

# The differences between multi-channel retailing and omni-channel retailing

[Business](#), [Marketing](#)



Multi-channel retailing is a business model in which firms simply sell products through several different channels (such as social media, mobile applications, direct mail, brick-and-mortar stores etc. ) to consumers. On the other hand, omni-channel retailing is a customer-centric business strategy in which all existing channels become completely integrated to offer consumers a consistent, personalised and seamless shopping experience. The similarity is that both use multiple channels to sell products.

The main objective of multi-channel retailing is to increase reach to as many customers as possible whereas that of omni-channel retailing is to improve engagement and personalisation with the customers, building a stronger relationship between consumers and the brand. The differences are that for multi-channel retailing, the retailers manage the different channels separately whereas for omni-channel retailing, it provides businesses with a wholly centralised data management towards a synchronisation of existing channels. Under the multi-channel model, companies would segment their target audiences based on their interaction levels with each channel and appoint channel specific goals. As for omni-channel retailing, companies would want to make the customers' shopping experience more effective and effortless to meet their expectations. For instance, for multi-channel retailing, the physical store of a company would have its stock and sell directly to the customers while the online store of the same company would have a separate stock and sell to its online customers. Online customers who want to return or exchange their products cannot do so in the physical store. Hence, the customer's online interaction with the retailer is different from the offline interaction. In contrast, for omni-channel retailing, both the online

and offline interaction with retailers would be consistent and online customers would be able to return or exchange their goods in the physical store.

Businesses can implement omni-channel retailing strategies by having in-store mobile-based point-of-sales websites or apps and centralised data analytics to understand and know customers' behaviours and needs. These are some of the strategies that Nike has used. For example, Nike's showroom displayed an exclusive line of shoes which can only be bought online, so staffs would use the handheld point-of-sales system to accept payments and arrange for home delivery services without the need for customers to queue. Nike's online websites also allow for customers to pick up their products at the store, aiding the cross-channel buying behaviour among consumers. Furthermore, its personalised customer relationship management (CRM) would have a record of past purchases and email discount coupons to customers to stimulate repeat purchases.

Another example of a company that uses omni-channel retailing is Starbucks. Under the Starbucks reward app, customers can check and top-up their card balance. Rewards are also automatically updated in real-time without any effort from the customer. During payment, customers can either use their phone or the Starbucks reward card to do so, integrating the multiple channels to provide a positive experience for customers.

Nonetheless, businesses might not have adequate resources to invest in the technological capabilities. Hence, companies might want to start off with

multi-channel retailing and then gradually move on to omni-channel retailing. Multi-channel retailing offers customers the choice to buy from or interact with the company on whatever channels they prefer. This can be done through the use of different social media platforms. One example is Burberry which has used a wide range of social media platforms such as Facebook, Twitter, Instagram, China's WeChat, Japan's Line, Snapchat and more to tap on the different markets globally to engage and reach out to as many fans as possible.