption of the omnichannel strategy

Company	Examples	Stated Objectives	Main motivation
Fashion	“Brick and mortar stores have to be as vital as once” (Head of global omnichannel)	Sustain the performance of physical channels, creating brand awareness and walk in traffic near the stores.	Economic driven
Leisure Goods	“The behaviour of our customers was dramatically changing, we had to follow them on the paths they were walking on” (Marketing manager) “Retail salespeople have to capitalize on the chance to meet our customer and to adapt the commercial approach to his profile” (Marketing manager)	Make the product available wherever and whenever customers want it. Collect and share information about customers to better serve them.	Customer driven- Compelled by competition Economic driven
Financial	“The proliferation of channels, through the acquisition of a network of brick and mortar agencies was aimed at taking advantage of cross and up-selling opportunities we were missing, because of the limitations of digital channels” (Omnichannel manager) “Our ambition is to track customers’ journey across channels to make them feel safe and familiar with the brand and its services” (Omnichannel manager)	Proliferation of the type of managed channels to distribute more sophisticated and risky services through the most appropriate ones. Improve the cross-channel customer experience.	Economic driven Customer driven
Households	“Offering omnichannel services to our customers is like bringing them a blanket while they are sitting on the sofa, watching TV during winter” (CEO)	Offer unexpected services to exceed customers’ expectations.	Customer driven

3.3.2.1 Empirical results on the motivations for the adoption of the omnichannel strategy: Fashion

The main challenge the company was facing when it decided to undertake the transformation journey toward the omnichannel approach was to boost the retail sales of the brand, at that moment realized through a network of traditional stores, both directly operated and affiliate, and third party multi-brand stores.

The main reason why the company undertook the transformation journey was to sustain the present and future performances of the network of brick and mortar retail formats.

The strategic assumption was the existence of a synergy among digital and physical sales channels, where the latter would have benefitted from the extensiveness of the first and from one of the most important asset they produce: data on consumers, which the whole marketing and commercial functions would have taken advantage of.

To improve traditional retailers' sales, the intermediate set goal was to boost the walk-in traffic in the stores and the relative conversion rate, equipping store managers with powerful and tailor made commercial and communication tools (newsletters, socials networks, phone calls, tailor made promotions, etc.), as in a one to one relationship between local salespeople and consumers.

3.3.2.2 Empirical results on the motivations for the adoption of the omnichannel strategy: Leisure goods

Leisure goods' strategic path toward the integration in the management of channels and touchpoints has not a precise start date, but can somehow be associated to the relevant corporate and organizational structures' re-design which took place in 2013; among other reasons, that strategic revolution was caused by the belief that consumer behaviour was dramatically changing and the company had to adapt its structure and managerial practices to be as agile as new technologically savvy consumers had become.

The brand was being asked to follow its clients through the paths they were becoming used to choose in their customer journeys.

It can be said that the decision came from a shift in the demand, with refer to the consumers' expectations on their experience and on their journey.

3.3.2.3 Empirical results on the motivations for the adoption of the omnichannel strategy: Financial services

The evolution of Financial services' retail system was strictly influenced by the evolution of one on its components: the offer system. The company which was founded as a pure e-player in financial industry, began his operation offering few services, which required a limited interaction with customers because of their nature. Gaining more insights on its market and on the trends of the demand, Financial services enlarged the width of the assortment to take advantage of cross and up-selling opportunities with refer to the existing customer base and to reach new ones.

From actually being a mono-service bank, the company decided to offer a variety of services, substantially equal to that of traditional players.

The distribution and marketing strategies followed the path of the offer system, gradually encompassing new and different channels: in 2016 the creation of a traditional network of brick and mortar agencies was deliberated and consequently executed through the acquisition of an existing network of agencies from another traditional bank. The traditional channel had been considered necessary to sell the newly designed services.

The process for the integration in the management of the different channels which then followed was aimed at obtaining a single view on customers, to ultimately better satisfy them.

3.3.2.4 Empirical results on the motivations for the adoption of the omnichannel strategy: Household

When it first undertook the transformation journey, the company was not feeling the pressure to innovate its retail system to face competitors' moves, since they did not identify proper competitors, while managers were very interested in the innovation of customer experience near the physical channels, through the adoption of the related technological innovation.

The CEO saw technological innovation of the stores' equipment as the main challenge, while he stated that consumer's behaviour did not changed dramatically with refer to the segment that he used to identify as the target one, i.e. women, aged between thirty and sixty years.

Managers from Household resulted to be very focused on brick & mortar operations, being convinced that the main changes in consumer behaviour had occurred in the use of off-line channels and touchpoints.

The marketing manager seemed very interested in the technological theme, both at a software and hardware level and the transformation toward its adoption is resulted to be the main challenge he saw.

Moving towards the proliferation, digitalization and integration of distribution channels and customer touchpoints was seen by the CEO as the way to offer consumers “the perfect blanket”, i.e. to allow consumers to gather information on products, to enter in contact with the brand and eventually buy what is desired whenever and wherever they want it is seen as a due treat, comparable to “that captivating blanket someone brings you while sitting on the sofa”.

The project is mainly considered as the way to meet and exceed consumers’ expectations, it is not considered as the way to keep the pace of innovation in marketing strategy.

The company’s marketing manager considered the innovation of the distribution strategy as necessary to get deeper insights about actual and potential consumers and consequently as the intermediate goal to achieve the more important target of the improvement of the commercial performances.

3.3.3 Main findings about motivations to move toward omnichannel retailing

Analysing the empirical results and comparing them with the relevant literature about the motivations to design, execute and integrate new and multiple channels, the first consideration is that a bundle of motivations seems to move companies to review their retailing paradigms.

In certain case, it would be pointless to identify just one reason. The variety and the number of leading reasons is supposed to be influenced by the competitive arena the company is playing in. For this reason, complementing the literature contribution, I would suggest considering as *compelled by competition* also those motivations dealing with the goal to match the industry standard.

Leisure goods’ experience is meaningful with this refer: as stated by the marketing manager, one of Leisure goods’ most important product category’s sales were moving toward the online channels, due to the aggressive promotional policies of the leading e-player of the industry, when the decision to undertake the transformation journey was taken.

The level of the proneness to innovation of both competing companies and consumers from the specific industry can be said to be relevant in leading the decision to update retailing strategy.

With refer to the economic driven motivations, a very interesting result is the shared assumption that the personalized marketing and commercial approaches,

which a data driven marketing system makes possible, is considered to positively influence the sales performance of the brand.

Both Leisure goods and Financial's interviewees stated that their companies undertook the transformation journey mainly to sustain the performance of the traditional stores, which were declining, and both their strategies envisaged the equipment of stores' sales people with tools that could allow them to personalize the contents of communication and the commercial approach to walking in clients: the access to CRM platforms reporting information on clients, gathered across multiple channels and made available near the stores. In Fashion's experience for instance store managers were given the opportunity to observe the online consumer behaviour of clients from their territory to subsequently send personalized communication to drive them to the nearest brick and mortar store. In Leisure goods' case sales people can profile the client they are serving, having a look at the data collected through the omnichannel loyalty program, to maximize the sale opportunity arising from his/her rare visit near the store.

The underlying assumption is therefore that a tailor-made communication and commercial approach, which capitalizes on the precious data collected across channels and touchpoints in executing the strategy, can actually lead to better commercial performances. In this regard, there is an analogy with literature contribution. Ansari et al. and other authors, when researching on the proliferation of the number of managed channels, assert that a more precise segmentation can help companies in identifying and exploiting the most profitable segments; in this new paradigm, mentioning the concept of "market segment" seems to be obsolete, since the unit of analysis results to be the single customer, not the segment: in omnichannel retailing, communication and commercial approaches have to be tailored on single individuals. In multi-channel retailing indeed the idea of the single view on customers, which is a key concept in the most recent approach, did not exist yet.

Empirical results confirm another literature main contribution, i.e. one reason to move toward the new paradigm can be the goal to enhance the brand awareness, to ultimately improve commercial performance: the presence of the brand across multiple channels, in an overall integrated marketing strategy, supports the brand awareness, so driving traffic and sales to the stores, both physical and digital, hopefully. The words of Fashion's omnichannel manager "brick and mortar stores have to be as vital as once" reveal the company's intention to invest in the new marketing approach to boost the in-store traffic investing on the brand and the relative conversion rate through a more sophisticated commercial approach, as stated above.

The last correspondence between literature and empirical results with refer to the economic driven motivations deals with the concept of market coverage: the proliferation of the number and type of channels allows brands to reach a greater potential market. In Fashion's case, the company was able to enlarge its potential market widening the range of supplied services and projecting and creating the most coherent channels for their distribution. When it decided to supply new services, perceived as riskier by clients, the e-bank consequently acquired a network of brick and mortar agencies, a channel which would have made possible that kind of business, so supporting the company's sales growth.

Analysing the customer driven motivations emerges that, when designing and implementing an omnichannel strategy, the concept of *customer centricity* must be the key to project and deliver that flexible, consistent, seamless customer experience which is assumed to be expected by a large portion of the market.

The most frequently mentioned motivation is indeed the goal to meet and/or exceed customers' expectation with refer to their experience across channels: if any additional utility and/or satisfaction is delivered to clients, it deals with the experience they make along their customer journey, whose optimization has to be the output of the whole transformation process.

The choice to select four brands retailing different products and services moved from the intention to understand if companies' decisions to adopt the new approach were actually caused by the change in customers' expectations with refer to the customer experience and therefore if customer driven motivations were prevailing the economic driven ones.

The assumption was that in different industries, clients would have had slightly different expectations. If one assumes that managers know their clients' need and behaviour, then the empirical results do not permit to confirm any difference in customer's expectations with refer to different products/services: in practitioner's view, regardless what they are looking for, clients have certain expectations on the experience they made of brands across the multiple channels and touchpoints they use.

In synthesis, empirical results would lead to believe that customer driven motivation are dominant in moving companies toward omnichannel retail, but two considerations have to be coupled with this: all the interviewees resulted to be prudent in analysing the economic profile of the strategy, since they found it very difficult to measure its impact on firms' performances, so I suppose them to be equally prudent in considering as economic the motivations which led their company to move toward the new approach. Second, it can be difficult to differentiate the effective change in the behaviour of a company's client and the

change in the behaviour of a market's participants, therefore the border between customer driven motivations and motivation compelled by competition can be fuzzy.

3.4 How do retail companies deploy the omnichannel strategy?

As stated elsewhere in the present work, the most compelling reason which drove me do research in this field was the goal to elicit an operation framework which could result to be a useful tool for practitioners dealing with the challenging objective to lead their company to achieve that internal transformation which is a necessary step to design and offer an omnichannel customer experience.

To give answer to the second research question, namely *how do retail companies deploy the omnichannel strategy?*, a combination of research method was used: (i) a field exploratory study to identify what areas of intervention are involved in the transformation journey toward omnichannel retailing, which I related about in chapter 1 of the present work, (ii) a review of the literature, where just those researches about *why* or *how* managers should intervene on those named areas were considered as relevant, (iii) a case study analysis on a sample of retail companies which deliberated the strategic decision and were deploying it when this research was being written.

The critical analysis of all these inputs is expected to be the base to confirm the exact areas of intervention and existing relationships among them, if any.

In the chapter 1 of the present work, were presented ten main areas of intervention for the deployment of the omnichannel strategy which I recall in the following table 9.

Adopting the assumption that the professional practice was ahead of the academic world with refer to the theme of the deployment of the strategy and could therefore better define what corporate dimensions were actually relevant for the execution of the strategy, the ten variables, as emerged from the focus group, were used to perform the literature review.

The areas of interventions so identified were successively divided into two categories, accordingly to the visibility of the results of the interventions to customers. What emerged as a feeling from the exploratory study was that interventions on internal variables, such as company's managerial and operative

Table 9 Relevant areas of intervention in the integration of channels

Type of Dimension	Relevant Dimensions (i.e. areas of intervention) as emerged from exploratory focus group
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<i>External Dimensions</i>	Channels and touchpoints' mix
	Offer system
	Communication strategy
	Customer care and loyalty system
	In-store and cross-channel customer experience
<i>Internal Dimension</i>	Information and communication technology
	Data-driven marketing
	Logistics and retail operations
	Organizational structure and corporate culture
	Performance measurement and incentive system

processes, were an intermediate phase to the interventions on other areas. This intuition was then tested through the case study analysis.

When performing the interviews to practitioners from the sampled companies, each of the ten areas of intervention was investigated, to understand if it had been encompassed in the deployment and what had been done with refer to it.

All the information collected through the different sources were organized around the ten main relevant dimensions emerged in the section 1: interviews were conducted considering each of the ten relevant dimensions as an area of investigation and the information collected through other sources were reported with refer to them. A great amount of codes was then available. After the single case analysis, all the codes about the ten variable involved in the deployment of the strategy were grouped into the three following categories:

- Organizational solution to deploy the strategy: since the transformation journey toward omnichannel retailing involves many business functions and requires the cooperation of players from the supply chain too, interventions on the organization, with refer to both the features of the structure and to the intangible mechanisms of coordination and control, showed to be always encompassed.
- Comprehensiveness of the approach to the deployment of the deliberated strategy: this concept is referred to the extensiveness of the transformation project, i.e. to the number and variety of encompassed areas of intervention.
- Formalization of the managerial guide to the deployment of the strategic decision: leading a whole company through the transformation journey is a challenging objective, as emerged from the field analysis, and practitioners may adopt different managerial solutions to sustain the effectiveness of their guide.

The various codes which found their synthesis in these three categories are reported in the following paragraphs, in particular in the tables dedicated to the single categories, i.e. from table 11 to table 18.

3.4.1 Empirical results on how retailers are deploying the strategy

In the following paragraphs the empirical results on the deployment process of the deliberated strategic decision will be described accordingly to the three main concepts just introduced and then commented.

Table 10 Relevant variables and key concepts about the deployment of the strategy

How do retail companies deploy the omnichannel strategy? Key concepts	Relevant Dimensions (i.e. areas of intervention) as emerged from exploratory focus group
<i>Organizational solution to deploy the strategy</i>	Organizational structure and corporate culture
<i>Comprehensiveness of the approach to the deployment of the deliberated strategy</i>	Channels and touchpoints' mix
	Offer system
	Communication strategy
	Customer care and loyalty system
	In-store and cross-channel customer experience
	Information and communication technology
	Data-driven marketing
<i>Formalization of the managerial guide to the deployment of the strategic decision</i>	Logistics and retail operations
	Performance measurement and incentive system

3.4.1.1 Organizational solutions to deploy the strategy

The organizational variable is one of the most information-rich theme, it is often seen as both an enabling factor and a barrier to the deployment of the strategy, therefore lot of energy seems to be put in it by who is in charge of leading the company through the transformation journey.

The interventions on this area have been considered as interesting for this research and relevant to elicit a framework for the deployment of the strategy with refer to two profiles:

- Decisions and consequent actions to execute those interventions on the organizational structure considered as necessary and opportune to lead the transformation journey and make the change possible: special or temporary solutions to enable the execution of a special project, i.e. moving toward omnichannel retailing.
- Decisions and consequent actions to re-design the organizational structure and its cross-channel and cross-function coordination mechanisms to enable the current management and operations as an omnichannel retailer: “permanent” solutions to allow the company that level of integration which is supposed to be a dominant feature of omnichannel organizations.

Table 11 summarize the evidence about the organizational solutions found by sampled companies.

Table 11 Organizational solutions to deploy the strategy					
Company	Type of organizational structure	Organizational unit leading the change	Interventions on the organizational structure aimed at enabling the transformation	Make, buy or ally: involvement of suppliers	Coordination mechanisms within and across organizational units related to the transformation process
Fashion	Functional	Marketing function	Creation of the <i>ad hoc</i> job position “head of global omnichannel”.	Buy and then make. Initial involvement of a third part full service provider and subsequent insourcing of related activities.	Weekly calendar of meetings among of the marketing team. Monthly calendar of cross-function meetings.
Leisure Goods	Matrix	Marketing and “Multi-channel services” functions	-Organizational follow up of the corporate merge -Staffing of some functions -Creation of the cross-function “multi-channel services” department	Ally and then make. Acquisition of a 50% share of a pure e-commerce player and subsequent acquisition of the other 50% share.	Monthly meetings among marketing and multi-channel functions and managers of directly operated stores and agents. Annual meetings among marketing and multi-channel functions and managers of affiliate stores. Manuals and digital platforms to share information.
Financial	Functional	Omnichannel department within the marketing function	-Creation of the omnichannel department	The company has designed and deployed the digitalization strategy internally, while the creation of the brick&mortar network of agencies has been realized through the acquisition of an already existing one.	Schedule of weekly meetings and reporting system among marketing and sales functions, managed and controlled by the omnichannel department.
Households	Functional	Marketing	None	Buy and then make. Initial involvement of a third part full service provider and subsequent insourcing of related activities.	Creation of a strategic committee and its relative monthly calendar of meetings, composed by the IT manager, the marketing manager, the chief financial officer and the relevant interested project managers.

3.4.1.1.1 Organizational solutions to deploy the strategy: Fashion

The first input to the deliberation of the strategic decision came from the CEO, who endorsed the project with the shareholders, who decided to embrace it.

The first organizational solution for the deployment of the transformation was to appoint a supplier, i.e. a third party full services provider, which would have been in charge of all the operations related to sales through e-commerce: from the shooting of goods to the final shipment to the client.

Since the first year of cooperation with the supplier resulted to be unfruitful, the top management decided to insource the activities related to e-retail, creating a special internal canvas to start reviewing the internal processes and procedures serving the omnichannel customer care system and the e-commerce operations.

To lead the process an *ad hoc* manager was appointed as “head of global omnichannel, whose first task was to integrate the management procedures of directly operated stores and franchisees.

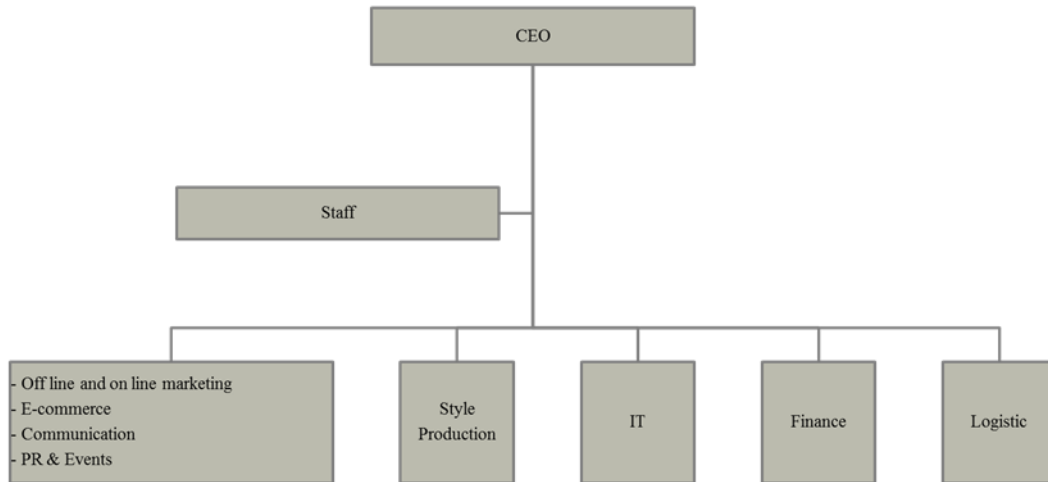
Since the creation of the *ad hoc* managerial job position and his team, the organizational structure resulted to be a functional one, as showed in the following picture 3, where the directors of the single functions report directly to the CEO.

The internal canvas on the deployment of the omnichannel strategy is mainly managed by the marketing function, in particular by a team directed by the head of global omnichannel and composed by an e-commerce manager and a consultant from a system integration company, so expert in the related technology.

Systematic coordination mechanisms across functions and channels have been realized through a weekly calendar of meetings among all the people working in the marketing function and a monthly calendar of cross-functional meetings, both managed by the omnichannel manager, where the managers of the different functions share updates on what has been accomplished and has to be done within the following months with refer to the deployment of the omnichannel strategy.

When describing Fashion’s corporate culture, the head of omnichannel defined the organizational structure as “*horizontal*” and stated that the digital culture and the proneness to change were already diffused and shared among people, as instilled by the CEO, who strongly endorsed the innovative values of the project.

Picture 3 Fashion's organizational structure in 2017



3.4.1.1.2 Organizational solutions to deploy the strategy: Leisure goods

The interventions on the organizational structure aimed at enabling the transformation journey and the subsequent current management of the emerging retail system partially overlap the extraordinary corporate events the company went through.

The first move to embrace innovation in retailing was aimed at the design and the launch of an online channel, i.e. an e-commerce website. To achieve this goal, the company made an alliance with an European e-player, undersigning a 50-50 joint venture agreement to incorporate a sort of special purpose vehicle, dedicated to the electronic commerce: it was meant to be a leader among Italian on line shops of leisure and cultural goods. In 2010 Leisure goods acquired the other 50% share of the company.

In 2013 the company started to deal with the omnichannel approach, deciding to create synergies and integration mechanisms among on-line and off-line channels, which had been managed through different legal entities, teams and general directors until that moment.

When the company decided to move toward the new paradigm and to achieve integration among channels, the first step was a corporate structure's re-design: four companies were merged into one, so founding the present Leisure goods.

In the previous scenario there were four companies managing the four distribution channels and relative formats: directly operated mono-brand stores, mono-brand franchisee stores, on-line sales platform, physical corners.

When the merge of the four companies occurred, a matrix organizational chart was designed, as showed in the figure 4.

The organizational unit projected to synergistically manage and coordinate different distribution channels was meant as a function, "multi-channel services, on-line services and logistics", with coordination mechanisms across other functions and channels to ensure the sharing of services and assets, such as logistics and information and communication technology.

The director of this function is an engineer, with a background on process re-engineering and main competence on logistics, which has been a key area of intervention in the whole integration process. The re-engineering of logistical processes was the first step towards the omnichannel model adoption.

In the emerging organizational chart, the e-commerce channel is managed by the purchasing department, while the physical channel, in its directly operated and affiliated formats, is managed by proper functions, since the company's target was to integrate and centralize the purchasing decisions to preserve the consistency of the assortment of the different channels: up to that moment on line and off-line channels were served by different buyers, who visited the same suppliers, eventually negotiating different economic and commercial conditions, accordingly to their bargaining power.

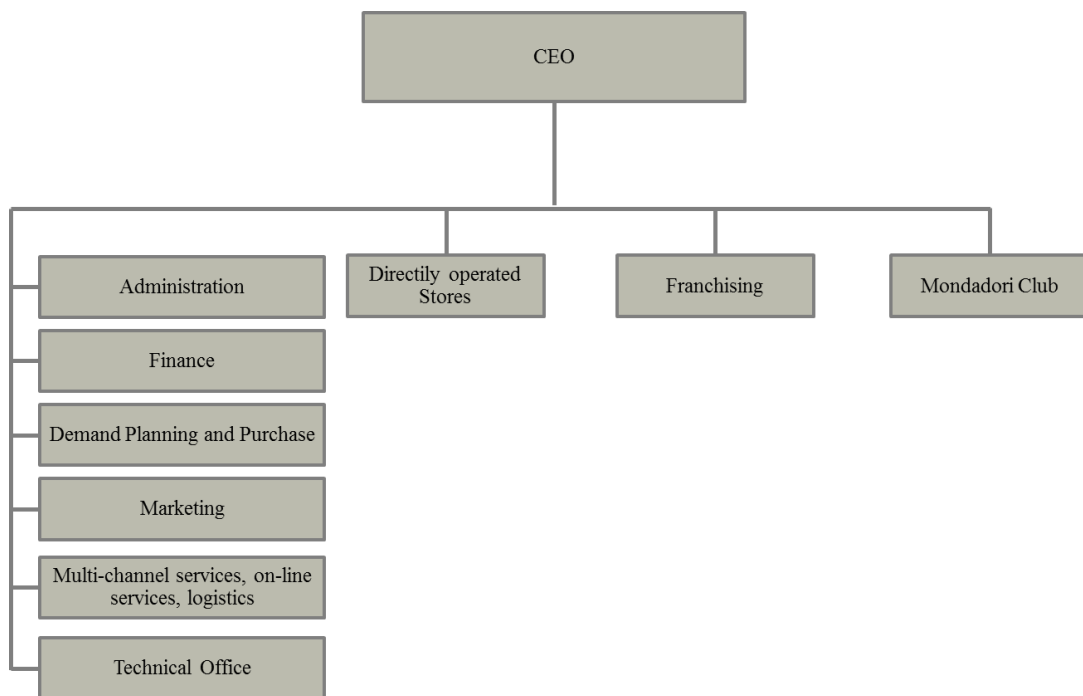
After the organizational chart's re-design, all the activities dealing with assortment shaping and commercial negotiation are done by the same team, which belongs to the purchase department.

Leisure goods adopted the present organizational structure gradually after the merge and relevant changes, planned and deployed in the general strategic transformation toward the omnichannel approach, were:

- The creation of the cross-channels functions, such as "marketing" put in service to all the channels in 2014.
- The creation of the function "multi-channel services, on-line services, logistics" to engineer processes and systems and plan infrastructures for integration.
- The creation of two distinct organizational units for the management of directly operated store and franchisee stores, since this latter needed a

special focus, being very critical for the future growth of the distribution network.

Picture 4 Leisure goods' organizational structure in 2017



The final result of such a series of strategic decisions is an organizational structure where each channel is managed through a separate organizational unit and all the functions serve the three channels.

The functions leading the organization in the transformation journey are the “marketing” and the “Multi-channel services, on-line services and logistics” ones and the designed cross-channel and cross-function coordination mechanisms managed by them are:

- A monthly system of meetings with store managers from directly operated stores and agents in charge of supporting the affiliate stores.
- Annual meetings with franchisee stores’ managers, meant to share with local managers the insights about the business as gained and elaborated centrally.
- A set of manuals and processes’ guides.

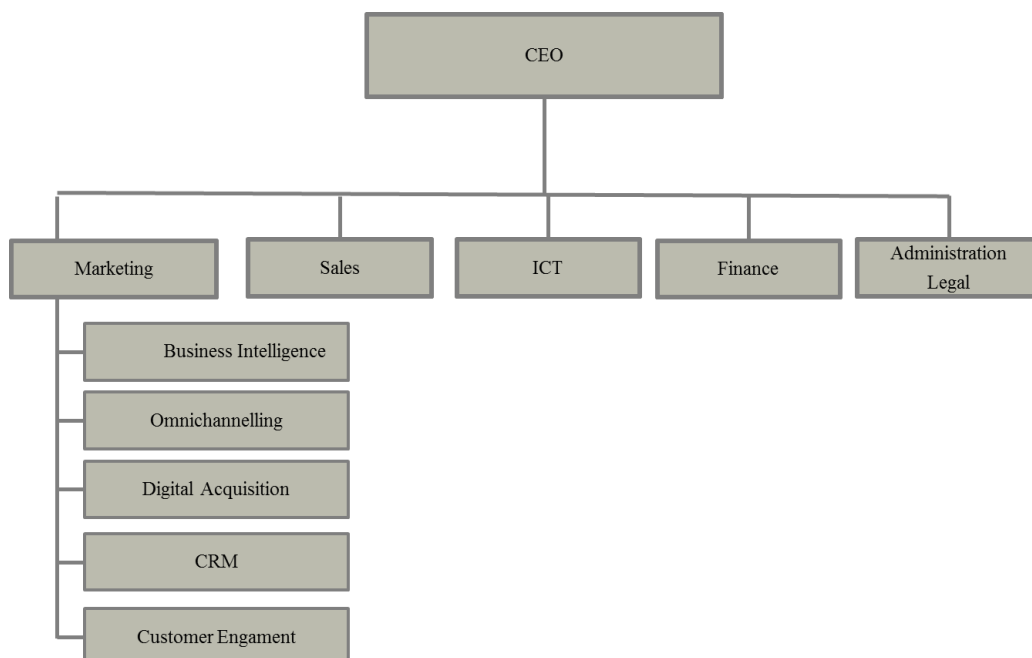
3.4.1.1.3 Organizational solutions to deploy the strategy: Financial services

Financial services designed and deployed the digitalization strategy internally, since it launched as a pure e-player. The proliferation in the type of channels, i.e. the creation on a physical channel of brick and mortar agencies was realized through the acquisition of an already existing network of a traditional bank. The process of integrating the management of the two channels, to deliver an omnichannel customer experience was consequently managed by an internal *ad hoc* organizational unit, managed by a dedicated manager with a background in both marketing and ICT fields.

The organizational structure of Financial services follows the functional model, with many formal and informal coordination mechanisms among organizational units. The omnichannel department is in charge of leading the deployment of the strategy, coordinating the efforts of all the involved teams, with a particular focus on the links between the marketing and the commercial functions.

To coordinate the deployment of the integration strategy throughout the organization a schedule of weekly meetings, in particular among the sales, marketing and ICT functions, and a reporting system were designed and it actually managed by omnichannel manager.

Picture 5 Financial services' organizational structure in 2017



3.4.1.1.4 Organizational solutions to deploy the strategy: Household

Household's deployment of the omnichannel strategy with refer to the organizational solutions is closely linked to the advancements in planning and adopting new and digital distribution channels.

The first release of the company's e-commerce website was in 2011: its projection and management was outsourced to an agency which dealt with planning, management and operations.

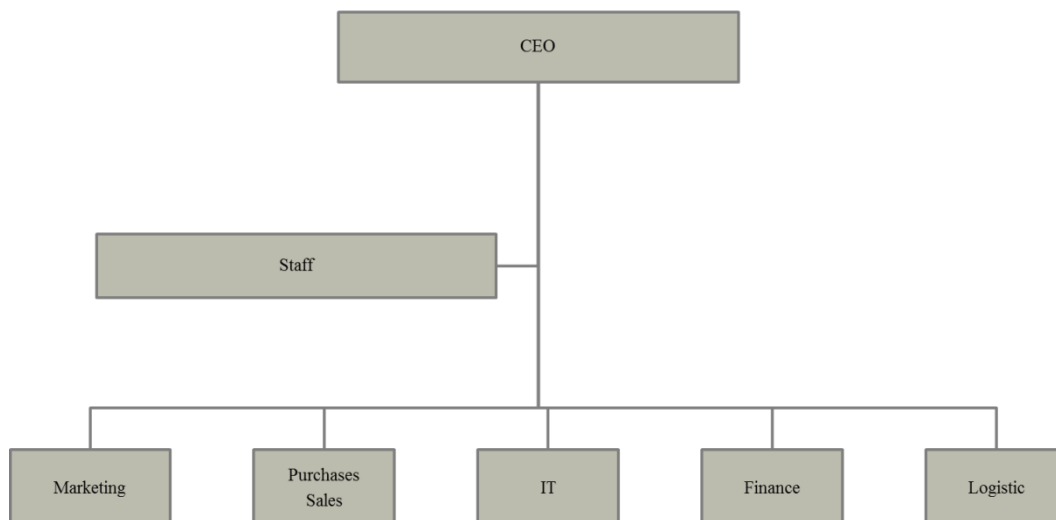
This organizational choice lasted until 2015, when the management decided to insource the business, since the agreement with the agency was unfruitful, due to its economic terms, based on a too high fix cost structure, and the operative performances of the supplier.

The management of Household's offer system is complex, since the brand sells a very wide product range and references change very frequently and in 2015 a dedicated team was created to perform the following tasks: contents' editing, publishing and software integration.

The organizational structure of Household is a functional one, as showed in the picture 6.

The structure is designed accordingly to the functional model, where the organizational unit in charge of leading the transformation journey is the marketing one, while the coordination of special projects on integration and omnichannel retailing is done through special committees composed by the IT manger, the marketing manager, the CFO and the dedicated project managers.

Picture 6 Household's organizational structure in 2017



3.4.1.2 Comprehensiveness of the approach to the deployment of the deliberated strategy

The output of the exploratory study targeted at identifying the relevant variables, i.e. the relevant areas of intervention for companies committed to the deployment of the omnichannel retail strategy, gave as an output a list of ten main variables, the interviewed companies agreed on.

Those ten variables have been then implied to design the second part of the field research, namely the critical analysis of the case histories of four retailers.

When searching recurrent patterns in the different four cases, it seemed opportune to group those ten variables in three main concepts, accordingly to the actual information about the execution processes realized by the four retailers.

In the previous paragraph the results about the organizational solutions identified for the deployment have been reported, so analysing in depth one of those ten variable, i.e. the organizational structure and the corporate culture.

In this section of the work, the objective is to report on the comprehensiveness of the approaches to the deployment, namely on the boundaries the retailers put to the special transformation journey.

As already stated, moving toward omnichannel retailing is a pervasive transformation since it involves many corporate functions, processes and assets, nevertheless a feasible deployment plan should clearly identify precise areas of intervention, actions to be realized and responsibilities.

Although the ten named variables have been selected and considered as a valid base to the definition of the operational framework for the deployment of the omnichannel strategy and although all the sampled companies in both the field analysis have confirmed their relevance, not all the sampled companies addressed all the ten variables and not with the same timing, efforts, level of engagement and results.

So, when describing the *comprehensiveness* of companies' approach to deployment it is not meant to give a judgement on their managerial decisions, but to describe where those companies designed the boundaries of the special project, in the precise moment in which I pictured their journeys.

Beyond the objective to build theory on the phase of the deployment of the strategy, the goal is to gain insights on the relationship between the extension of the project and the resulting integration model.

The empirical results of the single and cross-case analysis will be presented with a focus on the single variables as addressed by the four sampled companies until the moment when this research was being written, while comments on the

forthcoming interventions and the comprehensiveness of the single approaches will be given in another paragraph.

3.4.1.2.1 Comprehensiveness of the approach to the deployment of the deliberated strategy: channels and touchpoints mix

Omnichannel retailing can be considered as an evolution of the previously emerged multi-channel approach, which basically consisted in the design and implementation of different channels, both physical and digital. What is supposed to allow companies to shift from one retail approach to the other is the level of integration in the management of channels, that enables the supply of the innovative customer journey already described as flexible, seamless, relevant and consistent across channels.

The design and the management of multiple channels and touchpoints that permit to serve the client in his/her whole journey, according to a single-view on him/her, is the first evidence of the deployment of the omnichannel strategy.

The sampled companies had already embraced the multi-channel approach, but all agreed that to deploy the new deliberated strategy an effort on channel mix was necessary: companies had to design and implement new channels and/or to re-engineer the existing ones to create those conditions which allow the already named seamless shift from one to another or to introduce source of innovation of the customer's channel experience.

The following table 12 reports on the channels and touchpoints that interviewed managers described as managed by the company and partially or fully involved in the deployment process; although it is commonly agreed that channels are expected to play different functions and to serve different needs other than the simple execution of the purchase's transaction, they are listed according to the main role they may play in the customer journey, to eventually detect if the attention of managers was particularly focused on any goal, when innovating the channel mix.

Table 12 Channels and touchpoints involved in the deployment of the omnichannel approach

Retailers	Channels and touchpoints projected and/or revised and/or involved in the deployment of the strategy, listed by the main function they play
Fashion	<p>Sales</p> <ul style="list-style-type: none"> - Brick and mortar retail formats <ul style="list-style-type: none"> ▪ Mono-brand directly operated stores and other formats such as shop in shop ▪ Mono-brand affiliated stores ▪ Corners and Shops in shop inside multi-brand retail stores - E-commerce platforms <ul style="list-style-type: none"> ▪ Directly operated e-commerce platforms <ul style="list-style-type: none"> ○ Web site ○ App (In August 2017, under development) ▪ Third party e-commerce platform <ul style="list-style-type: none"> ○ Web site (<i>Amazon Retail and Amazon Market from September 2017 on</i>) ○ App (<i>Amazon</i>) <p>Communication and engagement</p> <ul style="list-style-type: none"> - Social media official accounts (Facebook, Instagram, Pinterest, Google +, Twitter) - Corporate web site - Corporate app (<i>in fieri</i>) <p>Customer care</p> <ul style="list-style-type: none"> ▪ Brick and mortar retail formats ▪ Brand's social media accounts ▪ A specific on-line form on the website
Leisure goods	<p>Sales</p> <ul style="list-style-type: none"> - Brick and mortar retail formats <ul style="list-style-type: none"> ▪ Mono-brand directly operated stores and other formats such as corner ▪ Mono-brand affiliated stores ▪ Corner and Shop in shop inside multi-brand retail stores - E-commerce platforms <ul style="list-style-type: none"> ▪ Directly operated e-commerce platforms <ul style="list-style-type: none"> ○ Web site ○ App for mobile commerce and contents about omnichannel services (<i>in fieri</i>, expected to be delivered within 2017) <p>Communication and engagement</p> <ul style="list-style-type: none"> - Social media official accounts (Facebook, Instagram, Pinterest, Google +, Twitter)

	<p>- Corporate web site</p> <p>Customer care</p> <ul style="list-style-type: none"> ▪ Brick and mortar retail formats ▪ Phone line ▪ The brand’s social media accounts and the single stores’ social accounts’ pages (Facebook in particular) ▪ A specific on-line form on the website
Financial services	<p>Sales</p> <ul style="list-style-type: none"> - Brick and mortar retail formats <ul style="list-style-type: none"> ▪ Agencies - E-commerce platforms <ul style="list-style-type: none"> ▪ Directly operated e-commerce platforms <ul style="list-style-type: none"> ○ Corporate website ○ Home banking platform ○ Mobile app <p>Communication and engagement</p> <ul style="list-style-type: none"> - Social media official accounts (Facebook, Instagram, Pinterest, Google +, Twitter) - Corporate website - Mobile app <p>Customer care</p> <ul style="list-style-type: none"> ▪ Brick and mortar agencies ▪ Brand’s social media accounts ▪ Chatbot on the home banking platform ▪ Chatbot on the corporate website ▪ Mobile app
Household	<p>Sales</p> <ul style="list-style-type: none"> - Brick and mortar retail formats <ul style="list-style-type: none"> ▪ Mono-brand directly operated stores with different retail brands and concepts - E-commerce platforms <ul style="list-style-type: none"> ▪ Directly operated e-commerce platforms <ul style="list-style-type: none"> ○ Web site ○ Mobile App (<i>in fieri</i>) ▪ Third party e-commerce platform: <i>Amazon, Tmall</i> ○ Web site ○ Mobile App <p>Communication and engagement</p> <ul style="list-style-type: none"> - Social media official accounts (Facebook, Instagram, Pinterest, Google +, YouTube) - Corporate web site - Corporate Blog - Corporate app (<i>in fieri</i>)

	<p>Customer care</p> <ul style="list-style-type: none"> ▪ Brick and mortar stores ▪ The brand’s social media accounts ▪ A specific on-line form on the website and a relative chat ▪ Phone line ▪ Traditional and electronic mail
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Fashion

With refer to the channel mix an important area of intervention for the actual deployment of the strategy was the e-commerce web site: it was the first area of intervention of the project and it is possible to identify different phases of the Fashion’s transformation journey accordingly to the progresses the company made in improving the performances of the platform and the level of efficiency of the related processes.

In the pilot phase (September 2015 - March 2016), the design and management of the platform was outsourced to a full-service provider, until the company decided to insource it.

The second phase (March 2016 – September 2016) of the project on digital channels’ improvement was focused on the design of a new e-commerce website and the related processes’ re-engineering. When the head of global omnichannel manager entered the company in March 2016, he started to lead the marketing team in working on the new website in both its e-commerce and content providing sections, which were internally designed accordingly to the requirements of a more ambitious omnichannel project.

The new platform went on line in September 2016 and a hard phase of work followed to engineer the necessary processes to allow the supply of the related services, e.g. to offer the *buy on line and pick up off line* service the relevant logistical process were designed and implemented.

Once the website matched the set standards, the marketing team began to work on the development of a mobile application, supposed to be an engagement, sales and customer care platform and to harmonize and link the customer experiences made near different channels. In the proliferation of managed channels, then the company formalized an agreement with a leading third-party e-commerce player to sell its products through its website and mobile app.

Leisure goods

The first interventions on this variable in the case of Leisure were all focused on the e-commerce platforms of the brand. The design and the execution of additional channels and touchpoint followed progressively in accordance to the transformation journey.

An interesting intervention was on a mobile application which was developed and released to boost the awareness of some *omnichannel services* and to facilitate the connection among the services supplied through the different channels, e.g. this multi-functional application makes possible to arrange the pick-up of what has been purchased on line near the closest point of sales. Moreover, the deployment of the omnichannel strategy took advantage from social media channels, because on the one hand they allow companies to gather soft data about the people interested in the brand and to give prompt response to their questions, on the other permit sales people and store managers spread in the country to share the same information and to communicate through the same voice.

Financial services

The proliferation of the different channels composing the channel mix result to be singular in Financial services, since it did not imply a process of digitalization of the distribution network, being the company an e-player since its foundation, but the acquisition of a network of brick and mortar agencies.

Once the traditional agencies were created, the new financial services which entered Financial services' assortment resulted more sophisticated and complex, implying a greater supply of information to clients; for these reasons the digital distribution and communication channels were reviewed too.

A new home banking website was released in September 2016 and a new mobile application in March 2017. Brick and mortar agencies were equipped with new technological devices and services simultaneously.

The reaction of clients to the proliferation of offered channels and services was the adoption of a multi-channel customer journey, where almost the 60% of the customer base adopt all the available channels to gather information, but prefers certain channels to satisfy specific needs referred to specific services.

Household

The main channels and touchpoints Household’s managers decided to include in the transformation journey were a directly operated and a third-party e-commerce platform, a mobile application and the brick and mortar stores.

Although the CEO stated to consider the e-commerce channel as the most important asset in shaping the transformation journey, he was firmly convinced that just improving the customer experience and creating “experiential contents” near the concept stores, the company would have gotten more precise insights on what is demanded and expected. The authentic brand experience has to be lived near the traditional store and then translated to digital channels, in his vision. In 2016 the e-commerce’s sales were equal to those of an average brick and mortar store, a result which can be improved. Dealing with the proliferation of digital channels, the mobile application was being projected while this research was being written and would have been released by the end of the 2017. It is expected to play, among others, a sales’ function, as an e-commerce marketplace.

3.4.1.2.2 Comprehensiveness of the approach to the deployment of the deliberated strategy: offer system

This area of intervention was investigated to check if any correspondence between the relevant literature on the theme and the actual deployment decisions of the sampled companies existed.

Table 13 Offer system

Retailers	Product range	Pricing	Promotional Policy
Fashion	Different width and depth	Aligned across channels	Aligned
Leisure goods	Aligned	Aligned across channels	Aligned
Financial services	Aligned	Aligned across channels	Aligned
Household	Different width and depth	Aligned across channels	Aligned

The goal of this area of investigation was to understand if managers endorsed the idea that an offer system aligned across channels preserved the coherence of the customer experience and protected companies from cross-channel cannibalization of sales.

Fashion

Prices and promotional policies are aligned, while off line and on-line sales channels present some differences in the width and depth of the assortment: brick and mortar formats have a tighter assortment, but, considered as a whole network, they have the same assortment of the e-commerce channel, since orders are made to preserve the “infinite aisle” the e-commerce wants to offer and the e-commerce sales are often fulfilled by the brick and mortar stocks.

Leisure goods

Leisure goods has no power in setting the prices, since they are decided by publishers, according to the rules of the industry the company competes in. Price is considered a secondary marketing incentive, since it seems to be almost irrelevant in customers’ buying decisions. All channels potentially offer the same product range, since they all share the same virtual stock, thanks to the virtual integration of central and local stocks.

Financial services

The assortment of services supplied through physical and digital channels is the same, except for those services which require customers to complete the transaction near the agencies because of (i) financial regulatory constraints and/or (ii) complexity of the service and consequent perceived risk.

In synthesis digital channels are excluded from offering just those services which require a personal interaction with salespeople because of their own features. With refer to this last class of services, digital channels offer the maximum level of information transmission anyway.

Financial services is now developing a new technical solution to plan and release new technological platforms which will allow customers to complete transactions for these services too, in a way that all the channels, regardless their nature, will offer the same assortment.

With refer to the pricing strategy, all channels offer the same economic condition; the same could be said of the level of service, since the most required

contribution, i.e. supply of informative contents and eventual after-sale assistance, are equally provided, regardless the chosen touchpoint.

Household

Both the CEO and the marketing manager thought that the offer system should be the same across all kind of sales channels and among marketplaces belonging to the same type, nevertheless the width and the depth of the Household's assortment may change across channels, due to the physical features of products, e.g. brick and mortar stores do not have the complete offer of high volume items, because of different extensions of the stores.

3.4.1.2.3 Comprehensiveness of the approach to the deployment of the deliberated strategy: communication strategy

Empirical results about the interventions relative to the communication strategy show that, regardless the actual contents of the communication campaigns and who has the responsibility to draft them, what matters with refer to the execution of the omnichannel strategy is that the tone of voice of the brand is the same across all the channels.

Interviewed managers confirmed that to preserve the consistence of the customer experience their organizations worked to ensure the homogeneity of messages across channels. To achieve this goal, sampled companies generally attributed the responsibility to such a control to the marketing functions, either the creative nucleus of communication campaigns was borne by a supplier, such as a communication agency, or internally.

Table 14 Communication Strategy

Retailers	Uniqueness of the creative nucleus	Responsibility	Alignment across channels
Fashion	Yes	Marketing function	Communication team within the marketing function
Leisure goods	Yes	Creative agency	Marketing function
Financial services	Yes	Creative agency	Marketing function
Household	Yes	Marketing function	Marketing function

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3.4.1.2.4 Comprehensiveness of the approach to the deployment of the deliberated strategy: customer care system

Intervention on customer care system are crucial to the deployment of the strategy, since it involves important points of contacts between the brand and the customers, with refer to certain needs strongly influencing clients' satisfaction.

Table 15 Customer care system

Retailers	Multiplicity of dedicated channels	Mechanisms of coordination of channels' responses
Fashion	Yes	CRM and CRM manger
Leisure goods	Yes	Training of sales people
Financial services	Yes	Customer care team
Household	Yes	Training of sales people

Fashion

Fashion's clients looking for assistance can recur to the brick and mortar retail formats, the brand's social media accounts, a specific on-line form on the website.

To guarantee the homogeneity of replies, preserving the consistence of multi-channels customers' experience, all the requests converge in a central CRM system and the replies are given by the same person.

To improve the speed of answers, the company is now working to develop a chat-bot (in its test phase in August 2017), to automatize replies to frequently asked questions. The tool is supposed to be launched in September 2017.

Leisure goods

The channels projected to offer customer care services in Leisure goods are brick and mortar retail formats, the brand's social media accounts and the social media pages of the single stores, a specific on line form on the website, a phone line.

At the moment this research was being written no processes to guarantee the homogeneity of replies had been still implemented, but in the near future store managers would have been coherently trained to ensure that salespeople near the stores and social media managers, handling the store's social media accounts, gave assistance to customers accordingly to the same guidelines.

Financial services

Financial services offers the following customer care channels: brick and mortar agencies, brand's social media accounts, a chat on the home banking platform, a chat on the corporate website, the mobile application.

In the deployment of the strategy, to ensure the consistence of customer care services, it was decided that all the requests for assistance collected through different channels and touchpoints had to be addressed to the same team, the customer care one, even when they were first addressed to touchpoints managed by other marketing teams.

The homogeneity of answers is therefore ensured by this organizational solution, although already facilitated by the peculiarities of the business: the operations of the company are subject to a high degree of standardizations and formalization through procedures and processes.

The supply of customer care services is a key component of the offer system of the bank, particularly for those services with a high degree of perceived risk by customers. The company is consequently working to improve the level of the offer with the ambition to have full visibility of the journey of those clients seeking for assistance, through either on line or off-line channels or both of them, (i) to understand where eventually any cause of dissatisfaction occurs, (ii) to let the client have a seamless and consistent customer experience when shifting from one channel to another.

Household

Customer care channels in projected by Household are brick and mortar stores, the brand's social media accounts, a specific on-line form on the website and a relative chat, a phone line, the traditional and electronic mail.

The solution Household found to satisfy the needs of assistance coming from clients who already realized a purchase, regardless the touchpoint the client chose to ask for assistance, is to address the request to the salespeople working in the store where the purchase was made.

The assumption which led the company to opt for this process is the importance of building a direct relationship between the store and its local market.

To ensure the congruence of replies by different touchpoints, the customer care is a subject of training near the *Academy*, the corporate project dedicate to the training and the update of salespeople.

3.4.1.2.5 Comprehensiveness of the approach to the deployment of the deliberated strategy: loyalty program

Among the sampled companies, just Leisure goods had already designed and implemented a proper omnichannel loyalty program within its transformation journey, entering an Italian important loyalty coalition. The other sampled companies were still working on the project of an omnichannel program, i.e. a program allowing the company to gather data and the clients to be rewarded across all the channels. Empirical results on the design and delivery of the loyalty programs would have been interesting to detect how companies are collecting data on customers and their preferences and how are managing they satisfaction, across channels.

3.4.1.2.6 Comprehensiveness of the approach to the deployment of the deliberated strategy: in-store and cross-channel customer experience and coordination mechanisms across channels

This area of intervention is directly aimed at shaping the customer experience as it has designed in the deliberated strategy, therefore it encompasses decisions and consequent actions targeted at both innovating the contents of the customer experience the clients does of physical and digital channels and creating links across channels, in terms of supplied services of other contents of the journey.

Table 16 In-store and cross-channel experiences and coordination mechanisms

Retailers	Technological equipment of salespeople	Adoption of innovative technologies near the stores
Fashion	Access to central CRM	Digital signage
Leisure goods	Access to central CRM (expected)	Digital signage
Financial services	PCs and tablets	Digital signage and kiosk
Household	Innovative payments system	Digital signage and kiosks

The most common way in which retailers have addressed this area is through the adoption of new technology, both software and hardware.

Fashion

The impact of the deployment of the strategy on the brick and mortar formats' features was not very relevant: the company did not equip the stores with customer engaging technologies yet, except for the adoption of digital signage technology to create a link with the on-line customer experience.

Salespeople were not equipped with particular technological tools to make the experience in store more innovative in the customers' eyes, but they were enabled to access a CRM database where they can eventually find relevant information about walking in clients, if they have ever used Fashion's e-commerce website. Cross-channel coordination mechanism aimed at designing the omnichannel customer experience is the supply of the *buy on line and pick up in store* service.

Leisure goods

The company equipped the stores with digital signage technology, which enables a one-way communication with clients, while the marketing department was evaluating the possibility to adopt more interactive technologies, to permit a two-ways communication between the brand and the clients.

Within the end of 2017 Leisure goods would have realized a pilot project near one of its directly operated stores to completely innovate and integrate the on and off-line customers experiences.

Cross-channel coordination mechanism aimed at designing the omnichannel customer experience are:

- the supply of the *buy on line and pick up in store* service
- the supply of the *book on line and buy in store* service
- visibility of stores' inventory by clients
- visibility of central and stores' inventories by the sales people who can check the availability of an item, book it and order his delivery near the client's address or the store he/she chooses.

Financial services

To preserve the coherence of the experiences perceived by omnichannel customers, i.e. those clients who simultaneously adopt many channels and touchpoints, the company decided to create the conditions to offer an in-store experience close to the digital channels' one: clients who visit the agency to be assisted by the personnel, when received, sit close to them, sharing the view of

the computer's interface of the personnel, which is graphically equal to that of the home banking platform clients are supposed to be used to adopt on their own.

Household

Although this is the area the future project is mostly focused on, at the moment this research was being written the introduced innovations near the traditional stores were wireless payment system through mobile apps and video signage to transmit information about showed products. Salespeople were not equipped with particular technological tools to make the experience in store more innovative in the customers' eyes nor to integrate the on-line and off-line experiences.

Within 2018 the following services/technological assets were expected to be launched:

- Web assistance in the store
- Augmented reality
- Digital signage e kiosks enabling two-ways communications
- QR code
- Digital signage
- Salespeople's equipment with tablet, mobile payment system

An already existing coordination mechanism among physical and on-line touchpoints was the supply of the *buy on line and pick up in store* service.

3.4.1.2.7 Comprehensiveness of the approach to the deployment of the deliberated strategy: information and communication technology

This variable is often seen as an enabler of the transformation, since the adoption of such technologies permits to collect, model data about the customers and to share them within the organization and the supply chain. Creating knowledge about the actual and potential customers and sharing it across the business functions permits to the company to design and supply the target customer experience, i.e. a personalized and relevant one, regardless the channels adopted by clients to enter in contact with the brand.

The integration among information and communication platforms is therefore one of the most compelling areas of intervention.

Fashion

During the deployment of the strategy, to create integration and coherence between the customer experience on line and off line, one of the interventions

was targeted at enabling the sharing of data on consumer behaviour and sales between teams of people working for the different channels. To make this possible the integration among the management software of the directly operated stores was made, so that those data were accessible and shared at both the corporate and distribution network levels.

Since the earth of the project had always been considered the e-commerce platform, the adoption of new technologies and the integration among already existing software was based on the e-commerce platform. The company adopted and integrated the following technologies to allow their users to share the same data within the company and its supply chain: the CRM, ERP and POS managerial software and an omnichannel management platform.

Leisure goods

When this research was being written, the company had integrated the CRM platform with the stores' management software is just partially, i.e. with refer to the sole data collected through to the loyalty program.

The marketing function had worked on the CSM platform allowing stores' managers to publish on line the calendar and the detail of all the events they are used to organize near the stores, into dedicated spaces on Leisure goods' website. The next steps would have been (i) the integration of this CSM platform with the brand and the stores' social network pages to further boost diffusion of contents, (ii) the implementation of the platform in a way that allowed stores' managers to directly produce communication materials, (iii) the use of the produced contents to send weekly newsletters.

These objectives had been settled by the marketing direction to meet store managers' requests to have a closer relationship with local clients, since they cannot communicate with them directly, lacking the ownership of their data, but just through the central marketing team's initiatives.

An information-rich element of Leisure goods' case is related to the creation of a virtual centralized stock: the intervention aimed at virtually integrate all the stocks was induced by a shift in the market demand and in the consumer behaviour: in 2016 434.000 books' titles were sold, but 96% of them sold from 1 to 100 copies, while bestsellers were just 20 (GFK, 2017), meaning that the demand resulted to be very fragmented: if on the one hand consumers moved toward the long tail, on the other they became used to always find what they are looking for, due to the proliferation of channels which regarded many brands. All these considerations forced Leisure goods to intervene on the extensiveness of the product range.

As reported by Leisure goods Retail's marketing manager, the average inventory of a bookshop is composed of about 5000 references and this would impede to meet the new consumers' expectations and demand: the creation of a single virtual stock was a necessary strategic decision to allow bookshops to benefit from the same potentially infiniteness of the product range as offered by the e-commerce platforms, so satisfying the expectations of customers. This in the case in which the input to transformation and to acquisition of new technology comes from a shift in consumers' habits.

Financial services

In Financial service's case the most important technological asset in pursuing the goal of the full integration in the management of multiple channels can be considered to be the CRM adopted in September 2014: it permitted to profile each client in a dedicate section accessible by the teams from all the functions, such as marketing, sales, customer care, etc., meaning that all of them share the same data on customers.

Household

With refer to the adoption of new information and communication technologies and/or to the integration of existing ones, the biggest effort made by Household was integration among the central CRM platform and stores' management software, since up to that moment data about sales of directly operated and affiliate stores were transmitted and shared through a manual procedure.

3.4.1.2.8 Comprehensiveness of the approach to the deployment of the deliberated strategy: data-driven marketing

Customers expect and require a substantial, sounding shopping experience. They are used to marketing campaigns based on their tastes, anticipating their needs.

Sending incomplete or contradictory messages transmits a feeling of disorganization that could annoy the customer and sometimes persuade him to go elsewhere. Data-driven marketing is the tool available to experts to defer personal communications. It requires a process of gathering large amounts of online data that are combined with the most traditional offline data to quickly provide analysis and customer information from multiple integrated channels. A well-integrated data-driven marketing program is able to offer that single-view to the consumer that paves the way for the realization of an omnichannel system.

To assess this very interesting part of the whole transformation journey, companies were questioned on the collection of data and on their use.

Most relevant evidences of this investigation are reported in table 17.

What can be said about the interventions made by the sampled companies is that the first achievement is the creation of sources of data, near the physical and the digital channels, i.e. typically through forms near the store and personal accounts required to use the on-line platforms. It goes without saying that multiple sources can better serve the named goal.

What kind of data are collected through these sources? Physical channels are likely to allow the collection of personal data and, if a loyalty program is available, profiled sales data; while online channels typically supply big amounts of data about the sales and the customer journey near single channels. It clearly emerges how precious results to be an omnichannel loyalty program with refer to data gathering: if sources are different a tool to track the behaviour of single clients across channels is needed to obtain a single view of them. Once the company has created the condition to acquire data, these have to be stored, modelled and made available to relevant people. The sampled companies experience shows that the acquisition and the embedding of ICT, such as CRM platforms, gives a solution to the need. Obviously, technology is an enabler, but it needs supplemental interventions, such as training and calendar of meeting to lead people to its incisive adoption.

Another important issue is the identification of those functions, teams and single individual within the company who should access the data on customers and with what objective.

Table 17 Data-driven marketing					
Companies	Sources of data	Kind of data	Integration of data	Level of sharing of data on customers	Use of data to personalize marketing approach
Fashion	physical forms filled in near the stores, customers' accounts on the e-commerce website, website.	customers personal data, information about web users' on-line journey.	CRM software	marketing team and retail salespeople share the same data from the CRM software	the store manager, getting the name or the email address of the walking in clients, can access information about their on line behaviour in terms of purchase and/or potentially unsatisfied wishes and consequently adapt his commercial approach.
Leisure goods	stores, websites and loyalty program.	customers personal data, information about web users' on-line journey, purchases with the loyalty program.	CRM software	marketing team and retail salespeople share the same data from the CRM software	currently working on the possibility to integrate the data on customers, as collected through the loyalty program, with the CRM software, accessible by retail salespeople, in a way that they can adapt their commercial approach to walking in clients.
Financial services	brick and mortar agencies, corporate website, home banking platform, mobile app, customer care channels.	data on purchases and on operations made by customers, on supplied customer services, on the use of all the digital channels and interfaces.	CRM software	the data are managed, analysed, modelled by a dedicate function, the business intelligence one, which serve all the other functions with refer to their needs of information	the marketing team use data to analyse the use of different channels and touchpoint and consequently improve the offered experience, providing personalized messages too, for instance through DEMs and through apposite spaces on the web site; in the near future a space dedicated to personalized message will be create in the App interface too. The sales team use data to define personalized commercial policies, through the intermediation of agencies' personnel, in particular for high net worth clients.
Household	e-commerce platform, in the future physical forms near the stores	customers personal data, information about web users' on-line journey, purchases with the loyalty program.	CRM software	Marketing, sales and ICT functions share the same data	None yet.

Fashion

The most noteworthy achievement of integration in the use of data about customers consists in the involvement of store managers and salespeople in the transformation journey, where they were asked to use the contents of the central CRM to profile the clients they are assisting and to adapt their commercial approach to the information they access about the online client's behaviour.

The company has not yet achieved a proper single-view on its customers, because not all of the network of shops has yet been involved in the deployment process and because a valuable source of data is still missing, namely the loyalty program.

Leisure goods

Leisure goods realized the same intervention as Fashion with refer to the creation of an access to the CRM platform by retail sales people. With refer to the achievement of a single view and the following adaption of marketing and commercial approaches, Leisure goods has still to work on data, since it has no ownership of the data on clients acquired by other partners of the loyalty coalition, so the marketing team cannot access the totality of the data which define their profiles, neither send them direct communications, but can reach them indirectly through the communication campaigns organized by the coalition itself. With refer to clients which entered the loyalty program through Leisure goods, the company can collect and analyse all the data about their behaviour and, if they gave their approval, directly send them communication.

Financial services

Among the sampled companies, Financial services case is the most interesting with regard to the question of data. In fact, the company is rich in data on its consumers and wisely imply them to manage marketing, sales and communication activities. The data are managed, analysed, modelled by a dedicate function, the business intelligence one, which serve all the other functions with refer to their needs of information.

What about the use of data to create the single view on customers? The marketing and the sales teams use data with a different level of detail; the marketing team utilizes data on the use of channels and touchpoints at an aggregated level (e.g. they know that a certain percentage of the customer base use a certain channel to complete a certain transaction, but ignore the relevance of the use of single channels by any single customer), while the commercial team access detailed data on the customers' habits and potential lifetime value to adapt the customer

management model and the offer. When this research was being written, both functions were working hard to achieve a single view on the customer, tracking his journey across touchpoints from its begin to its end, through the creation of back-up mechanisms the company was projecting.

Household

Although the top management of the company deliberated the decision to move toward the omnichannel retailing, in the deployment of the strategy any way to personalize marketing and communication approach was considered, because of the CEO's belief that personalized messages and tools of communication in the end would have resulted to be annoying and undesired by the brand's consumers.

3.4.1.2.9 Comprehensiveness of the approach to the deployment of the deliberated strategy: operations and logistics

Intervention on operations' re-engineering was mentioned as a scheduled commitment by the majority of managers interviewed during the first exploratory analysis. In this area is supposed to be included the re-engineering of operative and logistical processes related the managed channel, both physical and digital.

Fashion

In Fashion's case the re-engineering of logistical processes was said to have required a big effort in the deployment process, mainly due to the international profile of the project. Managers of the company decided to involve the network of brick and mortar stores and their stocks to fulfil the orders from the on-line channel. Nevertheless, neither the feature of the locations nor the dimensions of their stocks had changed up to the moment of the interview.

Leisure goods

Interventions on processes and assets serving logistical needs has been considered crucial in the transformation journey and was led by the director of the multi-channel and e-commerce department who is has a background as engineer and dealt with the design and improvement of logistic processes to make integration possible.

The central stocks of the company and the single stores' stocks have been virtually integrated, to create efficiency and effectiveness in the logistic operations: the availability of single items and their localization is visible both

internally and externally, i.e. to salespeople working for all the channels and to consumers.

This achievement enabled the supply of some of omnichannel services to clients:

- Possibility to book a product for 24-48 hours near a chosen store and pay and collect it in person
- Possibility to buy goods on line and pick up them in store
- Possibility to buy goods in store and receive it at home or near a network of pick up points

Financial services

As Financial services is a service retailer, the impact of the deployment of the strategy on operations and logistics had not any noteworthy impact.

Household

The proliferation of distribution channels through the introduction of e-commerce platform did not force the company to review retail operations, while the supply of *click and collect service* to customers required the engineering of the necessary logistical processes.

3.4.1.3. Formalization of the managerial guide to the deployment of the strategic decision

When reporting on the organizational solutions to lead the transformation journey, it clearly emerged how different levels of engagement of the organization can exist with refer to the deployment of the strategic approach.

For instance, in some cases special job position were created to facilitate the deployment of the project.

Moving from these considerations, one could say that companies can have different managerial approaches to the guide of the transformation journey, according to different level of formalization of the deployment plan.

To detect this aspect of the deployment phase, capitalizing on the outputs of the first exploratory study aimed at identifying the relevant areas of intervention, managers from sampled companies were interviewed on the way in which they had planned the whole approach and if they had decided to co-opt external professionals and suppliers to be supported in designing the transformation journey.

The concept the managerial formalization was therefore coded through four proxies:

- Action plan: it can be a project management tool which, given certain stated objectives, permits to clearly identify the actions necessary to be done to achieve them, their timing and the necessary resources in terms of both human resources and capital.
- Performance measurement system: for the sake of this research, the named system is meant as relative to the performances of who is in charge of the execution of the taken decisions, so a tool of control of the advancement of the project.
- Incentive system: it is meant as a rewarding system to encourage effectiveness and efficiency of who is in charge of the execution of the taken decisions, so as a tool to sustain the achievement of set goals.
- Involvement of external professionals: since the know-how about the way to deploy the strategy result to be poorly fostered by the field experience, due to the relative novelty of the theme, the involvement of experienced professionals from the relevant fields is assumed to boost the managerial formalization of the approach to the deployment.

The main evidences from the case study are reported in the following table 18.

Table 18 Managerial formalization of the transformation

Company	Drafting of an action plan for the deployment of the strategy	Performance measurement system related to the transformation	Incentive system for people involved in the deployment of the strategy	Involvement of external professionals in the design of the project
Fashion	Yes	Yes	Yes	Yes
Leisure Goods	No	No	No	No
Financial	No	Yes	No	No
Households	No	No	No	No

The only case history which offers strong evidence of coded proxies is Fashion's one, probably because of the process which led the company to deliberate the strategy: the initiative came from the CEO of the company, who submitted the special canvas to the board of directors to have it approved; the level of

formalization of decision-taking processes of such a corporate administrative organ implied the necessity to detail that transformation process which would have required a dedicated budget and additional efforts in terms of human resources.

Fashion’s head of global omnichannel, after entering the company, had indeed to draft an action plan, which served as a base for all the successive decision-taking processes related to the deployment of the strategy. This assignment was perceived as due and not critical by the manager, since in his previous working experience he had already led a company throughout such a transformation journey. A dashboard of key performance indicators was elicited when the involvement of stores’ sales people resulted arduous due to their resistance to change and an incentive system to the achievement of set goals was planned to successively align their professional and personal interests with those of the company. When this research was being written the incentive system so conceived had not yet been implemented, although it had been designed, so little can be said on its effectiveness in boosting the formalization of the managerial approach to deployment.

3.5 Main findings on how retailers deploy the omnichannel strategy

Given the main theme of omnichannel retailing, which has been well conceptualized by academics and has become popular in professional environment, the focus of the present research is the deployment of the strategy to come to elicit a framework which could serve as an useful guide to researchers and practitioners committed to the execution of the strategy.

The most interesting empirical evidence will be commented and compared with related academic contribution, when available, to present results from the field and hopefully give hints to other researchers and practitioners who are currently dealing with the theme.

Having combined theoretical contribution and empirical results, one could say that the theme of the deployment, which, at a first glance, appears to be too huge to be codified, can be briefly elicited as a transformation journey where companies are required to work on *internal variables*, such as processes’ engineering, assets’ acquisition and embedding, corporate culture and

Table 19 How retailers deploy the omnichannel strategy: convergence and uniqueness

How retailers deploy the strategy	Convergence	Uniqueness
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Organizational solutions to deploy the strategy	<ul style="list-style-type: none"> ▪ None of the companies abandoned the functional structure and all of them projected soft coordination mechanisms across functional teams. ▪ The organizational unit leading the change is usually the marketing function. ▪ The creation of an <i>ad hoc</i> job position/team to lead the transformation is recurrent. ▪ The decision to first buy the necessary services and then insource them is common. 	<ul style="list-style-type: none"> ▪ The only company which did not intervene on the design of the organizational structure is Household. ▪ Financial resulted to be the company most focused on the theme of the omnichannel customer care, likely because of the relevance of customers' needs when related to financial services. ▪ With refer to the integration between the online and offline customer journey, Fashion introduced an innovative solution, i.e. enabling store salespeople to access CRM data, do consequently adapt their commercial approach.
Comprehensiveness of the approach to the deployment of the strategy	<ul style="list-style-type: none"> ▪ All the companies set similar boundaries to the transformation process: all of them revamped the channel mix, aligned the offer system and the communication contents across channels, projected and offered cross-channel services to clients, integrated the main company's software, adopted a data-driven marketing approach, re-engineered operational and logistical processes. 	<ul style="list-style-type: none"> ▪ In the innovation of the channel mix, all the sampled companies resulted focused on the e-commerce website, while Household put its greatest effort on the improvement of the physical store's experience.
Formalization of the managerial guide to the deployment of the strategy	<ul style="list-style-type: none"> ▪ All the sampled companies showed to have a good margin to improve the level of formalization of the transformation process. 	<ul style="list-style-type: none"> ▪ Fashion results to be the only company which created a performance measurement and incentive system to control and enhance the effectiveness of the process.

organizational structure's re-shaping, to achieve results related to *external variables*, i.e. the customer experience.

Main findings have been organized around the three main concepts which were found to better represent *how* do retailers are actually addressing the strategic issue. Before illustrating the main findings, a synthetic overview of the level of convergence among the four analysed cases is reported by the table 20.

3.5.1 Organizational solutions to deploy the strategy

The analysis of organizational solutions managers identified and adopted to lead their companies through the transformation journey highlighted that:

- To overcome those *organizational silos* that the literature identifies as a main barrier to integration, generally companies did not re-design the organizational structure, overcoming the functional model, but opted for the creation of soft coordination mechanisms, such as the definition of calendars of periodical meetings among teams from different functions involved in the transformation and the creation of strategical cross-function and cross-channel strategical committees giving the directions to operative committees involved in the executions.
- The organizational unit which is commonly given the responsibility to plan and lead the execution of the strategy is the marketing function. This result is not surprising since the whole transformation strategy has to be planned with a strong customer centric focus and the function supposed to know best the market is the marketing one.
- In some case the creation of an *ad hoc* job position recurs, which seems to give a higher level of formalization to the process. This solution does not appear in all the cases, probably because on the one hand the related job position, e.g. *omnichannel manager*, is still very new to the job market and on the other one such a professional profile seems not easy to be found since it requires expertise in different fields, such as marketing and ICT, as well as the ability to always have a look at the business and at the whole organization in all its business functions.
- To realize the digitalization process of the company and its channels, it is common among companies to first outsource the related activities and to then insource them, to achieve cost saving and to sustain the creation of relevant competencies and skills among internal human resources.

The empirical evidences reported above are meant to give an overview on the possible organizational solutions to the enablement of the transformation journey and the following current management of the company. Commenting the differences with the related literature, a noteworthy one is on the organizational structure design: the sampled company did not completely abandon the functional model, but this information does not mean that they did not worked to overcome organizational and technological barriers to integration; they preferred to deploy the integration (i) designing new procedures and processes to coordinate the work of teams dedicated to specific channels, (ii) sustaining the sharing of data on consumers through the adoption of new information and

communication technologies or the creation of a team of people dedicated to data collection, analysis and modelling.

Moreover, the progressive plan and execution of new channels and touchpoints had an impact on organizational cost, since forced companies to hire new dedicated human resources, e.g. social media managers committed to the creation of *ad hoc* contents and to the management of the two-ways communication allowed by the new communication tools. These new human resources, although assigned to specific *functions*, play cross-channel roles.

To conclude, a univocal organizational response does not exist, since it is probably the most firm-specific area of intervention and it is mostly influenced by the level of advancement of the transformation process, the firm's dynamic capabilities and the type of structure when the transformation begins.

Moreover, given the present level of maturity of the retail industry with refer to the theme of the omnichannel approach, it is not still possible to identify a proved and valid unique organizational solution: field experience is still needed.

3.5.2 Comprehensiveness of the approach to the deployment of the deliberated strategy

With refer to the comprehensiveness of the approach to the deployment of the strategy, different retailers seem to set the same boundaries to the transformation, encompassing quite the same areas of intervention, but with different levels of commitment.

In particular:

- The design and implementation of new channels and touchpoints and the innovation of the existing ones can be considered as a necessary step and it mainly corresponds to the progressive digitalization of the channel mix, through the design and the execution of new or innovative versions of digital channels and touchpoints, such as mobile apps, e-commerce websites, social media outlets, etc. These new multi-functional channels are often meant as a tool for the integration of physical and digital words and for the improvement of the services which link the experience across channels. Mobile apps can offer different and useful services with this refer: they allow customers to browse the catalogue, make purchases on line to subsequently collect items near the stores, create wish list, acquire information on products through the scan of their bar codes, find the closest store, search the available sizes of an item, share information and pictures of the products through social networks, use cross-channel digital coupons, etc.

The example of the emerging importance of a new channel, namely a retail brand's mobile application, was reported to highlight the reasons that move companies to project new digital channels and to integrate them with the existing ones: the listed functionalities, behind innovating the customer experience, permit to integrate the single channel experiences.

- The possibility to move interchangeably across the various shopping channels requires that two of the key components of the marketing mix, i.e. product and price levers, are managed consistently. To avoid disappointing the customer about his/her omnichannel experience and to reduce the company's risk of transmitting discordant messages, it must be very clear to the client what are the products sold through the different channels, what are the prices applied, and, if discrepancy occurs in particular prices from the different channels, the underlying motives, such as a different level of service, must be clear and easy to understand. This issue is very close to that of the coordination and the integration of promotions launched through different channels: either channel-specific or cross-channel promotions require an organizational effort aimed at optimizing and coordinating the strategies of manufacturers and all the other players belonging to the distribution channel structure. The success in preserving the perceived homogeneity of the offer system across channels strictly depends on the level of the organizational coordination within and across-channels.

Indeed, the empirical results about the alignment of the offer system, in terms of product/service range, pricing and promotions confirm that it is considered by practitioners a way to preserve the customers' perception of consistency of the brand.

- Customer care systems have to be projected with a multi-channel approach and mechanisms to ensure the homogeneity of replies to customers can be both traditional, i.e. training of dedicated people, and innovative, i.e. chat-bots and other automated systems. Data about all the interventions aimed at offering customer care services are a precious input for the improvement of the customer satisfaction and for the reduction of operational cost associated to the provision of such services.
- The design of an omnichannel loyalty program is a crucial task for the implementation of the strategy, for the impact it may have on customer satisfaction and loyalty, as well as for its relevance in collecting precious data, to be used to obtain the single view on the consumers.

- The role of the physical point of sale in a multi-channel approach must be entirely reshaped. In fact, in the omnichannel strategy, the store is certainly an important sales channel, but it needs to be valued and used for features that differentiate it from digital channels: the physical environment, the presence of sales assistants, the possibility to show products to the customers and allow them to try them; features that allow the customer to live the brand experience. At the same time, the point of sale is transformed to overcome its physical boundaries and open to the digital world, thus enabling the customer to experience a single experience in which physical and digital modes blend. For these reasons, the adoption of technology near the point of sale is a decisive step in the deployment of the omnichannel strategy. Finally, in addition to be an *experiential center*, the physical point of sale also becomes an important *logistics center*, i.e. a step of the chain of delivery and reverse logistics.

The theme of the direct interventions on the customer experience encompasses both kind of channels. i.e. physical and digital, and those services and technologies which allow customers to shift from one channel to another: e.g. services such as the *click and collect* one, the possibility to return purchases regardless the channel used for the transaction, possibility to check the availability of products, etc. The supply of these cross-channels services, although directly impacting the customer experience, find its enabler in internal processes' engineering and in the adoption of information and communication technology.

- The role of ICT in the deployment of the strategy is crucial since it is strictly linked to another key area of intervention, i.e. data-driven marketing: if the final target to deliver a personalized and relevant customer experience can be achieved only if relevant data about the customers are collected, modelled and implied in decision-taking, than one of the most important assets and know-how to invest on are information and communication technologies: the implementation and subsequent integration among platforms such as CRM, ERP and CMS, permit to collect, model, share data on customers across business functions, marketing and sales in particular; imply the achieved deeper insights on customers to better manage other operations, such as demand planning (ERP); to send the tailored and relevant messages to clients, on the base of a deeper knowledge of them (CMS).

- The success of the deployment of an omnichannel strategy is determined by the increase in the satisfaction and in the loyalty of clients and by the ability to reach and acquire new potential clients. The consequent insight is that knowing clients, their behaviours, their needs and preferences manifested across the channels they adopt is crucial. Creating a single view on customer is a key step in becoming an omnichannel retailer. Each channel and each touchpoint or other interaction with clients is a valuable occasion to sophisticate the marketing strategy. It often happens that the relationship with clients is managed by different organizational units and teams, who compete among them and imply different tools and data to take decisions, so creating incoherent perceptions in clients, mining the customer trust. To define and deploy a data-driven marketing strategy, which capitalize on a single view on clients, each interaction with clients has to be tracked, either it happens through channels which allow the personal profiling, e.g. the log in on an e-commerce website, or in anonymous occasions, e.g. the visit to the store without making any purchase or without using the loyalty card. The final goal is to collect data from multiple sources and to address them to single individuals. Accessing information on the client customer journey across the website or the physical store is an important achievement. The profiling of clients is still strictly linked to the use of the loyalty card or the of the online credentials to log in web platform, so totally demanded to the choice of clients. In the best scenario automated ways to collect data on customers, always respecting their privacy, should be adopted, e.g. beacons near the stores.

The availability of a greater amount of data is enables more sophisticated analysis, but it is not enough: companies need the related technologies and competences to elaborate on those and imply them in decision-taking processes.

- The area of intervention which deals with logistics and operations encompasses the activities that have to be performed for demand fulfilment and delivery and to enable the reverse logistics.

To offer the expected services to omnichannel customers, companies have to work on the integration of all those activities necessary to fulfil online orders, included stock management and transportation.

Companies have to design and execute fast, flexible and sustainable supply chain management processes. In an omnichannel competitive arena effective and efficient logistical processes can be a source of

competitive advantage since they directly contribute to determine the customer experience and the customer's satisfaction. Services such as the *click and collect* one and in general cross-channel demand fulfilment permit to the company to really move toward the omnichannel approach. All the issues related to reverse logistic are relevant for the deployment of the strategy since they allow a perception of real integration across channels.

For an omnichannel retailer reverse logistics is not a simple after sales services, but becomes a relevant element in the whole clients' path to purchase: clients expect a flexible solution to return a product, regardless the channel the purchase was made through.

Moreover, cross-channel reverse logistics offer companies the possibility to sustain the walking-in traffic near the stores.

3.4.3 Formalization of the managerial guide to the deployment of the strategic decision

Considering the managerial level of the approach to lead the organization through the transformation, some areas of improvement emerge.

Assuming that the adoption of project management tools would improve the effectiveness and the efficiency of the deployment process, organizational and managerial solutions to deployment could be reviewed with refer to the organizational unit in charge of leading the change: since the transformation involves many corporate functions, such as marketing, sales, ICT, logistics and operations ones, a task force with multiple competencies could better address the deployment of the project. This is particularly true if one considers that the field experience gained by practitioners in the Italian market can still been improved, being the diffusion of the adoption of the new approach still immature.

3.6 What barriers, if any, to the full deployment of the omnichannel approach do companies face?

The objective of this section of the work is to give answer to the third research question, i.e. to analyse what obstacles are met by managers in charge of the deployment of the deliberated strategy.

The interest for such a theme moved from a consideration which I made as a consumer: the adoption of the omnichannel approach can detected by consumers if they observe the customer experience across-channels and, in doing so with refer to a group of Italian BtoC brands, I had the impression that many companies

have still to undertake or to terminate their transformation toward the omnichannel approach. I wondered why it was so. When interviewing the managers involved in the field analysis, I finally had the chance to make them the question I was wandering about as a consumer, i.e. what were the issues which were slowing down the pace or hindering the transformation journey of their companies.

3.6.1 Empirical results on main barriers to full deployment of the strategy

The execution of the omnichannel strategy requires managers to undertake a change process, along which results are not achieved simultaneously, but gradually. Moreover, some interventions are preparatory to others and each one can present a different level of criticality.

The sampled companies involved in the present research, although being at different stages of their transformation journey, were asked to report on the main issues they had to manage to fix for the sake of the full deployment of the deliberated strategy. The results of this investigation are described as it follows and summarized in the table 20.

3.6.1.1 Empirical results on main barriers to full deployment of the strategy: Fashion

Being the project strongly related to the brick and mortar stores' management, one of the most relevant barriers Fashion had to overcome was the initial attitude of store managers and salespeople, who were asked to act in a very entrepreneurial way: accessing CRM data, interpreting them and using them in their commercial and communication decisions, e.g. sending newsletters to clients who were geographically close to the store and frequently logged in the e-commerce website.

The first difficulty was to convince stores managers that they were being given the opportunity to improve sales: their role was indeed considered as critical as the e-commerce manager's one, while their commercial approach was very different: the first used to wait for the clients to walk in the stores, the latter used to analyse data and meticulously lead decisions to achieve the best conversion results out of their decisions (planning communication and commercial campaigns, etc.).

The head of omnichannel of Fashion stated "the company made technology available, but just salespeople can make the difference", highlighting how the technological variable is one of the most important enablers in the deployment of

the strategy, but it is not enough, if it not sustained by other inputs such as training on its use, organizational solutions, cultural change.

Store managers were appropriately trained before becoming part of the project and their initial resistance was partially overcome when the first impact on the performance became relevant: e.g. the average opening rate of newsletter sent by store managers resulted to be about 27%, the highest performance among similar activities performed by other marketing men in the company.

Moreover, the pace of the transformation was slowed down by another factor: a great complexity in process engineering and exception handling with refer to logistics, administration and fiscal management. Such a level of complexity, which could be described as a firm-specific issue, is linked to the internationality of the project, i.e. the Italian branch, guided by the head of global omnichannel, is leading the transformation throughout all the country the brand retails its product in.

To overcome the resistant attitude of salespeople an evaluation system based on KPI which can be a proxy of store managers' contribution to the deployment of the strategy (i.e. number of one-to-one marketing communications, etc.) was then created.

To address the difficulties in process engineering and exception handling the agreed solution was to allocate the necessary time to get insights from the experience and create new expertise

Table 20 Barriers met in the deployment of the omnichannel strategy

Company	Examples	Main Barriers
Fashion	<p>“Convince retail salespeople and store managers that they have been given a big opportunity is the hard part and we are still managing to convince them” (Head of global omnichannel)</p> <p>“What slowed our pace was the complexity of all the underlying internal processes and procedures.” “We will not call ourselves an <i>omnichannel retailer</i> until processes’ re-engineering will be accomplished” (Head of global omnichannel)</p>	<p>Culture</p> <p>Firm specificity</p>
Leisure Goods	<p>“One of the first difficulty we had to overcome was the defensive attitude of affiliate entrepreneurs: since the adoption of the multi-channel approach and the introduction of the <i>click and collect</i> service we had to convince them that new channels wouldn’t have cannibalized their sales, neither forced the company to adopt a too aggressive promotional policy” (Company marketing manager)</p> <p>“The coordination mechanism between channels and functions are a cause of complexity, since the whole structure of people lacks the customer centrality of the professional point of view.” (Company marketing manager)</p>	<p>Culture</p> <p>Culture Organizational structure</p>
Financial	<p>“To be more agile in decision-taking and deployment processes the marketing function, which leads the transformation, should be meant as a business unit, where all the functions are represented, serving the goals of the project, while the present organizational structure slows the speed of the marketing function.” (Omnichannel manager)</p> <p>“Values dealing with innovation, digitalization and agile cooperation are not shared by all the members of the organization, and they are crucial to the success of the change process” (Omnichannel manager)</p>	<p>Organizational Structure</p> <p>Culture</p>
Households	<p>“We would have been quicker in innovating the customer experience near our stores, if we had had the necessary time and know-how to evaluate the loads of offers we receive from technology supplier” (Marketing manager)</p> <p>“Involving our franchising network in the change is a big effort and a very time-consuming activity, since they are afraid of what they may lose” (CEO)</p>	<p>Organizational structure</p> <p>Culture</p>

3.6.1.2 Empirical results on main barriers to full deployment of the strategy: Leisure goods

The main barrier mentioned by Leisure goods' marketing manager is referred to the involvement of affiliate entrepreneurs in the multi-channel strategy: at the beginning of the project, when the company started to supply the *click and collect* service, the franchisees still feared the competition from the brand's on-line channels, being them convinced that it would have cannibalized their sales and forced the company to undertake a too aggressive promotional policy. This latter consideration was due to Leisure goods's decision to align pricing policy to the e-commerce leader which in the end brought his on-line competitors to make a 15% flat discount policy on all the on line sales.

Other causes of complexity in the deployment of the strategy were referred to the coordination mechanisms among channels and functions, because the organizational structure requires teams which works for the cross-channel functions to serve in a consistent manner the different channels, never losing the point of view on customer, which is supposed to be the same.

In synthesis these are the main barriers as mentioned by who is leading the transformation journey:

3.6.1.3 Empirical results on main barriers to full deployment of the strategy: Financial services

The barriers the company was facing in the deployment of the omnichannel strategy, at the time this research was being written, dealt with its immaterial elements, namely the features of the organizational structure and the cultural approach to digitalization, both of them caused, among other factors, by the level of formalization and standardization of procedures imposed by the type of industry it competes in.

To address the organizational issue, so to be more agile in decision-taking and deployment, the marketing function, which actually was leading the transformation, should have been meant as a sort of business unit, where all the functions are represented and allocated to the goals of the project, in the omnichannel manager's words. On the contrary the present organizational structure was considered to slow the marketing function' operative speed, because of the necessary time to plan and coordinate the contribution of some functions, e.g. the information and communication technology one, to others.

3.6.1.4 Empirical results on main barriers to full deployment of the strategy: Households

The barriers which have slowed the full deployment of the strategy were the franchisees' resistance to the launch of the e-commerce channel and the *click and collect service*, since they were afraid of what they might have lost in terms of sales. Another obstacle the company is now working on is strictly related to its motivation to deliberate and consequently deploy the strategy, i.e. to innovate the customer experience near the traditional points of sales, to better link it to the online customer experience, so exceeding customers' expectations.

To achieve this final goal, a study of innovative technologies and managerial practices related to the stores has been necessary, nevertheless the company is still trying to engineer procedures to screen and evaluate omnichannel technologies, because of a lack in time and relative competencies within the company.

3.7 Main findings on the barriers to full deployment

The tangible output of the deployment of the omnichannel approach is the design and delivery of a certain customer experience to consumer. To achieve this result, one of the most important intermediate goal is, among others, obtaining a single view on the customer, i.e. exactly tracking his/her journey, collecting data about it, modelling them and implying them in the decision-taking processes. To allow this system, beyond the creation of conditions which make it possible, e.g. embedding the necessary information and communication technology, a great level of sharing of data and assets is crucial: people must get used to the values of innovation, cooperation and sharing.

The organization's features, as seen in section about the areas of intervention for the deployment of the strategy of the present research, are therefore an important enabler for the execution phase, but the corporate culture and the design of organizational structure can be an obstacle too.

Changing the workflows to achieve that named level of integration in managerial processes, as required by the implementation of the strategy, and consequently the tasks people are asked to perform, the relationships of report and control they are subject to and professional objectives they are given can be a source of stress and induce resistant attitude in people who are asked to take part in the change. Moreover, the adoption of new technologies, both software (CRM, CMS, ERP platforms, etc.) and hardware (technological tools adopted near the stores, such

as kiosks, payment tools, digital signage panels, etc.) requires a proper training on their use and a certain time to be embedded in current operations.

The evidences from the case study with refer to the obstacles represented by the corporate culture and the organizational structure's design do not result to be worrying, since solutions to overcome them may come from the design and supply of training services to involved people and the creation of incentive systems related to the achievement of certain deployment's goals. Both these solutions could help managers in changing the resistant attitude of involved people, being either salespeople or partners, such as the franchisee entrepreneurs. Moreover, time, as usual, could be a great ally.

With refer to firm-specific barriers to full deployment of the strategy, a case by case analysis should be done, but the mention of these kind of obstacle introduce an important theme for the present research: a unique recipe for the deployment of the deliberated strategy do not exist, since many firm-specific variables, such as the level of internationalization of the company, the peculiarities of the traded goods/services, the familiarity with innovative technologies, intervene in it.

Chapter 4

The omnichannel approach: operational framework to lead the transformation journey toward it and emerging integration models

4.1 Introduction

Although companies seem aware of the necessity to innovate the marketing approach, moving toward the omnichannel retail model, the empirical evidences discussed above show that a clear path to the deployment of the emergent strategy has not been elicited yet.

The goal of this work is therefore to couple existing academic contributions on the theme and empirical evidences from inductive study presented in the previous chapters to exactly identify the areas of intervention involved in the transformation journey and the eventual relationships among them.

The first exploratory study, namely a focus group and a set of interviews to managers and entrepreneurs from the retail industry, gave as an output a framework of the dimensions involved in the deployment process which practitioners agreed on. Those ten dimensions were subsequently organized according to their visibility to the final customer: internal and external dimensions were identified, where the first generally dealt with company's managerial processes, procedures, assets and organizational themes; and the latter had a direct impact on the customer experience.

At the end of this first phase of the study, having made clear some pillars of the theme, the emerging impression was that to become an omnichannel retail a company should work on processes' engineering or reshaping, technological assets and competences' acquisition, organizational solutions' embedding.

The goal to verify this assumption led to design of a multiple case study analysis on four Italian retailers.

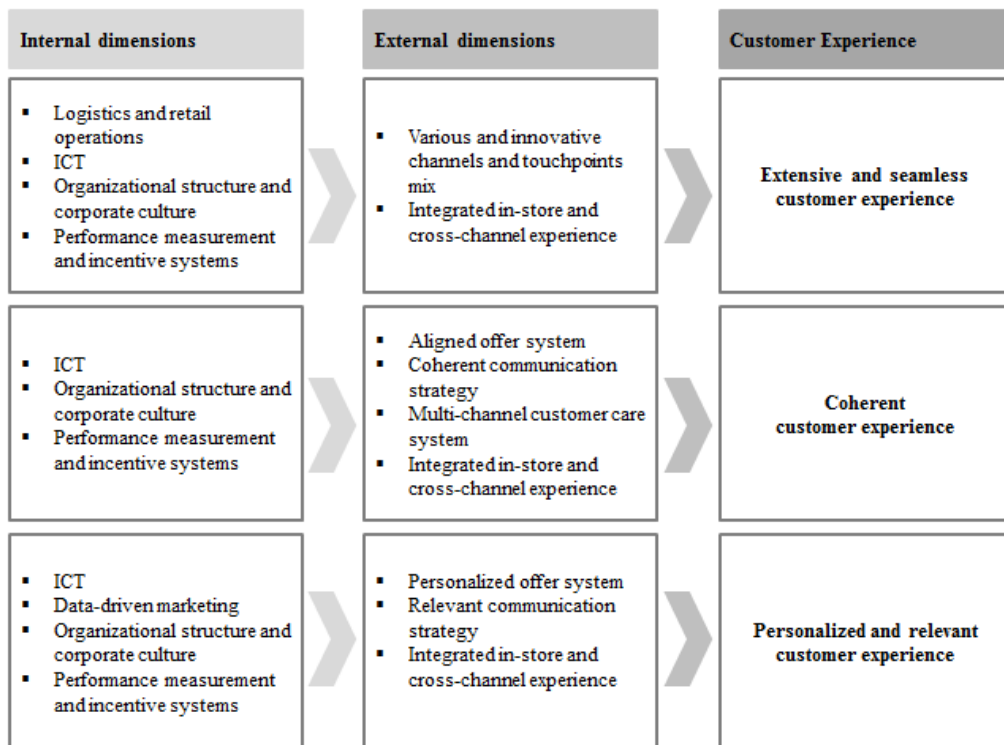
Having assessed empirical results about (i) the motivations which move companies toward the change, (ii) the organizational solutions they can implement to lead people through the transformation journey, (iii) the exact areas of intervention and the pursued goals of those interventions, (iv) the level of formalization of the managerial guide toward the transformation, (v) the obstacles commonly met in the deployment of the strategy, the objective of this

chapter is to present an operational framework of the areas of interventions to be encompassed when designing and planning the transformation journey.

4.2 Internal dimensions, external dimension and omnichannel customer experience: inputs and outputs?

If one should briefly describe the deployment process of the strategy and its goals, it could be said that it consists in working on the level of integration of companies' internal processes and assets' adoption to ultimately design and delivery the target omnichannel customer experience. What are the features of the customer experience in omnichannel customers' expectations then? The following picture 7 reports on the operational framework for the deployment of the strategy, as emerged from field analysis, organized according to the objectives to be achieved with refer to the customer journey.

Picture 7 The deployment of the omnichannel strategy: an operational framework (Elaboration of the author, 2017)



To exactly define the goals of the strategic project, the more general concept of the *omnichannel customer experience* was fragmented to highlight which were the partial objectives to be achieved.

- Extensive and seamless customer experience: the assumption which leads companies to undertake the transformation process is that consumers are used to adopt more than one channel and/or touchpoint to satisfy their needs related to the purchase. Although each channel or touchpoint is generally meant to play a main function, e.g. supply information, offer customer care services, allow transactions' completion, etc., the boundaries among the different functions they play is becoming fuzzy. The result is that the customer journey, i.e. the path to purchase, becomes difficultly predictable. Retailers are therefore called to sustain the extensiveness of the retail approach through the design and execution of multiple channels and touchpoints and to create those coordination mechanisms which allow customers to shift from one channel to another, in a path without frictions.
- Coherent customer experience: multi-channel consumers are highly exposed to the risk to be confused by a misalignment among different channels: this conflict can be generated by the incoherence in the messages delivered and services offered through different points of contact, generating a wrong brand's perception and frustration among users, fostering a negative word of mouth (Payne 2014). A coherent customer experience requires homogeneity and consistency of all the interactions among the brand and its customers, so it depends on all the visible components of the customer experience.
- Personalized and relevant customer experience: as stated in the previous chapter, the concept of market segmentations results to be obsolete in this new scenario. Omnichannel consumers expect to be known by the brands which take a relevant share of their mind and, as a consequence, expect to be addressed by relevant messages and offer systems, where the concept of relevance is linked to their actual needs. Brands are expected to know what their consumer is looking for and when and how it is more opportune to offer it to him/her.

4.3 Relationships of influence among areas of intervention

Once the features of the objective customer experience have been elicited, the aim is to identify what relationships exist among the areas of intervention involved in the deployment of the transformation journey.

The relevant dimensions were therefore organized according to the directness of their impact on the designed and delivered customer experience, which is the final outcome of the transformation journey.

The aim of this section of the work is to highlight how interventions on external dimensions have an impact on the delivered omnichannel customer experience and how that impact is actually enabled by the interventions realized on the internal dimensions.

Relationship of influence will be presented according to the goal there are targeted at in terms of customer experience.

Extensive and seamless customer experience

An extensive customer experience requires the company to adopt multiple physical and digital channels and touchpoints and to integrate the experiences offered by different channels and touchpoints through the adoption of the enabling technology, e.g. innovative technologies near the stores, and the offer of cross-channel services, such as the *click and collect* one.

With refer to the framework of relevant dimensions adopted in this research, the external dimensions which have a direct impact on this feature of the customer experience are the mix of channels and touchpoint and the in-store and cross-channel customer experience.

To make the experience extensive, customers must be given access to multiple channels and touchpoints, both physical and digital, to permit them to undertake the customer journey when, where and how they prefer. As a consequence, omnichannel retailers are expected to design and execute a plethora of points of contact among the brand and its customers.

To make the customer experience seamless, mechanisms of integration among physical and digital channels and within the same class of channels have to be offered, advertised and explained to customers. Such integration mechanisms are encompassed by the external variable of the in-store and cross-channel customer experience and they consist of:

- the adoption of all those technologies which customers can directly use to make experience of the brand: innovative technologies available near the traditional stores, such as digital signage and kiosks, augmented reality, infinite aisles, beacons, etc., which create a close link with other digital channels the customer is used to adopt because of the similarity of the experience they offer.
- The design, execution and supply of cross-channel services which make possible the shift from one channel to another: omnichannel customers

expect to be enabled to buy on line and pick up off line, buy in store and receive the purchased good elsewhere, book an item near a store and collect it from another, buy on line and return the purchase near the store, check the availability of certain product near all the available channels, etc. The list of cross-channel services could be longer, but, to be concise, they are all those services offered by the retailer to enhance the utility of the customer throughout his/her multi-channel journey.

What decisions and consequent interventions are necessary to enable companies to offer such a customer experience to clients? What internal dimensions are involved in this path to the goal?

The adoption of innovative technology requires companies to develop the necessary competences to scout, evaluate and select the most fitting retail technologies and those competences are supposed to be embedded in the human resources who have been involved in the transformation journey, when adapting the organizational solution to lead the change.

Referring to the cross-channel services, the implications they have on retailers' logistics and operations and information and communication technologies are intuitive. Processes dealing with demand fulfilment and delivery have to be re-engineered to become flexible and sustainable at the same time. In omnichannel retail, logistics and retail operations are no longer confined to their organizational function, but they begin to involve physical stores and other warehouse points too, for instance. To enable this change, an intervention on information and communication technology is necessary: all those software serving sales, administration and operations have to share the same data on the transaction in order to make the coordination of all the activities possible.

Coherent customer experience

To ensure the coherence of the customer experience, the first step is to deeply analyse one of its components, i.e. the customer journey: the totality of the customer touchpoints, i.e. the occasion of interaction among a brand and its customers, must be clearly identified, to detect where eventual causes of misalignment could arise.

The external dimensions which may directly affect this feature of the omnichannel customer experiences are:

- the offer system: different product mixes and pricing policies across channels, behind being dangerous triggers to sales' cannibalization phenomena, can cause conflicting perceptions in customers. Although the shared orientation

among practitioners is on the alignment of the components of the offer system across channels, some discrepancies may be unavoidable, because of product-specific issues (e.g. product's attributes such as perishability, physical dimensions, etc.) or because of supply chain and/or competitive arena's features (e.g. a company's low negotiation power does not allow it to impose certain sell-out prices to other dealers).

- the communication strategy: to protect the brand equity and to sustain the perception of coherence in customer, when the "brand speaks" it has to adopt the same tone of voice, regardless the communication channel and the specific contents.
- the customer care system: in a multi-channel customer management model, the channels and touchpoints offering customer care services proliferate. The supply of customer care services is supposed to happen through both kinds of channels, i.e. physical and digital, and the omnichannel customer is assumed to potentially adopt both of them and, anyway, more than one. The risk that different people give different answers to the same question and show different levels of professionalism and gentleness is concrete, when the issue of the homogeneity has not been addressed appropriately, while an omnichannel retailer cannot expose itself to this claim.
- the in-store and cross-channel customer experience: it has already been described the role of this dimension in influencing the extensiveness and the seamlessness of the customer experience. Recalling what has been said, the adoption of innovative technologies near the traditional points of sale and the supply of cross-channel services have to be designed in a way that offered levels of service, transmitted brand's image and sent messages are coherent, avoiding the undesired results, so that such additional services and contents result detrimental to customer satisfaction in the end.

Once the influence of external dimensions on the customer experience have been introduced, an interesting question is on what internal processes, assets, organizational solutions make possible that influence.

The alignment of the offer system across the directly managed channels is not just a strategic decision to be internally taken, it requires the involvement of third parties, i.e. other dealers selling the same brand and it can be achieved through an organizational solution: opportune people must be given the responsibility to check the alignment of product mix and prices across all the kinds of channels and relative intermediaries and to detect if eventual misalignment are addressable or not.

The coherence of the communication messages and online and offline campaigns can be ensured through an organizational solution too: either the company does the communication activities internally or outsources it, it can be opportune that, as an organizational solution, someone is in charge of verifying the consistency of the brand's tone of voice, regardless the used channels and the pursued purpose of the communication.

To protect the consumer from the risk of experiencing controversial experiences in the enjoyment of customer care services, a very delicate stage for customer satisfaction, many possible solutions exist, but among the most common there are the training of the committed people regardless the channel they work for and the adoption of automated solutions, such as chat-bots. Once again, the related areas of intervention deal with organizational solutions and technology adoption. To make in-store and cross-channel customer experiences coherent, it is necessary that mechanisms of coordination and control of the related decisions are created: different decision makers have to adopt a customer centric approach and to pursue the same goals in terms of delivered messages, offered levels of services, etc., when re-shaping the in-store customer experience and the cross-channel services.

Personalized and relevant customer experience

One of the pillars of the omichannel customer experience is the level of personalization of the customer management system: to offer relevant solutions to clients, the key shift is from the concept of "segmentation" of the customer base to the actual personalization of the marketing approach, made on a real-time basis.

To reach customers with personalized and relevant offers it is necessary for the company to work on:

- the offer system: to personalize products/services' attributes, related level of service and/or promotional policies with refer to what has been detected to be in customers' interest.
- the communication strategy: to eventually elaborate tailor made and relevant messages to customers.
- In-store and cross-channel customer experience: to re-shape the most fitting customer experience, integrating data relative to one of its components, i.e. the customer journey undertaken by the customer across channels.

To achieve these objectives, a work aimed at building a data-driven marketing approach is necessary.

The data-driven marketing approach and the integration of information and communication technologies are very interdependent areas of action: it would not be possible to obtain that single view on customer which ultimately allow the execution of a personalized and relevant marketing approach to customers without collecting a great amount of data on clients from multiple sources, both digital and physical, and combining them.

Before customer data can be used to make relevant marketing decisions, it is necessary that the company can count on the processes and the technology needed (i) to collect data from different sources, hopefully from all contact opportunities between the brand and its customers, (ii) to aggregate and model them and (iii) to make them available to all the people they are relevant to.

A customized commercial offer, such as a direct email containing a promotion on a product that the customer placed in the wish list of the e-commerce site without completing the transaction then, requires the CMS and the CMR to communicate to share these data and, finally, and that those data are made available to who is responsible for promotional policies.

4.4 Main findings

Observing the operational framework for the deployment of the omnichannel strategy reported in the picture 7, one could argue that first level and second level areas of intervention can be identified with refer to the execution of the planned approach, where addressing the first enables the interventions on the latter.

Looking at the first column of the operational framework it emerges that the role played by the information and communication technology is decisive to the execution of the strategy: the adoption of software technologies, such as CRM, ERP, CMS platforms and other managerial software permits to collect, model and share those data about customers and firm's operations which are the greatest value for the deployment of the omnichannel strategy, since the named data and those technologies and organizational processes which allow their collection are the most important input for the achievement of that single view on customer which is a pillar of the strategy. The analysis of the strategic reasons moving companies to undertake the transformation journey highlighted the recurrence of customer-driven motivations, as practitioners often named the goal to better satisfy clients. Achieving the intermediate goal of effectively building a single view on customer, i.e. integrating all the data which may arise from any interaction between the brand and the customer, at any stage of the customer journey, regardless the adopted channels and touchpoints, allows the company to

extremely deepen the knowledge of its actual and potential clients, to consequently adapt its marketing approach, with a real-time attitude, if possible. The key importance of data is not limited to information dealing with customers: for the deployment of the strategy, the collection and sharing across the company of data about administrative and operational activities is equally important since it allows that level of flexibility and personalization of supplied services which is assumed as required by customers. Indeed, another first level area of intervention can be said to be the engineering of processes and procedures referred to logistics and operation and marketing and communication activities. An intuitive interdependence can be detected among these areas of intervention and that concerning data management through ICT: on the one hand, beyond adopting the necessary information and communication technology, to collect, share and wisely use data *ad hoc* processes have to be engineered, e.g. to collect data on customers visiting the traditional stores, salespeople have to be taught how to do it and have to be equipped with the necessary tools, meaning that the relative processes have to be engineered; on the other one, data about logistics and operations, marketing and communication activities are an important input to processes' re-engineering, aimed at executing the strategy.

The goals to be pursued with refer to data-driven marketing and logistics and retail operations in the deployment of the strategy have already been clarified, what emerges as new is that among external dimensions, both of them can be considered as second-level areas of intervention, since, before being addressed, other dimensions have to be fixed, i.e. the integration of information and communication technologies and the engineering of processes for data collection, analysis, sharing and use for decision taking.

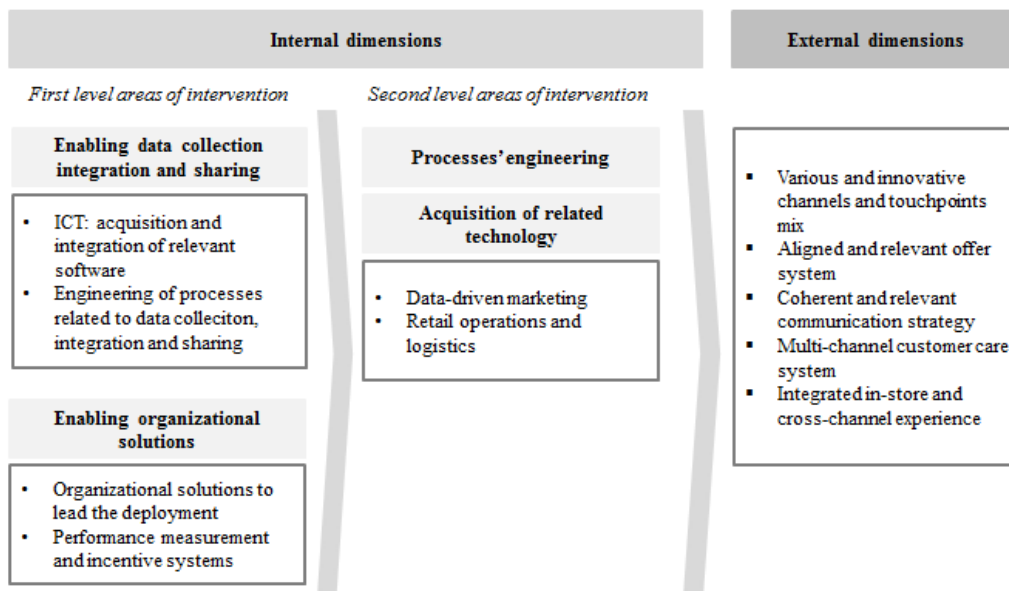
To continue with comments about the dimensions enabling the interventions on other areas, organizational solutions, performance measurement and incentive systems have been reported in all the boxes of the first column of the scheme, because when analysing the organizational solutions to deploy the strategy in the previous chapter, it clearly emerged how to lead and manage the transformation journey, each company identified some organizational solutions, dealing with organizational structure's partial re-design, new responsibilities' allocation to people, make or buy decisions, etc.

Technology is crucial, but the role of human resources is still dominant, being the transformation journey toward the omnichannel approach a managerial and operational change process. Organizational solutions were coupled with performance measurement and incentive system, because, as already stated elsewhere, this dimension is meant as relative to the deployment phase and, as

so, assumed to boost the efficiency and the effectiveness of the organizational change.

In general it can be said that among the areas of intervention enabling further interventions, first and second level dimensions can be detected, where the first, i.e. adoption of integrated information and communication technologies and design and execution of organizational solutions to deploy the transformation, make possible interventions on processes' (re-)engineering dealing with the execution of data-driven marketing strategy and of flexible and innovative retail operations and logistical activities.

Picture 8 Relationships of interdependence among areas of intervention for the deployment of the omnichannel strategy



While the impact that interventions on external dimensions have on the features of the customer experience is clear and seems immediate in some cases, interventions on internal dimensions, i.e. on acquisition and embedding of integrated ICT, organizational solutions design and execution and processes' (re-)engineering are likely to require time: in this light it is not surprising that among the most commonly named obstacles to strategy's deployment there were organizational and cultural issues and difficulties in processes re-engineering.

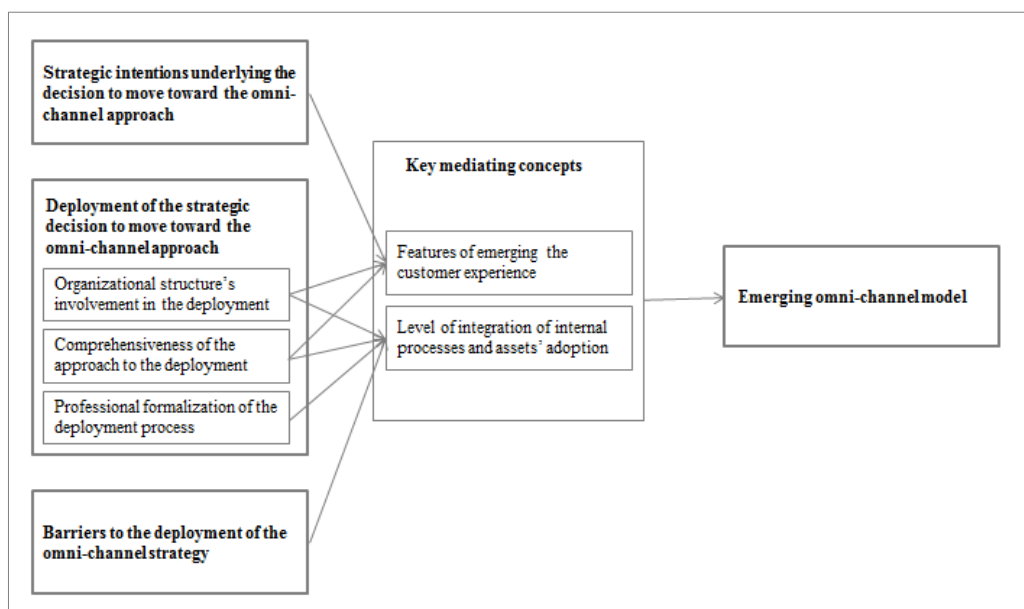
All the empirical results reported in the chapters of the present work do not present any case of perfect and total deployment of the strategy, but they gave an interesting picture of companies which were currently deploying the strategy

while this research was being written, permitting anyway to come to a comprehensive framework of the execution process.

Measuring the final output of the deployment process was out of the focus of the present work, because of the decisions I took as a researcher and of the effective difficulties that sampled companies were facing in assessing those results in an incontrovertible manner. Anyway, the impact of the execution phase on intermediate objectives actually emerged.

The picture 9 shows the assessed influence relationships among areas of interventions and intermediate goals on the whole transformation journey.

Picture 9 Companies' decisions related to the deployment and their influence on the intermediate results of the transformation journey (elaboration of the author, 2017)



Some companies resulted very focused on the internal variables, e.g. on the design of new and more flexible logistical processes or on the sophistication of the adopted CRM platform and on its embedding in people's workflows, while others seemed very committed to equip the traditional stores with innovative technology to better integrate the physical and digital customer experiences.

Assumed for granted a certain level of consistency of the decisions to allocate greater efforts on such areas rather than on others, a perfectly balanced integration model does not emerge.

Each retailer seemed committed to achieve a certain level of integration and an optimal one to aspire to does not exist, since the integration goals should be set

consistently with (i) the real expectations of actual and potential customers, (ii) the standards of the industry, (iii) some firm-specific issues, such as the company's dynamic capabilities.

Further researches on the theme could better address the issue of the optimal level of integration, when more field experience will have been gained.

Conclusions and recommendations for future research

The present work pursued the objective to give clarification and build theory, through an inductive approach, about a theme become very popular in both the academic and professional worlds: the omnichannel retail.

Whether to move towards this approach to retail seems no longer to be an option for companies, since customers dramatically changed their behavior and expectations with refer to the experience they make of the brands they enter in contact with.

The shift in consumers' expectations forced companies to consequently review their retail and marketing strategies and operating paradigms to enable the supply of the expected customer experience.

The achievement of this final goal, which is externally visible to the market, requires companies to undertake a non-instantaneous process, a proper transformation journey, to review and work on "internal dimensions", dealing with the firm's internal processes' design and/or re-engineering, new technological assets' acquisition and embedding in people's workflows, adoption of organizational solutions to both lead the company through the transformation and to enable the subsequent current management and operations as omnichannel retailers.

The very interest of the present work was therefore focused on the deployment of the strategic decision to move toward the new retail paradigm, with the final objective to elicit an operational framework which encompassed the relevant areas of intervention, the relationships among them and the intermediate goals to be pursued to move from a multi-channel approach to an omnichannel one, a sort of guide that could result as a useful tool for both practitioners and researchers dealing with the theme at a firm's level.

To set the boundaries of the analysis of the deployment process, the actual areas of intervention that managers have to address in the transformation journey were first identified. A set of relevant dimensions was therefore defined through an explorative field analysis conducted with practitioners from leading Italian retail companies who were deploying the omnichannel strategy while this research was being written. The result was a framework of ten main areas of intervention, subsequently organized according to the directness of their impact on the customer experience. Adopting the parameter of the relevance for the practical deployment of the strategy, a systematic literature review was performed on those emerged areas of intervention.

In reviewing the literature about the integration of channels according to the omnichannel paradigm, two gaps emerged: (i) scholars did not approach the theme according to any general framework, which could systematize all the endogenous and exogenous variables involved in such a transformation, at the firm's level; (ii) although many studies exist on single areas of interventions, e.g. information and communication technology, there is little analysis about the operative deployment of strategic and managerial decisions referring to those single dimensions involved in the transformation journey as a system.

An incontrovertible response on the path to move towards the full integration of channels resulted to be still missing.

The output of this first part of the study, conducted through the combination of an exploratory field analysis and a systematic literature review, became the input for the second part of the research, aimed at addressing the emerged gaps.

To gain richer insights on the theme of the process of deployment of the strategy, a multiple case study analysis was conducted on four Italian leading retail companies, moving toward the new retail paradigm.

Before focusing on the theme of the execution, the reasons underlying the deliberation of the strategic decision were investigated.

A bundle of strategic motivations was found to generally cause the transformation, encompassing compelled by competition, economic-driven and customer-driven reasons.

The goal to better satisfy customers, supposed to have new and more demanding expectations with refer to the customer experience, due to the totally new role that hardware and software technologies play in their lives, is the most frequently named. Nevertheless, I would highlight that interviewed managers' statements could lack a deeper enquiry of:

(i) the actual expectations of their customers: indeed, none of the managers who indicated customer driven motivation had actually directly assessed them, for instance through a market research;

(ii) industry related motivations: different industries have potentially different customers, who in turn can have different expectations about their experience, so the boundary between motivations caused by the changed customer behaviour and those caused by the change in industry's standards can be fuzzy.

(iii) the influence that the difficulties they meet in measuring the effect of the deployment of the strategy on firms' performance: this could guide them to ignore economic driven motivations in this phase, considering the efforts put in the transformation journey as a "marketing investment".

These recommendations are strengthened by the absence of relevant empirical relationships between the motivations to adopt the new approach to retail and the way in which the strategic decisions were actually deployed: e.g. one could have argued that companies intentioned to achieve better economic performance thanks to the new approach would have been very focused on the possibility to achieve operative cost reduction, through processes' re-engineering or avoiding assets' duplication; or that companies committed to overcome customers' expectations would have strongly invested in innovating the customer experience near the traditional stores. There is no evidence of these phenomena, which led to the conclusion that is not possible to say that there is a relationship among

strategic intentions underlying the deliberation of the strategy and the way in which the strategy is actually deployed.

With refer to the most compelling research question of the present work, namely *how do companies deploy the strategic decision to become omnichannel retailers*, empirical results suggested that, in general, the approach that managers have to the deployment of the strategy seems to melt the transformation journey with the ordinary management of the company: the strategic decision to move toward the omnichannel retail is a critical one and it requires to intervene on the organizational structure, to make *ad hoc* investments and to re-invent the marketing system, while managers' approach to the guide of the whole company through such a process resulted to be lacking a clear and timed framework of areas of intervention, actual tasks to be performed, responsibilities and clear expected results.

The transformation journey seems to overlap the *day by day management* in some cases and this could result in a loss of energy and in a slowdown of the pace of the transformation.

The ten main areas of intervention involved in the deployment of the strategy were re-organized to better highlight three emerging key-aspects of the process: (i) the organizational solutions companies can adopt to lead the transformation journey and to enable the following current activities' performing, (ii) the comprehensiveness of the managerial and operational approaches to the deployment, i.e. to the variety of encompassed areas of intervention and the company's commitment to each of them, (iii) the formalization of the managerial guide to the deployment of the strategic decision.

Dealing with the organizational solutions to lead the transformation journey, it emerged that companies did not completely abandon the functional model, but they worked to overcome organizational and technological barriers to integration designing new procedures and processes to coordinate the work of teams dedicated to specific channels and sustaining the sharing of data on consumers through the adoption of new information and communication technologies or the creation of a team of people dedicated to data collection, analysis and modelling. The organizational unit in charge of leading the change resulted to be the marketing function, i.e. the most customer centric one, with the guide of dedicated professional figure, e.g. the omnichannel manager, or teams in some case. These professions result quite new to the job market, because of the relative novelty of the strategic theme and of the variety of the required competences and skills.

The extensiveness of the transformation process resulted to be similar in all the sampled cases, which permitted to confirm the relevance of the selected ten areas of intervention. Reporting on punctual interventions on single areas, as realized by sampled companies, was anyway a useful exercise, since it contributed to build theory about the tasks to be performed to deploy the strategy. To conclude the recall of main findings about *how do retailers deploy the omnichannel strategy*, the level of formalization of their managerial approach resulted to have a potential for improvement, through the adoption of some project management tools for instance, being this professional practice still immature.

In analysing the barriers and the obstacles met by managers committed to lead their companies throughout the transformation, the organizational issue is very recurrent: the majority of interviewees reports the features of the corporate culture and of the organizational structure's design as a cause of difficulty. This result is actually encouraging, since what managers mentioned as barriers are actually surmountable obstacles: changing the feature of the organizational structure and working on some values embedded in the corporate culture require a medium to long time period, but they are achievable goals.

The final objective of the research was to elicit an operational framework which could serve as a guide to practitioners and researchers interested in the deployment of the new strategy. The critical analysis of the empirical results on the transformation journeys observed in the four sampled companies, coupled with my professional experience as a business consultant, assisting clients in these processes, permitted to identify the actual areas of intervention to be encompassed when planning the execution of the new strategy. Interventions on internal dimensions – information and communication technologies, data-driven marketing, logistics and retail operations, organizational structure and corporate culture, performance measurement and incentive systems – were found to actually enable interventions on those external dimension – channels and touchpoints' mix, offer system, communication strategy, customer care and loyalty systems, in-store and cross-channel customer experience – which have a more direct impact on the final outcome of the strategy, i.e. the supply of a real omnichannel customer experience to actual and potential clients.

The relationships linking innovation of external dimensions to changes in the customer experience resulted to be intuitive and quite direct, while the search of the interdependences among the interventions on internal and external dimensions led to finally elicit the path for the deployment of the strategy.

Becoming an omnichannel retailer means adopting and synergistically managing a mix of several channels and touchpoints, both physical and digital, with an

integrated approach, aimed at delivering a consistent, seamless and relevant customer experience across channels.

To achieve this objective, which is visible in customers' eyes, companies have first (i) to enable the collection of data on customers from multiple sources, both physical and digital, integrate them and make them available within the company and (ii) to design and execute the organizational solutions to lead the company through the transformation.

Once the company has acquired and embedded the necessary information and communication technologies, designed the processes aimed at data collection, management and use in decision-taking situations, created the conditions to manage involved human resources and other stakeholders, it can be said to have created the necessary conditions to work on second-level internal dimensions, i.e. (i) the processes' engineering and (ii) the acquisition of relevant technologies to deploy a data-driven marketing strategy which exploits the achieved single view on customers and the necessary interventions on logistics and retail operations which allow a certain degree of flexibility of the offered services.

In the end, when all the internal conditions dealing with technology, processes and organization, have been addressed, managers and their teams can more easily work on those external dimensions, which directly influence and change the features of the customer experience: designing and implementing various and innovative channels and touchpoints, aligning and making relevant offer systems across channels, delivering a coherent and relevant communication strategy, offering a multi-channel customer care system, enabling integrated in-store and cross-channel experiences.

The deployment process as described above is not the only possible, but it is the one which better encompasses the interdependences existing among areas of intervention and, as so, it is supposed to reduce the losses of time that can slowdown the pace of the transformation.

Actually, the analysis of the empirical results from sampled companies led to notice that managers, leading their companies through the deployment process, can be more focused or committed to either internal or external dimensions, assumed a certain consistency in this decision. This finding is not surprising, since it would be impossible to find one model of deployment fitting all the cases: each company has to cope with its own features, with the actual expectations of its clients, with its industry's standards of innovativeness.

Further interesting streams of research should address the theme of the influence of the named variables, i.e. firm and industry-specific ones, on both the transformation journey toward omnichannel retail and the achieved related

results: each company seems to have its own story, but recurring paths could emerge within clusters of similar companies competing in the same industry. Another interesting theme for future research is the omnichannel customer experience. The present work is focussed on the managerial and operative implications of the deployment of the decision to move toward the emerging retail strategy and it is aimed at identifying the framework of actions to accomplish this final object. The shift in consumers' expectations with refer to the brand experience and the customer journey is assumed as a cause of companies' decision to innovate their approach to the market. Nevertheless, I consider as worthy of further investigation and of a deeper empirical analysis (i) the actual customers' expectations with refer to both the brand experience and the path to purchase, (ii) the actual customers' behaviour and (iii) the effects of an omnichannel customer experience on clients' satisfaction and loyalty. These three research directions require a level of detail that would not have found the deserved attention in a single thesis, for this reason the decision to adopt as an assumption the change of the consumer behavior and to postpone a more careful analysis of its causes and of its manifestations.

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