

GROUP: GROUP 5

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QUESTION: Explain the concept of multi-channel vs. omni-channel vs. cross-channel ecommerce strategies. How do these approaches differ, and what are their benefits?

MULTI-CHANNEL VS OMNI –CHANNEL VS CROSS-CHANNEL E-COMMERCE STRATEGIES (Their Differences and Benefits)

INTRODUCTION:

In the e-Commerce space business are provided with different approaches that can be use to provide a seamless, continent and integrated customer experience across various marketing channel (such as e-mail, website, mobile app, social media platforms etc.).

These approaches/strategies are:

- 1.The Multi-channel,
- 2.The Omni-channel and
- 3.The Cross-channel strategies

MULTI-CHANNEL:

Multi-channel refers to the use of multiple channels to communicate with customers and sell products. This can be done through a variety of channels, including websites,

mobile apps, social media, and physical stores. multi-channel make it easy and convenient for customers to connect with a company and to find and purchase the products they want. Multi-channel ecommerce is like having several independent branches of your business, each operating in its own silo. For instance, you might sell your products through a physical store, an ecommerce website, a mobile app, and on various online marketplaces like Amazon or eBay. These channels often have separate inventories and customer databases. Each channel operates independently, and the customer experience may differ across channels.

OMNI-CHANNEL: Omni-channel refers to the integration of multiple channels to create a unified customer experience. This means that the channels work together to provide a seamless and consistent experience across all touch points. For example, a customer might research a product on a website, then purchase it using a mobile app, and receive personalized follow up communications via email. Omni-channel is about creating a cohesive experience for the customer, rather than just selling through multiple channels. The goal is to provide customers with a consistent and personalized experience, regardless of the channel they

use. With an omni-channel approach, customers can start their journey on one channel and seamlessly transition to another without any disruption.

CROSS-CHANNEL: Cross-channel refers to the use of multiple channels to support each other. This can mean using one channel to promote another, such as using a website to drive traffic to a mobile app. It can also mean using data from one channel to inform the marketing and sales efforts on another channel. For example, a company might use data from its website to create targeted ads for its social media campaigns. Cross-channel is about leveraging the strengths of each channel to create a more effective overall marketing and sales strategy. It acknowledges that customers may interact with various channels during their shopping journey but doesn't necessarily require complete integration. Here, the emphasis is on encouraging customers to move between channels seamlessly. For instance, a customer might research a product online, visit a physical store to try it out, and then complete the purchase through a mobile app. The benefit lies in flexibility, as it allows customers to engage with your brand in ways that suit their preferences. It also offers marketing opportunities, such as

using digital advertising to drive foot traffic to physical stores.

In summary, multi-channel focuses on using multiple independent channels, omni-channel aims for a seamless and integrated customer experience, and cross-channel emphasizes the coordination and integration of channels. Each approach has its benefits, and the choice depends on the business's goals and the preferences of its target customers.

DIFFERENCES BETWEEN MULTI-CHANNEL, CROSS-CHANNEL AND OMNI-CHANNEL E-COMMERCE STRATEGIES

The approaches of multi-channel, omni-channel, and cross-channel strategies in e-commerce differ in their focus and implementation:

1. Multi-channel: In a multi-channel strategy, businesses utilize multiple independent channels to reach customers. Each channel operates separately, and the customer experience may not be consistent across channels. The focus is on providing various options for customers to interact and make purchases.

2. Omni-channel: Omni-channel strategies aim to provide a seamless and integrated customer experience across all channels. The focus is on creating a unified and consistent brand experience, where customers can transition effortlessly between channels. Data and information are shared across channels to enable personalized interactions.

3. Cross-channel: Cross-channel strategies involve leveraging different channels to complement and enhance each other. The focus is on utilizing the strengths of each channel to deliver a cohesive customer experience. Customers may switch between channels based on their preferences, and the goal is to provide a cohesive journey across touchpoints.

While multi-channel focuses on offering multiple channels, omni-channel emphasizes a unified experience, and cross-channel aims to leverage the strengths of each channel. Implementing an omni-channel strategy requires deeper integration and data sharing, while cross-channel strategies focus on optimizing the customer journey across different touchpoints.

Understanding these differences can help businesses choose the most suitable approach based on their goals and customer expectations.

THEIR BENEFITS:

Here are the benefits of each e-commerce strategy:

1. Multi-channel:

- Increased visibility: Reaching customers through multiple channels increases brand exposure and potential customer base.
- Diversification: By utilizing different channels, businesses can tap into various customer segments and demographics.
- Flexibility: Customers have the freedom to choose their preferred channel for interacting and purchasing.

2. Omni-channel:

- Improved customer satisfaction: Providing a consistent and personalized experience across channels enhances customer satisfaction and loyalty.
- Seamless transitions: Customers can switch between channels without disruptions, allowing for a smooth and convenient shopping experience.
- Insightful data: An omni-channel approach provides comprehensive data on customer behavior and preferences across channels, enabling better targeting and personalization.

3. Cross-channel:

- Flexibility and convenience: Customers have the freedom to interact with the brand through different channels based on their preferences and convenience.
- Enhanced customer experience: Integrating channels allows for a more cohesive and engaging customer journey, leading to higher satisfaction.
- Comprehensive understanding: By leveraging the strengths of each channel, businesses gain a holistic view of customer behavior, enabling better decision-making.

These benefits highlight how each strategy can contribute to customer engagement, satisfaction, and business success in the e-commerce landscape.

REFERENCES:

- "Multi-Channel vs. Omni-Channel: The Customer Journey" by McKinsey & Company
- "Omni-Channel: The Journey from Transaction to Customer Engagement" by Oracle

- "Cross-Channel Marketing: How to Deliver a Seamless Customer Experience" by IBM

These sources cover the customer journey, the importance of data, and the benefits and challenges of each approach.

FREQUENTLY ASKED QUESTIONS:

1. How does each approach affect the customer relationship?

- Multi-channel, customers may have a more disjointed experience as they move between different channels.
- Cross-channel, customers may have a more integrated experience, but with the potential for some confusion or complexity.
- Omni-channel, customers should have a seamless and consistent experience across all channels. This can make the journey feel more cohesive and easier to navigate.

2. What are the potential risks of each approach?

- Multi-channel includes data silos, privacy concerns, and customer fatigue.

-Cross-channel risks include the same issues, plus the added risk of disjointed experiences.

-Omni-channel risks include the need for a high level of investment and the potential for technical complexity.

3. Which approach is most likely to drive loyalty and retention?

Omni-channel is also the most effective approach for driving customer engagement, as it creates a cohesive experience that keeps customers engaged at every stage of the journey. Omni-channel is generally considered to be the most effective approach for driving loyalty and retention, as it creates a consistent and seamless experience across all channels. This leads to a higher level of trust and engagement from the customer.

4. Which approach is most likely to drive customer engagement?

Omni-channel strategy...

5. How does each approach affect the cost of customer acquisition?

The cost of customer acquisition can vary depending on the approach, but generally, omni-channel is more expensive in the short term but leads to lower costs in the long term.

6. Which approach is most sustainable in the long term?

Omni-channel is considered to be the most sustainable approach in the long term, as it creates a strong foundation for growth and adaptability. This approach is designed to accommodate new channels and technologies as they emerge.

7. What role does data play in each approach?

In multi-channel, data is used to personalize the experience across multiple channels. In cross-channel, data is used to coordinate and optimize the experience across channels in omni-channel. In this approach, data is used to create a comprehensive view of the customer and to personalize the experience.