



A quick guide to multichannel

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Everyone has a view on multichannel retailing. Some see it as a gradual evolution, others as a panacea for falling sales. But what exactly is it, why is it important and how are market leaders embracing it?

What is multichannel?

There are many views on what multichannel means. It means different things, and is at different stages of evolution for different parties.

It's about using multiple channels in combination, a focus on locking in shoppers across all channels and adapting to shopper behaviour.

Essentially, here at IGD we see multichannel as being shopper-centric, and it can be explored from three perspectives:

1. Shoppers

Shoppers are using multiple channels (3.9 in a month on average according to our ShopperVista research) as they search for value, range and convenience – but you won't hear them using the term 'multichannel'. They are simply 'shopping'.

2. Retailers

For retailers, multichannel shoppers are more valuable and their challenge is to make the experience as seamless across channels as possible. This also means being whenever and wherever their shoppers want to engage.

3. Suppliers

For suppliers, multichannel can mean supplying an increasing number of channels, or working with certain retailers on supporting their multichannel strategies. In either case, it will be about making choices, and trading off complex solutions by channel while achieving efficiency.

Why is it important?

Multichannel is a significant trend in retail and our forecasts suggest that this trend will not abate. Retailers are therefore under pressure to respond as the growth from their big stores slows and they need to keep up with their rivals. Similarly, suppliers need to stock their products where their shoppers are, so they need to think strategically about where they need to play and where they want to win.



Technology

Tech-savvy consumers lead busy lives and use their devices in many ways to become better informed and more connected.



Meanwhile the retailers are using technology to make their online operations more efficient - look at Asda's recent announcement that they are rolling out standalone Click & Collect sites or the use of multi-temperature lockers by Waitrose. Requiring very little physical labour, these solutions are changing the way we shop, offering new, highly convenient, solutions.

Our latest Channel Focus research showed that 28% of online grocery shoppers used a tablet – up from 18% a year ago – and just over one fifth (21%) shopped for groceries online via a smartphone. Leadership

The holy grail of multichannel is the ability to deliver a seamless experience across channels. In order to deliver this, many retailers are reorganising their businesses. Asda is a great example – they have removed a layer of middle management and created 5,000 new roles in-store including specialist eCommerce roles. This is about putting the shopper first, but has the potential to also reduce duplication or inefficiency within the business.

Click & Collect is often highlighted as a great example of merging the physical and digital offer for a retailer. Grocery retailers have really embraced Click & Collect in the last 12 months, with a record 26% of our ShopperVista sample of online grocery shoppers now saying they've used this service. This is particularly compelling for shoppers when the service is offered at locations where they are passing when going about their daily lives, hence the popularity of 'Click & Commute' at tube stations.

Mistakes

Sarah Coleman, IGD Sarah Coleman, IGD Senior analyst and tutor on IGD's Academy workshop 'Building your multichannel strategy', says:

I would say that the number one mistake that businesses make around multichannel is trying to be everywhere and trying to do it all. What is clear is that most businesses don't have the resources – whether that's people or money - to invest or to do everything well. Choices need to be made –



having thought long and hard about what you want your business to stand for and where you think the growth will come from, you then need to direct your resources accordingly. The next Building your multichannel strategy workshops take place on 17th March and 30th June. Find out more [here](#).

Link: <http://www.igd.com/Research/Training/Understand-shoppers-retailers-and-channels/25483/A-quick-guide-to-multichannel/>