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Omnichannel vs multichannel retail: What is the difference

JOANNA SUAU
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What's the difference between multi- and omnichannel? Why invest in any and how do you pose your business to join the ranks of retail winners?

Multichannel and omnichannel, both, involve selling a product through multiple channels: web, **mobile**, in-store, IoT, etc. However, the core difference between the two is how interactive these channels are between each other. The true omnichannel creates a **seamless unified customer journey** regardless of the touchpoint in use. In other words, a customer can buy a product online, pay via their mobile device and collect it in-store. Multichannel, on the other hand, enables the consumers to buy a product via multiple channels, but they are **locked within the device of their choice** and have to complete their journey using one channel only.

For many retailers the natural course of action is to first think of multiple sales avenues to reach diverse audience, and only then think of an omnichannel experience, trying to tie all the touchpoints together so that they start talking to each other. This can prove costly, especially if using various technology stacks. Poorly working, clunky omnichannel means many frustrated customers that will most likely abandon the **shopping cart**, be it digital or physical. But well-working omnichannel, empowers consumers to use their favorite technology which creates a strong bond between the brand and its consumer base.

Another big difference between the multichannel and omnichannel experiences is how **inventory** is managed behind the curtain. Multichannel due to its specific nature typically has multiple inventories, one per every existing channel. One could criticize multichannel for introducing unnecessary complexity, but in reality it all depends on the business model at hand, whether it's retailer-oriented or customer-oriented. Some retailers simply can't afford to spare time nor money thinking about the true omnichannel solution, it requires dedication and passion for **reinventing commerce** at its current state by empowering customers to drive not only the demand by also the means of purchase.

The state of today's omnichannel

Most of current successful retailers have already implemented omnichannel to certain extent, allowing their consumers to interact with the brand thru multiple touchpoints. The ever-so-popular click-and-collect option is one of the examples of a typical omnichannel experience retailers turn to. It provides a seamless journey and allows consumer the freedom of choice without constraining them to one channel only.

But this is just the tip of the iceberg. **Omnichannel is so much more than that!** Unleashing the full potential of omnichannel can seem like a tedious and costly task at hand, but with the right tools, the implementation doesn't have to be a struggle.

What is true omnichannel and what does it take to get there?

True omnichannel solutions will interact with a customer seamlessly throughout the entire customer journey using multiple touchpoints to **engage and delight the consumer**. Imagine a customer that puts a product in a virtual cart, but then gets distracted and abandons it. They do have an account, so they get an email reminding them about the cart item. After they choose to ignore it, they would get another notification offering a discount on that particular cart item. They read the offer on their phone, and use the store's mobile app to access their cart. After they bought the product through their mobile wallet, they get shipping notifications sent directly onto their phone, and the next time they log in to their social media, they will see advertisements of related products they may be interested in.

This is a very simplified example of a continuous customer engagement, but you could think of thousand more sophisticated ones. With the right set of tools the sky's the limit.

The best approach to omnichannel is to think of the scenario first and only then think of tools and channels. Don't constrain yourself with technology, but rather **adapt it to your business-specific needs**.

Retailers today turn their attention to the **API-based platforms** that offer them great flexibility when it comes to building their ideal solution. With APIs and microservices, you can build a unique and consistent customer journey to keep your customers engaged at any point in time through any channel you can think of.

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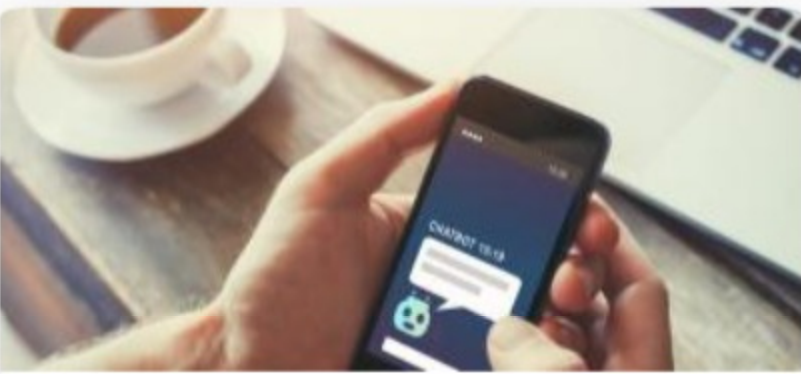
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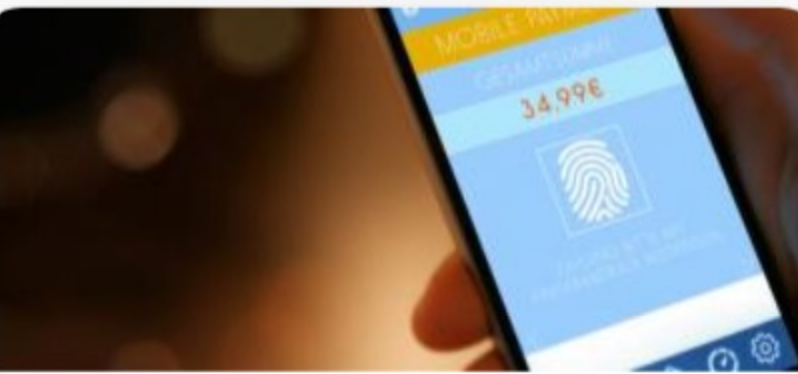Check out some of our other great content here

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