3.13: Single Channel, Multi-Channel, and Omni-Channel Retailing

Learning Objectives

- Match descriptions of retailers with single, multi, or omni-channel retailing

Let’s imagine you’re planning to buy a new phone. How would you decide on the right one? Would you research online? Would you go to the manufacturers’ websites? What about blogs where users give their feedback and product reviews? Would you visit a store to see all the options in-person, asking the associate questions about performance and how each phone compares to the others? Once you’re confident that you’ve found what you want, would you buy it immediately? Would you compare prices at other retailers or wait for a sale? Would you buy it at a mass merchant or at a specialty retailer? What about online… directly from the manufacturer or through a retailer’s website?

Clearly, there are lots of options for how you can shop for and purchase an item. As you think through your own habits and purchase behavior, you can probably think of situations where you have done nearly all of these things. As a consumer, you are constantly balancing multiple decision factors like product availability, convenience, and value.

What you might not realize is that your path from search to purchase as a customer passes through and between multiple marketing channels, putting them in contrast and conflict with one another. Retailers certainly understand this and the necessity to be present in multiple channels to ensure that they can provide value and satisfy customer needs.

Think again about Apple products, which we referenced in the last section and are available in several channels. How can a manufacturer develop multiple channels simultaneously? In operating a direct channel with their website and their physical store, don’t they also put themselves in conflict with their partner retailers?

Simply put, yes. There is definitely a risk for channel conflict, which is why manufacturers must work well with their channel partners to ensure they do not alienate one another. This is happening for Apple and countless other...
manufacturers because consumers are no longer shopping and transacting in single channels. Furthermore, they expect accessibility, consistency and service, regardless of how they engage with their favored brands and products.

As such, it's necessary for us to move beyond our understanding of marketing channels and consider how firms manage them. Their strategic options are single channel, multi-channel, and omni-channel.

Single channel refers to a producer or retailer’s effort to reach customers through only one distribution option, regardless of whether it's online, face-to-face selling or traditional retail. Multi-channel refers to a producer or retailer’s effort to combine and blend different distribution channels to accommodate where and how consumers shop, ensuring that the producers and retailers will be present when the purchase decision is made. Omni-channel marketing is an expansion of the multi-channel concept by incorporating all the communication and interactions between customer, brand, and retailer, regardless of whether it's at a point of purchase or not.

The development of channel strategies reflects the effort to provide accessibility and service to consumers, understanding changes to their shopping behavior and needs. But, doing this effectively across multiple channels demands rigor to ensure consistency in message, tone and experience.

Practice Questions

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