The Effects of Omni-Channel Retailing on Promotional Strategy

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ABSTRACT

Purpose – The objective of this research is to discover the effects omni-channel retailing has on promotional strategy. This, in order to better understand how to alter promotional strategy in accordance with the ever-changing needs of customers, and ultimately provide the customer with a seamless experience.

Design/Methodology/Approach – The research conducted in this paper is based on a critical systematic literature review of a total of 22 papers related to the topics 'omni-channel retailing' and 'promotional strategy'.

Findings – Most literature has focused on developing an understanding of omni-channel retailing, uncovering consumer behaviours in omni-channel retailing, and ways to adapt promotional strategies related to merchandising, sales promotion, selling, and word-of-mouth. The research conducted in the past is quite fractured and does not represent a holistic representation of the implications of omni-channel retailing on promotional strategy.

Research Limitations/Implications – The research in this paper focuses on quite broad research topics and future research is needed on the changes of the customer journey due to the omni-channel environment in order to more holistically discover the implications of this environment on promotional strategy. However, this research can prove as a guideline for researchers as an analysis of the most important topics related to promotional strategy in omni-channel retailing.

Practical Implications – Practitioners can benefit from this research, as a general guideline is given on the topics most interesting for leveraging opportunities of omni-channel retailing. Furthermore, specific promotional tactics given can prove to be important steps in the right direction of a successful promotional strategy in the omni-channel environment.

Keywords: Omni-Channel Retailing; Promotional Strategy; Showrooming; Webrooming; Sales Promotion; Merchandising; Selling; Word-of-Mouth

1. INTRODUCTION

The retailing environment is increasingly getting more complicated. The rise of technological advances has multiplied the customer touchpoints and therefore caused the customer journey to become more complex. Whereas customer journeys in the past could be seen as linear, in the omni-channel environment those journeys are now highly complex (Shetty, Jeevananda & Kalghatgi, 2018). In addition to this, the amount of retailing channels has rapidly grown; whereas in the past you were only able to buy a product in a physical store, nowadays this can also be done online by making use of your phone, tablet, laptop, and even your voice assistant (multiple channels). Furthermore, according to Oracle (2012, p.3), "more than three-quarters of consumers use two or more channels to browse for, research and purchase products". This new omni-channel environment is fading the borders between online and offline retailing "turning the world into a showroom without walls" (Brynjolfsson, Hu, & Rahman, 2013 (quote); Verhoef, Kannan & Inman, 2015). As the online and offline world are becoming more intertwined, consumers require a seamless experience across channels (Verhoef et al., 2015). A way to facilitate this is to integrate promotions across all existing channels (Jocevski, Arvidsson, Miragliotta, Ghezzi & Mangiaracina, 2018). One of the Marketing Science Institute's (2018) five major research priorities for 2018-2020 concerns the rise of the omni-channel environment; specifically, they propose research on the implications of omni-channel retailing on promotional strategies.

1.1 Research Problem

According to Melero, Sese and Verhoef (2016, p.21) "customers demand a seamless experience across the multiple channels they use in the purchase journey". Furthermore, customers "want customized communications that understand who they are, know what they like, deliver what they need, and reach them through their preferred channels" (Melero et al., 2016, p.29). It is therefore important to better understand omni- channel retailing from a promotional viewpoint, as an increased understanding can improve the alignment with promotional strategy, and thus improve the ability of companies to 'influence' customers in a way that is suitable in this day and age.

1.2 Research Gap

Brynjolfsson et al. (2013) mention the importance of leveraging the opportunities omni-channel brings with it; as omni-channel retailing increases competition (e.g., geographical barriers are broken down), companies can thus also find ways to gain competitive advantages (Shetty et al., 2018; Melero et al., 2016). Furthermore, "omni-channel retailing is a means to create an advantage by forging deeper customer relationships and potentially developing new markets" (Yrjölä, Spence & Saarijärvi, 2018, p.259). Brynjolfsson et al. (2013) mention ways for companies to do so; the main message being "retailers should begin by adapting best practices from both the offline and the online worlds in areas including pricing, designing the shopping experience and building relationships with customers" (Brynjolfsson et al., 2013). Ailawadi and Farris (2017) focus specifically on the fact that retailers should not only integrate the channels of distribution in an omni-channel environment, but also "the channels of

communication (…) through which a marketer interacts with the consumer" (p.120). Hosseini, Merz, Röglinger and Wenninger (2018) have developed a model which evaluates omni-channel strategies and state that implementing a suitable omni-channel strategy is one of the most difficult challenges in omni-channel management. Furthermore, they state that most research conducted on omni-channel management focuses mostly on consumer behaviour, channel behaviour, and the effects on performance. The research on the effects omni-channel retailing has on marketing, and specifically promotional strategies is mostly limited to individual aspects of the promotional mix and does not paint a clear picture of the overall effects.

1.3 Academic Relevance

A holistic review of the effects of omni-channel retailing on promotional strategy is thus currently missing. By combining the literature on individual aspects of promotional strategy and detecting any overlaps or inconsistencies, a better understanding of the relationship between omni-channel retailing and promotional strategy can be formed. This increased understanding can, in turn, be used to uncover the role 'understanding consumer behaviour' plays in this relationship, further improving literature on ways companies can alter their strategies in order to 'influence' the customer.

1.4 Business Relevance

Companies aim, with promotional campaigns, to reach potential customers. It is, therefore, incredibly important to create the right promotional strategies. Companies must understand the increasing complexity of the retailing environment and how to tackle this with the right promotional strategies. Ultimately, this understanding can increase the knowledge on the changing customer journey and contribute to better alignment between promotional strategies and the omni- channel environment.

1.5 Research Question

This information leads to the rise of the following research question, which will be discussed in this literature review: "*What are the implications of omni-channel retailing for promotional strategy?*"

1.6 Research Goal

By answering this question, the goal of this research is to discover the effects omni-channel retailing has on promotional strategy. This, for companies who need to adjust to the omni- channel environment, to know how to alter their promotional strategies and in this way provide the consumer with a seamless customer experience.

2. CONCEPTS

2.1 Promotional Strategy

Chaffey and Smith (2013) describe the promotional mix as ten tools of communication (such as, advertising, sales promotion, and word-of-mouth) which can be used by companies in order to communicate with customers and promote their business. Thackeray, Neiger and Hanson (2016, p.332) state that the goal of promotion is "to make the customers aware of products and generate participation in, or use of, these products" and should be seen as an element of marketing. The promotional strategy is thus used by companies as a plan of action, which is developed in order to find the best ways to inform the customer about their offering and persuade them to become a consumer.

2.2 Omni-Channel Retailing

Omni-channel retailing is defined by Verhoef et al. (2015, p.176) as "the synergetic management of the numerous available channels and customer touchpoints, in such a way that the customer experience across channels and the performance over channels is optimized". Furthermore, they state that "the different channels and touchpoints are used constantly, interchangeably, and simultaneously by both customers and firms to facilitate the customers' retail experience" (ibid., p.176). In addition, as mentioned before, omni-channel retailing is fading the borders between online and offline retailing "turning the world into a showroom without walls" (Brynjolfsson et al., 2013(quote); Verhoef et al., 2015) and can be seen as the 'channel hopping' of consumers within the same customer journey (Berman & Thelen, 2018). And, as the online and offline world are becoming more intertwined, customers require a seamless experience across channels (Verhoef et al., 2015).

3. METHODOLOGY

In order to better understand the implications of omni-channel retailing on promotional strategy, a critical systematic literature review has been conducted making use of Tranfield, Denyer and Smart's (2003) method and the implementation of this method by Priante, Ehrenhard, Van den Broek and Need (2018). The aim of this critical review is to analyse (compare and combine) the existing research on the topics of (1) omni- channel retailing, and (2) promotional strategies. The literature has been gathered via the database 'Scopus' by means of using the following string: *(omni-channel OR omnichannel OR "omni channel") AND ("promotion* strategy" OR promotion* OR "promotion* mix" OR "marketing strategy" OR "marketing mix" OR "marketing")*. In order to analyse the quickly growing omni-channel retail environment, only literature from the past 5 years has been analysed. Further selection criteria included English literature which has been published in high-quality journals in Business, Management and Accounting. Including a backward search, 22 relevant articles in total have been reviewed.

For an overview of the search process, see Appendix A.

4. LITERATURE REVIEW

Literature related to omni-channel retailing and promotional strategy is divided into three overlapping streams: (1) omni- channel understanding, (2) omni-channel phenomena, and (3) omni-channel promotional mix. For an overview of these themes and topics discussed in the literature see Appendix B.

4.1 The Importance of Understanding 'Omni-Channel Retailing'

Before being able to analyse the implications omni-channel retailing has on promotional strategy, it is first important to understand 'omni-channel retailing' and the changes this has brought to customer behaviour.

One of the main themes emerging on this matter is the provision of a seamless customer experience. According to Swan, Dahl, and Peltier (2019) companies must be aware of the customers' preferences and needs. Ultimately, the customer experience will largely determine the overall perception of customers regarding a company. Furthermore, in the omni-channel environment, in which channels are added, and getting blurred, companies have to make sure that the coordination and integration across channels is well-established, as this highly contributes to providing a seamless customer experience (Zhang, Ren, Wang & He, 2018); something that customers nowadays expect companies to provide (Picot-Coupey, Hurey & Piveteau, 2016; Bijmolt, Broekhuis, De Leeuw, Hirche, Rooderkerk, Sousa & Zhu, 2019; Shetty, et al., 2018). This integration is also called 'synergy' as channels need to be synergised in order to provide the customer with a consistent experience (Swan et al., 2019). An example of channel integration is provided by Picot-Coupey et al. (2016); assortment constraints can be solved by online ordering, and in- store product displays can provide customers with the opportunity to "touch and feel products before purchasing them" (p.17). Bijmolt et al. (2019) also discuss integration in terms of assortment. For example, in-store product assortments' cannot be very large (high inventory costs), so an option to solve this problem would be to drive customers to use their smartphone in-store in order to see the company's full assortment (providing the customer with a seamless customer experience, while limiting in-store inventory costs).

A seamless customer experience can be achieved by companies by aligning and integrating channels (Shetty, et al., 2018). Zooming in on this channel integration, it is clear that this is far more complicated than it seems. This integration also requires alignment of interaction and engagement with customers across all channels (Shetty, et al., 2018). Furthermore, brand image should be consistent (Hickman, Kharouf & Sekhon, 2019) and, especially relevant to the research conducted in this literature review, promotional strategy should also be integrated across channels in order to facilitate the provision of a seamless customer experience (Berman & Thelen, 2018; Swan et al., 2019). Manser Payne, Peltier & Barger (2017) mention 'integrated marketing communications (IMC)' as a strategy to integrate the plethora of customer touchpoints, messages, and interactions; this can be seen as an approach of marketing that should be adopted by omni-channel retailers. Because, according to Yrjölä et al. (2018, p.259) "without a clear strategic purpose, omni-channel initiatives can easily result in unbeneficial (…) investments".

As will be explained later, omni-channel customers on average purchase more (higher amounts) than those customers who only use one channel (Berman & Thelen, 2018). So, providing customers with a seamless experience and thus facilitating customers to become omni-channel customers, can prove to be a fruitful strategy.

However, providing a seamless experience is often not enough. Omni-channel implementation is highly complex, and customers change their minds and behaviours regarding shopping behaviour in the blink of an eye (Yrjölä et al., 2018). Customers' expectations keep rising as they are more empowered than ever due to increased availability of data (reducing information asymmetry); this facilitates the switching of customers to competitors even more so than normally (Shetty, et al., 2018). A tool which can be used to diminish this switch to competitors is 'customisation' or 'personalisation' (Hickman et al., 2019). This entails that messages will be directed to the preferences and needs of the customer as they "want customized communications that understand who they are, know what they like, deliver what they need, and reach them through their preferred channels" (Melero et al., 2016, p.29). Not only does this tool enable customer experience to become more seamless across channels, it also has the potential to increase interaction, satisfaction, and ultimately loyalty (Hickman, et al, 2019). It should also be noted, however, that customisation practices require a lot of data (Melero et al., 2016; Hickman et al., 2019). Blom, Lange & Hess (2017) mention that, as consumers use channels interchangeably in the omni-channel retailing environment and digitalisation enables the analysis of consumer data, the goals of consumers are more easily figured out. The data which is extracted from their activity can be used to design promotions for all channels.

Valentini, Neslin and Montaguti (2020) emphasise the importance of understanding that customers can be grouped into 'deal prone segments', namely those who are (1) offline- focused, (2) online-focused, or (3) online-and-offline-focused. By understanding the channel focus of customers, it is possible to target consumers with the right promotional messages (or personalisation). As customers potentially use a mix of channels, all available channels should be optimised holistically (Bijmolt et al., 2019; Yrjölä et al., 2018). Furthermore, it is important to note that each channel brings about different types of interactions. Steinhoff, Arli, Weaven & Kozlenkova (2019) highlight the fact that online interactions differ from offline interactions as the first is usually of a human-to-human nature and the second of a human-to- technology nature. So, in the omni-channel environment, marketers must take into consideration that both types of interaction will be present. Furthermore, human-to-human relationships in the form of face-to-face interactions are often more rich "which help foster mutual understanding" (ibid., p.386), whereas online interactions have an increased ability to utilise big data and apply personalisation, in turn improving the relationship with the customer.

So, whereas offline shopping has the benefit of personal interactions, online shopping has the benefit of personalisation (however, as explained later, personalisation can also be applied in-store). Both, in turn, can improve customer relationships, which can potentially establish loyalty (diminishing the chances of switching to competitors). This will be further discussed in the following section about 'omni- channel phenomena'.

4.2 Omni-Channel Phenomena
Within the reviewed literature, two clear phenomena of omni- channel retailing came to light, namely showrooming and webrooming.

4.1.1 Showrooming
Viejo-Fernandéz, Sanzo-Pérez and Vázques-Casielles (2020) discuss the emergence of showrooming behaviour due to omni-channel retailing. These authors mention that many businesses view 'showrooming' as a threat, as it enables consumers to view the product in-store and eventually buy the offering online from a competitor (in line with Berman & Thelen, 2018). Interestingly, they also mention that customers who adopt showrooming behaviour in-store are more willing to purchase the product online at a higher price, and therefore they vote for retailers to view these 'showroomers' as an opportunity as opposed to a threat. This should be seen in line with the fact that customers have been empowered by the Internet (Shetty, et al., 2018), as many buying attributes have changed in their favour (e.g., ordering online saves time, assortment online is much larger). These attributes, such

as time savings, play a big role in the price consumers are willing to pay in-store versus online (Viejo-Fernandéz et al., 2020). Interestingly, Zhang et al. (2018) state that retailer should be content with customer empowerment, as this is said to improve profitability and reputation.

Furthermore, it is important to keep in mind an increase in mobile phone usage has changed consumer behaviour (Berman & Thelen, 2018); and consequently this has drastically simplified the *mobile* customer journey, which has increased the impulse purchasing behaviour of consumers. This increased impulse buying increases the chances that the consumer will buy the product online for a higher price. Also, it is noted that this behaviour is especially relevant for hedonic products (Viejo-Fernandéz et al., 2020). In fact, the type of product offered (hedonic vs. utilitarian) also determines the type of pricing promotion which would be most suitable in the omni- channel environment, as will be further discussed in the section 'sales promotion' (Blom et al., 2017) .

Picot-Coupey, et al. (2016) emphasise the importance of promotional-mix integration and coordination in diminishing 'competitive showrooming' behaviour, as this increases the chances of customers to finish their customer journey within the same company. In the sections 'merchandising' and 'selling' this will be further discussed.

4.1.2 Webrooming

Orús, Gurrea and Ibánez-Sánches (2019) have researched the phenomenon of 'webrooming' (also known as 'research shopping' (Berman & Thelen, 2018)). They define webrooming as "an online information search and a visit to the physical store to purchase the fact" (ibid., p.398). This behaviour is essentially seen as the opposite of 'showrooming'.

In their analysis, Orús et al. (2019) have looked at ways in which online recommendations and reviews influence the customer experience of webroomers. They first looked at the reason as to why 'webrooming' behaviour exists and they found it has to do with a customer's confidence and certainty (level of risk aversion); "consumers combine channels according to their information needs, creating individuated information that increase their perceived control over the process" (ibid., p.399). According to Orús et al. (2019), this perceived control can be even further strengthened by seeking recommendations and reviews by other customers in order to reassure their own judgement about the brand/product/etc. And these recommendations, in turn are found to have a positive indirect influence on purchase intention as it increases confidence (ibid.). These findings by Orús et al. (2019) are in line with those of Rippé, Weisfeld-Spolter, Yurova, Dubinsky & Hale (2017, p.744), who found that "the more searching consumers do on their phones, the more they experience increases in perceived control, which fosters their purchase intention".

Overall, Orús et al. (2019) state that webrooming is used by consumers to gain confidence online in the search phase of the purchase funnel, (this is in line with research conducted by Google, who state that 90% of consumers use their smartphone for 'pre-shopping activities' (Google Shopper Marketing Council, 2013),) and then confirm this information in-store. In later sections ('selling', 'word-of-mouth'), the implications of this knowledge will be discussed.

4.2 Promotional Strategies in Omni- Channel Retailing

The four types of promotional mix that were discussed in the reviewed literature are: merchandising, sales promotion, selling, and word-of-mouth.

4.2.1 Merchandising

The omni-channel environment has increased the convenience of shopping for customers, but increased the complexity for companies; especially in terms of merchandising strategies according to Souiden, Ladhari & Chiadmi (2019).

Taking into consideration 'showrooming' behaviour and the information discussed previously (Viejo-Fernandéz et al., 2020), let us propose that brand X provides their products for a higher price online. Showroomers will most likely view the product in the brick-and-mortar store of brand X and ultimately buy the product online (via their smartphone) from brand Y (if their online price is even lower than the in-store price of brand X). A way for brand X to tackle this problem is to carefully consider and adapt the merchandising of the brand in their brick-and-mortar store as this can improve the consumer's sensory experiences towards brand X positively (Viejo- Fernandéz et al, 2020).

Bèzes (2019) focus especially on *smart retailing applications* in brick-and-mortar stores in order to provide consumers with a seamless experience. These smart retailing applications entail technologies which enable connectedness between in-store activities and online activities; one important factor that enables this connectedness is data. However, as consumers generally do not like the idea that information about them is gathered and that this information is in turn used to influence them, the authors suggest making the smart-retailing applications in brick-and-mortar stores invisible (e.g., iBeacons). This statement does raise red flags as this can be seen as quite unethical.

So, an important factor enabling connectedness is data (Bèzes, 2019). Data can also be used in order to apply personalisation. As mentioned before, not only does personalisation enable customer experience to become more seamless across channels, it also has the potential to increase interaction, satisfaction, and ultimately loyalty (Hickman, et al, 2019). This personalisation can be achieved online by designing websites/applications in such a way that customers will be driven to engagement and action. A way for personalisation to be implemented in-store will be discussed later in the section about 'selling'.

Another way to ensure the connectedness between online activities and offline activities, as mentioned by De Vries and Zhang (2020), would be to encourage customers to make use of their smartphone. This could be done in the form of merchandising (in-store banners), but also by selling (salespeople) or by sales promotion (see sections 'selling' and 'sales promotion'). However, this should be done with care in order to limit the chances of 'competitive showrooming' (Viejo-Fernandéz et al., 2020) to take place.

From a 'webrooming' perspective, marketers could set up a mitigation strategy to lure people into brick-and-mortar stores. This strategy could include a change in website design (e.g., include a section about customer reviews or extensive product information) and a complementary change in design for the brick-and-mortar store (e.g., use the same information as portrayed online, ask sales people to strengthen this information) (Orús et al. 2019).

4.2.2 Sales Promotion

Blom et al. (2017) have examined the implications of using consumers' digital shopping footprints for developing pricing promotions for brick-and-mortar stores on the customer shopping behaviour. Furthermore, they have also examined the implications of 'omni-channel based promotions'. They define omnichannel retailing as a challenge to create "an overall retailing experience that is the same across all channels and touchpoints" (Blom et al., 2017, p.287). In addition, they mention that digitalisation has enabled customers to access multiple channels while shopping in a brick-and-mortar store.

In relation to sales promotion, Blom et al. state that businesses should "constantly evaluate how their actions affect sales performance and brand experience simultaneously, and (…) stay away from short-term performance enhancements" (ibid., p.287). These short-term performance enhancements could include heavy discounts and should be avoided as this will only be beneficial in the short-term (ibid.).

As mentioned before Blom et al. (2017) state that as consumers use channels interchangeably in the omni-channel retailing environment and digitalisation enables the analysis of consumer data, the goals of consumers are more easily figured out. The data which is extracted from their activity can be used to design promotions for all channels. The authors define this as 'shopping goal congruent promotions' (ibid., p.293). The purpose of offering promotions and the characteristics of the consumer interest determines the type of promotions most suitable in the omni-channel environment (e.g., hedonic (luxurious) vs. utilitarian (functional); planned vs. spontaneous).

Another type of pricing promotion which is dependent on the sales purpose are 'omni-coupons', discussed by Ravula, Bhatnager and Ghose (2020). These coupons can be obtained from any channel and handed in in another. They mention that due to an increase in the number of available channels, the customer journey has changed drastically. Omni-coupons facilitate omni-strategies, as they can increase the interaction of the consumer with multiple channels. By increasing this interaction, consumers are enabled to use those channels they prefer, increasing consumer satisfaction and ultimately loyalty. However, businesses need to be careful adopting an omni- coupon strategy to prevent misuse of coupons in the form of multiple redemptions of one single coupon. This requires seamless coordination between channels. This coordination is further needed in order to make sure that consumers can use their promotional code in any channel.

As mentioned, the omni-coupon strategy the business adopts depends on their sales purpose; if consumers should be driven towards a mobile channel, the promotional coupon should only be valid to hand in in the mobile channel. In this manner, omni-coupons can be used to drive consumers to a certain channel (Ravula et al., 2020). Berman & Thelen (2018) also look at coupons as a 'channel mitigation strategy' and state that synergies can be attained by leveraging cross-selling opportunities, such as the provision of either online or offline coupons to drive customers to a certain channel.

Another way to drive consumers to a certain channel is discussed by De Vries and Zhang (2020). They state that mobile channel adoption (smartphone application) increases the number and amount of purchases. Therefore, it would be beneficial for companies to drive their consumers to their mobile channel. The strategy they mention in their research is that of providing consumers with incentives, specifically random discounts. Random discounts guarantee consumers with a minimum discount percentage, which chances of it being a lot higher than this minimum.

De Vries and Zhang (2020) also discuss privacy concerns regarding mobile transactions as many customers are concerned with privacy issues when using a mobile channel for transactions. These consumers typically perform risk averse behaviour when it comes to mobile channel adoption. However, random discounts can mitigate this risk averse behaviour as it can provide an incentive for those consumers to adopt the mobile channel due to cost benefits.

4.2.3 Selling

Building on the phenomena of 'showrooming' and the method of personalisation previously discussed, Viejo-Fernandéz et al. (2020) state that the influence of salespeople is high when dealing with 'showrooming'. Salespeople must understand the showroomer's customer journey in order to personalise information and stray them away from competitors. They could, for example, persuade showroomers to buy their desired product online by ensuring them that special benefits will be offered only to those who buy online. This will increase the chances of avoiding 'competitive showrooming' and adopting 'loyalty showrooming'.

And as showrooming behaviour is facilitated by mobile phone usage, the importance of salespeople has seemed to decrease for those customers who use their mobile phone while shopping at a brick-and-mortar store (Rippé et al, 2017). Rippé et al. (2017) also mention that mobile phone usage increases the purchase amount, but also decreases the level of customer engagement. Rippé et al. (2017, p.744) found that "the more searching consumers do on their phones, the more they experience increases in perceived control, which fosters their purchase intention". Based on this information Rippé et al. (2017) state that free access to in-store Wi-Fi has the potential to increase the perceived control customers experience (as they can search for information in-store). In addition to this, to increase the interaction of the customer with the brand, the authors suggest that sales people should adopt the role of 'search assistants', assisting the customers in searching for information online (such as reviews, which are found to have a positive indirect influence on purchase intention as it increases confidence (Orús et al., 2019)) or to encourage them to download an application (De Vries and Zhang (2020) specify that mobile channel adoption (smartphone application) increases the number and amount of purchases).

Another method which could be adopted is 'adaptive selling'. Rippé et al. (2017) define this as adapting the sales method to the available customer information (extracting data). This method has the potential of "un-blurring the lines between the mobile phone and salespeople" (ibid., p.744) and providing personalisation in-store, and can thus increase the relationship between customer and salesperson (Rippé et al., 2017; Steinhoff et al., 2019).

More generally, Cummins, Peltier and Dixon (2016) have developed a framework for future research regarding the omni- channel environment and its effects on personal selling; as they state that omni-channel strategies can have the potential to improve interactions between salespeople and customer, which, as mentioned before, is necessary in order to provide customers with a seamless customer experience.

4.2.4 Word-of-Mouth

Dahl, Alessandro, Peltier & Swan (2018, p.258) state that, in terms of social causes, "marketers should integrate the omni-channel touchpoints deemed to be most effective for each target based on specific campaign goals" and thus applies the notion of 'targeting' to an omni-channel strategy. However, they do mention that it is important in omni-channel marketing to deliver consistent messages no matter which channels a customer decides to use. Furthermore, they mention the importance of electronic word-of-mouth (eWOM) as a driver of successful marketing campaigns.

Building on word-of-mouth, Orús et al. (2019) state that webrooming is used by consumers to gain confidence online in the search phase of the purchase funnel, and then confirm this information in-store. As recommendations are found to have a positive effect on this process, and ultimately purchase intention, customers should be encouraged to put forward positive word-of-mouth. A way to manage this, is to provide those who post a review online with incentives. (ibid.)

5. DISCUSSION AND CONCLUSION

The customer is getting more empowered and omni-channel retailing is something almost every company nowadays must deal with. It is, therefore, important to understand how promotional strategy can be designed in such a way that takes into consideration the needs and preferences of those empowered customers in the omni-channel environment. The main need of the customer is the provision of a seamless customer experience, meaning an integration of all channels they use during their shopping journey. This is, however, not limited to channel integration only, as it also encompasses brand consistency and promotional synergies. One way of accomplishing this, would be to provide personalisation for customers across all channels.

Furthermore, it is important to understand the types of behaviours that take place in the omni-channel retailing environment. Two phenomena appeared during the literature review, namely showrooming behaviour and its counterpart webrooming behaviour. The former states that customers search for information about/and touch a product in-store and consequently buy the product online (potentially from a competitor). The rise of mobile phone usage has mainly facilitated showrooming behaviour and research has shown that customers spend higher amounts when purchasing products via their mobile phones. However, 'competitive showrooming' is undesirable behaviour and can be diminished by adapting promotional strategy accordingly. The latter states customers search for information online and consequently buy the product in-store. This type of behaviour takes place, as customers like to be in control and therefore search for extensive information and confirmation of their judgements online before buying the product in store, where they can touch and see it.

With this knowledge, in combination with the literature which focuses specifically on promotional strategy aspects, it is possible to provide an answer to the following question: "*What are the implications of omni-channel retailing for promotional strategy?*"

In terms of the aspect 'merchandising' of promotional strategy, companies could adapt their merchandising of their brand in the brick-and-mortar store as this can improve the consumer's sensory experiences towards the brand positively. This has the potential to diminish 'competitive showrooming' and to increase customer loyalty. In terms of 'webrooming', customers could be lured into the brick-and-mortar store for them to finalise their purchase. This can be done by highlighting reviews online and using consistent information between the offline and online channels. Furthermore, taking into consideration the importance of big data in today's marketing environment, companies could implement smart retailing applications in their brick-and-mortar stores as they can enable connectedness between in-store activities and online activities. Furthermore, big data can be used to apply personalisation, which can in turn enable seamless customer experiences. Personalisation can be achieved online through website design or applications which drive engagement. Also, smartphone usage can facilitate integration and can be encouraged in-store via banners or online via sales promotion.

This method of 'sales promotion' is the second aspect of promotional strategy discussed in the literature. In line with the importance of 'data gathering' mentioned before, is the strategy 'goal congruent promotions', as this enables companies to utilise customer data in order to provide them with those promotions that suit their goals and channel preferences. Another sales promotion strategy is the offering of omni- coupons, which facilitate the interaction of customers with multiple channels and thus alignment with their channel preferences. And, just like merchandising can help mitigate customers from one channel to another, so can sales promotions. By limiting the option of channels to cash in coupons, customers will automatically be driven towards a certain channel. And, as mobile channel usage increases the purchase amount, incentives like random discounts can drive customers towards this mobile channel. Mobile phone usage during showrooming behaviour is also an important driver of changes in the promotional mix aspect 'selling'.

Mobile phones appear to have replaced sales personnel in-store, as almost all information can be found online. This leads to a decrease in customer interaction and engagement, decreasing chances of loyal behaviour to emerge. Therefore, it is important that sales personnel adopt the role of 'search assistants' and help customers in-store to find their information online by helping them find reviews or by encouraging them to download an application. Building on the notion of 'data gathering' mentioned before, sales personnel could also adopt 'adaptive selling', which means that they should use customer data in order to better provide personalised interactions in-store, increasing customer engagement.

The last 'promotional strategy' aspect considered in literature is 'word-of-mouth'. Word-of-mouth is especially beneficial for customers who show 'webrooming behaviour', as they feel the need to gain more control in the form of information and confirmation of their judgement. Therefore, all customers should be encouraged to forward positive word-of-mouth about their experience, which can be established by providing incentive to those who in fact *do* spread their experience with others.

So, overall it can be said that most literature has focused on developing an understanding of omni-channel retailing, uncovering consumer behaviours in omni-channel retailing, and ways to adapt promotional strategies related to 'merchandising, sales promotion, selling, and word-of-mouth'.

For an overview of the discussed topics, see Appendix C.

6. IMPLICATIONS FOR RESEARCH AND PRACTICE

As research on promotional strategy in omni-channel retailing is quite fractured and does not represent a holistic representation of the situation, the literature review conducted in this review can provide researchers with a guideline on the most important topics related to promotional strategy in omni- channel retailing.

Overall, omni-channel retailing can be viewed as a challenge for companies (Blom et al., 2017), but it can also be viewed in terms of the opportunities it brings about, such as a chance to gain competitive advantages (Shetty et al., 2018; Melero et al., 2016). Therefore, the literature collected, analysed, compared, and combined in this research can provide companies with a general guideline on the topics most interesting in leveraging the opportunities omni-channel retailing can bring with it. Furthermore, it provides some examples of specific promotional strategies which can prove to be important steps into the right direction of a successful promotional strategy in the omni-channel environment.

7. LIMITATIONS & RECOMMENDATIONS FOR FUTURE RESEARCH

The literature review in this paper was focused on the 'quite broad' research question: "*What are the implications of omni-channel retailing for promotional strategy?*" The question, as suggested by the Marketing Science Institute (2018) was of the following form: *"How does omni-channel retailing interact with the purchase funnel, and what are the implications for promotional strategy?"*. Because of the extraction of the interaction with the 'purchase funnel', which can essentially be seen as a moderator of the relationship between omni-channel retailing and promotional strategy, the research conducted in this paper proved to be challenging. The purchase funnel can explain the customer journey and provides insights into customer behaviour, which is an important factor of better understanding the omni-channel environment and how to adapt promotional strategies accordingly. Even though the literature gathered for this literature review *did* include several insights into customer behaviour, future research should be conducted which focuses more on the entirety of this research question as this will provide a more complete picture of the implications of omni-channel retailing on promotional strategy.

Furthermore, Picot-Coupey, et al. (2016) have conducted an extensive literature review based on research of multi-channel, cross-channel, and omni-channel retailing (recent phases of the evolution of retailing). This type of research would also be highly relevant based on the topics discussed in this literature review, as this could uncover the changes in implications on promotional strategy. This would also highlight the importance for companies of adapting promotional strategy continuously according to changing environments.

Ethics: As mentioned before, Bèzes (2019) mentions the use of invisible smart retailing applications. This raises some questions regarding privacy and ethics. Furthermore, Melero et al. (2016) and Steinhoff et al. (2018) mention the concerns of customers in terms of data protection and the importance to take this into consideration. Therefore, methods such as personalisation should be used with the utmost care and customers should be assured their data will not be misused. This requires research into the realms of ethics and data protection when developing a promotional strategy in the omni- channel environment.
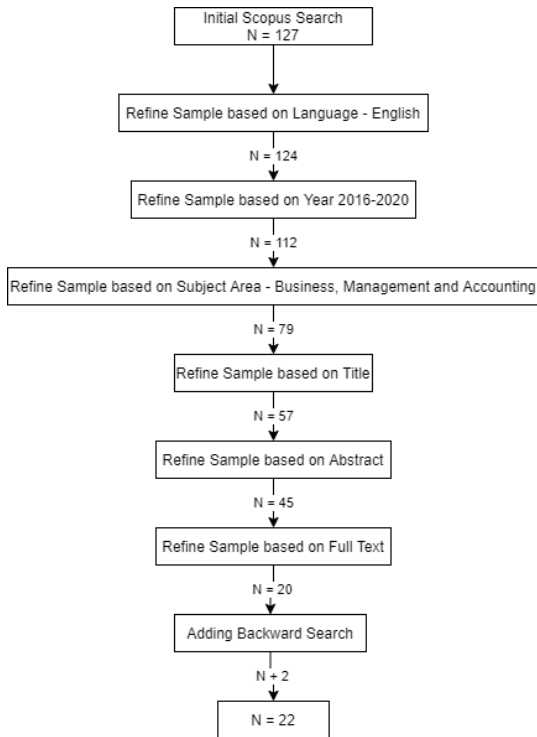
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9. APPENDIX

9.1 Appendix A: An Overview of the Literature Search Process

Initial Scopus Search
N = 127

Refine Sample based on Language - English

N = 124

Refine Sample based on Year 2016-2020

N = 112

Refine Sample based on Subject Area - Business, Management and Accounting

N = 79

Refine Sample based on Title

N = 57

Refine Sample based on Abstract

N = 45

Refine Sample based on Full Text

N = 20

Adding Backward Search

N + 2

N = 22

9.2 Appendix B: An Overview of Themes and Topics in the Literature

Authors - Literature Review	Themes - Literature Review							
	Understanding	Phenomena		Promotional Strategy				
	Omni-Channel Understanding	Showrooming	Webrooming	Promotional Design	Sales Promotion	Merchandising	Selling	Word-of-Mouth
Berman & Thelen (2018)	X	X	X	X				
Bèzes (2019)						X		
Bijmolt, Broekhuis, De Leeuw, Hirche, Rooderkerk, Sousa & Zhu (2019)	X			X		X		
Blom, Lange & Hess (2017)	X				X			
Cummins, Peltier & Dixon (2016)							X	
Dahl, Alessandro, Peltier & Swan (2018)								X
De Vries & Zhang (2020)					X			
Hickman, Kharouf & Sekhon (2019)	X			X				
Manser, Payne, Peltier & Barger (2017)	X			X				
Melero, Sese & Verhoef (2016)	X			X				
Órus, Gurrea & Ibánez-Sánches (2019)			X			X		X
Picot-Coupey, Hure & Piveteau (2016)	X	X	X	X		X		
Ravula, Bhatnagar & Ghose (2020)					X			
Rippé, Weisfeld-Spolter, Yurova, Dubinsky & Hale (2017)							X	
Shetty, Jeevananda & Kalghatgi (2018)	X							
Souiden, Ladhari & Chiadmi (2019)						X		
Steinhoff, Arli, Weaven & Kozlenkova	X							
Swan, Dahl & Peltier (2019)	X							
Valentini, Neslin & Montaguti (2020)	X			X				
Viejo-Fernandéz, Sanzo-Pérez & Vázques-Casielles (2020)		X				X	X	
Yrjölä, Spence & Saarijärvi (2018)	X							
Zhang, Ren, Wang & He (2018)	X							

9.3 Appendix C: An Overview of the Discussed Topics

Omni-Channel Understanding	Omni-Channel Phenomena	Omni-Channel Promotional Mix	Implications of Omni-Channel Retailing on Promotional Strategy
Customer Empowerment	Showrooming	Merchandising	Data gathering, smart retailing applications, design which encourages engagement, design which is consistent across all channels
Seamless Customer Experience	Search In-Store Buy Online	Sales Promotion	Data gathering; goal congruent promotions; omni-coupons; channel mitigation; random discounts
Channel, Interaction, and Promotional Integration	Webrooming	Selling	Understand customer journey and adaptive selling (data gathering); improve interaction/engagement in-store/online
Personalisation	Search Online Buy In-Store	Word-of-Mouth	Targeting; consistent messages across channels; recommendations provide confidence in; incentives for reviewing