



Systematic Review

# The Effects of Omni-Channel Retailing on Promotional Strategy

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**Abstract:** The objective of this study is to ascertain the effects of omni-channel retailing on the promotional strategy of retail organisations in order to better understand how to alter the promotional strategy in accordance with the ever-changing needs of customers and ultimately provide the customer with a seamless experience. This research is based on a critical systematic literature review of articles related to the topics of ‘omni-channel retailing’ and ‘promotional strategy’. The analysis made evident that most literature is 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. Past research is quite fractured and does not represent a holistic picture of the implications of omni-channel retailing for promotional strategy. The analysis provided in this paper provides a general guideline for researchers and practitioners concerning promotional strategies that can be adopted in omni-channel retailing.

**Keywords:** omni-channel retailing; promotional strategy; showrooming; webrooming; sales promotion; merchandising; selling; word of mouth



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## 1. Introduction

The retailing environment is getting increasingly complicated. The rise of technological advances has multiplied customer touchpoints and therefore caused the customer journey to become more complex [1]. Whereas customer journeys in the past could be seen as linear, in the omni-channel environment, those journeys are now highly complex [2]. 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 [3] (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 [4]. Brynjolfsson, Jeffrey, and Rahman [5] (p. 24) highlight this by stating that omni-channel retailing is “turning the world into a showroom without walls”. As the online and offline worlds are becoming more intertwined, consumers require a seamless experience across channels [4,6]. A way to facilitate this is to integrate promotions across all existing channels [7]. One of the Marketing Science Institute’s [8] five major research priorities for 2020–2022 concerns the rise of the omni-channel environment; specifically, they propose research on the implications of omni-channel retailing for promotional strategies.

Customers “want customized communications that understand who they are, know what they like, deliver what they need, and reach them through their preferred channels” [6] (p. 29). Promoting omni-channel retailing requires deep insights into the value of these

channels for the customer; in this way, promotional strategies will better address the customer's needs, becoming more effective.

Brynjolfsson et al. [5] mention the importance of leveraging the opportunities the omni-channel environment brings with it; as omni-channel retailing increases competition (e.g., geographical barriers are broken down), companies can also find ways to gain competitive advantages [2,6]. Furthermore, "omni-channel retailing is a means to create an advantage by forging deeper customer relationships and potentially developing new markets" [9] (p. 259). Brynjolfsson et al. [5] mention ways for companies to do so, the main message being that "retailers should begin by adopting best practices from both the offline and the online worlds in areas including pricing, designing the shopping experience, and building relationships with customers" [5]. Ailawadi and Farris [10] 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 [11] developed a model that 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 effects on performance. Previous 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.

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 to 'influence' the customer.

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 knowledge of the changing customer journey and contribute to better alignment between promotional strategies and the omni-channel environment.

The objective of this study is to ascertain the effects of omni-channel retailing on the promotional strategy of retail organisations in order to better understand how to alter promotional strategy according to the ever-changing needs of customers and ultimately provide the customer with a seamless experience.

Based on this background and the objective of this study, the research question discussed in this literature review is: "What are the implications of omni-channel retailing for the promotional strategy of retailers?"

By answering this question, this research will identify the effects of omni-channel retailing on promotional strategy. This will aid companies planning to expand to omni-channel environments to adjust their promotional strategies in ways that will provide the consumer with an attractive proposition and a seamless customer experience.

In the upcoming section, we present the main concepts concerning this research: promotional strategy and omni-channel retailing. In Section 3, the materials and methods of the literature review are described. Section 4 presents the results of the review, after which the paper is concluded with implications for research and practice, as well as limitations and further lines of research.

## 2. Theoretical Background

Omni-channel retailing is defined by Verhoef et al. [4] (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” [4] (p. 176). This can be seen as the ‘channel hopping’ of consumers within the same customer journey [12]. In addition, as mentioned before, omni-channel retailing is fading the borders between online and offline retailing [4]. Brynjolfsson et al. [5] (p. 23) highlight this by stating that omni-channel retailing is “turning the world into a showroom without walls”.

The merits of the presence of an omni-channel strategy are diverse when implemented and integrated well—from better resilience in uncertain situations [13] and stimulation of in-store purchases [14] to higher efficiency (and ultimately higher profits), bigger reach, and omni-channel loyalty [15].

Companies can thus benefit from omni-channel retailing; however, it is important to determine the effects omni-channel retailing has on the promotional strategy of retail organisation so as to reach the customer at the right time and right place and provide a seamless experience.

Chaffey and Smith [16] describe the promotional mix as 10 tools of communication (including advertising, sales promotion, and word of mouth) that can be used by companies to communicate with customers and promote their business. Thackeray, Neiger, and Hanson [17] (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. Promotional strategy is thus used by companies as a plan of action, which is developed to find the best ways to inform the customer about their offering and persuade them to become a consumer.

For retailers to reach the customer at the right time and in the right place, it is important to create a promotional strategy that is suitable to the environment in which the retailer is operating. A retailer providing its products solely through a brick-and-mortar store has to consider different means of promotion than a retailer providing its products through multiple channels (mobile, web, social, etc.).

In the following sections, we aim to identify the effects of omni-channel retailing on the promotional strategy of retailers by means of a systematic literature review focused on the identified themes: omni-channel retailing and promotional strategy.

## 3. Materials and Methods

In order to better understand the implications of omni-channel retailing for promotional strategy, a critical systematic literature review was conducted, making use of Tranfield, Denyer, and Smart’s [18] method and the implementation of this method by Priante, Ehrenhard, Van den Broek, and Need [19]. This critical review aims to analyse (compare and combine) the existing research on the topics of (1) omni-channel retailing and (2) promotional strategies. These two topics were identified as a way to gather relevant literature to ascertain the effects of omni-channel retailing on the promotional strategy of retail organisations. Therefore, literature was gathered via the database ‘Scopus’ 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 was considered. Further selection criteria included English-language literature published in high-ranking journals in business, management, and accounting. A total of 79 articles were refined based on title, abstract, and full text by critically examining whether the articles discussed (a form of) promotional strategy and omni-channel retailing. Including a backward search, a total of 22 relevant

articles were reviewed. For an overview of the literature search process based on PRISMA, see Figure 1.

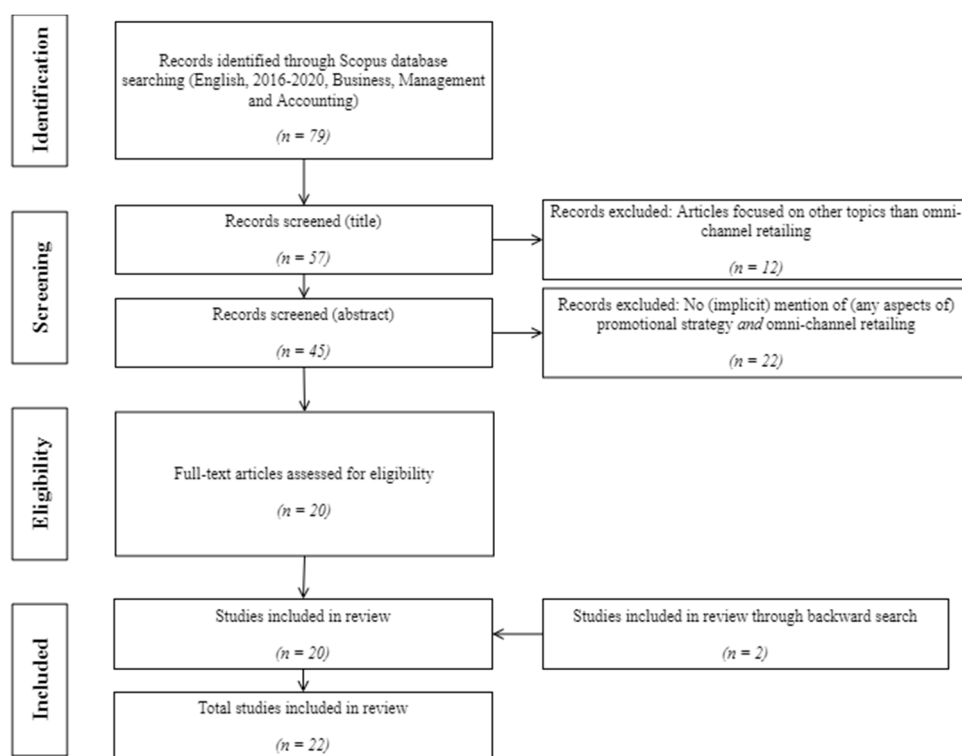


Figure 1. Overview of the literature search process based on PRISMA.

#### 4. Results

The studies included in the review were first thoroughly read to familiarise the authors with the content. After this, an inductive (emergent) approach was used to analyse the articles, keeping the research question in mind. This resulted in categorisation of the articles based on the topics they discussed. Literature related to omni-channel retailing and promotional strategy was 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 A.

##### 4.1. The Importance of Understanding ‘Omni-Channel Retailing’

Before being able to analyse the implications omni-channel retailing for promotional strategy, it is first important to understand ‘omni-channel retailing’ and the changes it 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 [20], companies must be aware of customer preferences and needs. Ultimately, the customer experience largely determines the overall perception of customers regarding a company. Furthermore, in the omni-channel environment, in which channels are added and 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 [21]. Omni-channel is a purchase experience that customers nowadays expect companies to provide [2,22,23]. This integration is also called ‘synergy’, as channels need to be synergised to provide the customer with a consistent experience [20]. An example of channel integration is provided by Picot-Coupey, Hure, and Piveteau [22]; an 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. [23] also discuss

integration in terms of assortment. For example, in-store product assortments cannot be very large (due to high inventory costs), so an option to solve this problem would be to drive customers to use their smartphone in store 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 [2]. Zooming in on this channel integration, it is clear that this is far more complicated than it seems. This integration also requires the alignment of interaction and engagement with customers across all channels [2]. Furthermore, the brand image should be consistent [24], and—especially relevant to the research conducted in this literature review—a promotional strategy should also be integrated across channels to facilitate the provision of a seamless customer experience [12,20]. Manser Payne, Peltier, and Barger [25] 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, Spence, and Saarijärvi [9] (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 customers who only use one channel [12]. Therefore, 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 [9]. Customers' expectations keep rising, as they are more empowered than ever due to the increased availability of data (reducing information asymmetry); this facilitates the switching of customers to competitors even more so than normally [2]. A tool that can be used to diminish this switch to competitors is 'customisation' or 'personalisation' [24]. This entails messages 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" [6] (p. 29). Not only does such a tool enable customer experience to become more seamless across channels; it also has the potential to increase interaction, satisfaction, and ultimately loyalty [24]. However, it should also be noted that customisation practices require a lot of data [6,24]. Blom, Lange, and Hess [26] 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 extracted from their activity can be used to design promotions for all channels.

Valentini, Neslin, and Montaguti [27] 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 them with the right promotional messages (or personalisation). As customers potentially use a mix of channels, all available channels should be optimised holistically [9,23]. Furthermore, it is important to note that each channel brings about different types of interactions. Steinhoff, Arli, Weaven, and Kozlenkova [28] highlight the fact that online interactions differ from offline interactions, as the first is usually of a human-to-human nature, and the second is of a human-to-technology nature. Therefore, 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 richer, "which help foster mutual understanding" [28] (p. 386), whereas online interactions have an increased ability to utilise big data and apply personalisation, in turn improving the relationship with the customer.

Therefore, 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’.

##### 4.2.1. Showrooming

Viejo-Fernandéz, Sanzo-Pérez, and Vázquez-Casielles [29] 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 and Thelen [12]). 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 is in line with the fact that customers have been empowered by the Internet [2], 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 [29]. Interestingly, Zhang, Ren, Wang, and He [21] state that retailers should be content with customer empowerment, as this is said to improve profitability and reputation.

Furthermore, it is important to keep in mind that an increase in mobile phone usage—one of the main factors in enabling growth in e-commerce possibilities—has changed consumer behaviour [12,30]; 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. Additionally, it is noted that this behaviour is especially relevant for hedonic products [29]. The type of product offered (hedonic vs. utilitarian) also determines the type of pricing promotion that would be most suitable in the omni-channel environment, as will be further discussed in the section ‘Sales Promotion’ [26].

Picot-Coupey et al. [22] emphasise the importance of promotional-mix integration and coordination in diminishing ‘competitive showrooming’ behaviour, as this increases the chances of customers finishing their customer journey within the same company. This will be further discussed in the sections, ‘Merchandising’ and ‘Selling’.

##### 4.2.2. Webrooming

Orús, Gurrea, and Ibáñez-Sánchez [31] researched the phenomenon of ‘webrooming’ (also known as ‘research shopping’ [14]). They define webrooming as “an online information search and a visit to the physical store to purchase the fact” [31] (p. 398). This behaviour is essentially seen as the opposite of ‘showrooming’.

In their analysis, Orús et al. [31] 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 increases their perceived control over the process” [31] (p. 399). According to Orús et al. [31], 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. These recommendations, in turn, are found to have a positive indirect influence on purchase intention, as they increase confidence [31]. These findings by Orús et al. [31] are in line with those of Rippé, Weisfeld-Spolter, Yurova, Dubinsky, and Hale [32] (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. [31] state that webrooming is used by consumers to gain confidence online in the search phase of the purchase funnel (which is in line with research conducted by Google [33], which states that 90% of consumers use their smartphone for ‘pre-shopping activities’) and then confirm this information in store. The implications of this knowledge will be discussed in later sections (‘Selling’ and ‘Word of Mouth’).

#### 4.3. 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.

##### 4.3.1. Merchandising

According to Souiden, Ladhari, and Chiadmi, the omni-channel environment has increased the convenience of shopping for customers but increased the complexity for companies, especially in terms of merchandising strategies [34].

Taking into consideration ‘showrooming’ behaviour and the information discussed previously [29], 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 [29].

Bèzes [35] focuses especially on smart-retailing applications in brick-and-mortar stores to provide consumers with a seamless experience. These smart retailing applications entail technologies that 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.

Therefore, an important factor enabling connectedness is data [35]. Data can also be used 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 [24]. This personalisation can be achieved online by designing websites/applications in such a way that customers are 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 [36], 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 to limit the chances of ‘competitive showrooming’ [29] taking 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 that portrayed online; ask salespeople to strengthen this information) [31].

##### 4.3.2. Sales Promotion

Blom et al. [26] examined the implications of using consumers’ digital shopping footprints to develop pricing promotions for brick-and-mortar stores in customer shopping behaviour. Furthermore, they also examined the implications of ‘omni-channel-based promotions’. They defined omnichannel retailing as a challenge to create “an overall

retailing experience that is the same across all channels and touchpoints" [26] (p. 287). In addition, they mentioned that digitalisation has enabled customers to access multiple channels while shopping in a brick-and-mortar store.

Concerning sales promotion, Blom et al. [26] state that businesses should "constantly evaluate how their actions affect sales performance and brand experience simultaneously, and ( . . . ) stay away from short-term performance enhancements" [26] (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 [26].

As mentioned before, Blom et al. [26] 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 is extracted from their activity can be used to design promotions for all channels. The authors define this as 'shopping-goal-congruent promotions' [26] (p. 293). The purpose of offering promotions and the characteristics of consumer interest determine 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 that is dependent on the sales purpose is 'omni-coupons', discussed by Ravula, Bhatnager, and Ghose [37]. These coupons can be obtained from any channel and redeemed in another. The authors 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 the channels they prefer, increasing consumer satisfaction and, ultimately, loyalty. However, in adopting an omni-coupon strategy, businesses need to be careful to prevent misuse of coupons in the form of multiple redemptions of a 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 a business adopts depends on the purpose of their sale; if consumers should be driven towards a mobile channel, the promotional coupon should only be valid for redemption in the mobile channel. In this manner, omni-coupons can be used to drive consumers to a certain channel [37]. Berman and Thelen [12] 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 [36]. 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 channels. The strategy they mention in their research is that of providing consumers with incentives, specifically random discounts. Random discounts guarantee consumers a minimum discount percentage, with chances of it being a lot higher than this minimum.

De Vries and Zhang [36] 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 demonstrate risk-averse behaviour when it comes to mobile-channel adoption. However, random discounts can mitigate this risk-averse behaviour, as they can provide incentives for such consumers to adopt the mobile channel due to cost benefits.

#### 4.3.3. Selling

Building on the phenomena of 'showrooming' and the method of personalisation previously discussed, Viejo-Fernandéz et al. [29] 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 increases the chances of avoiding ‘competitive showrooming’ and adopting ‘loyalty showrooming’.

As showrooming behaviour is facilitated by mobile phone usage, the importance of salespeople has seemed to decrease for those customers who use their mobile phones while shopping at a brick-and-mortar store [32]. Rippé et al. [32] also mention that mobile phone usage increases the purchase amount but also decreases the level of customer engagement. The authors [32] (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. [32] 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 salespeople 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 they increase confidence [31]) or to encourage them to download an application. De Vries and Zhang [36] specify that mobile-channel adoption (smartphone application) increases the number and amount of purchases.

Another method that could be adopted is ‘adaptive selling’. Rippé et al. [32] define this as adapting the sales method to the available customer information (extracting data). This method has the potential of “unblurring the lines between the mobile phone and salespeople” [32] (p. 744) and providing personalisation in store, which can, in turn, increase the relationship between customer and salesperson [28,32].

More generally, Cummins, Peltier, and Dixon [38] developed a framework for future research regarding the omni-channel environment and its effects on personal selling; they state that omni-channel strategies can have the potential to improve interactions between salespeople and customers, which, as mentioned before, is necessary to provide customers with a seamless customer experience.

#### 4.3.4. Word of Mouth

Dahl, Alessandro, Peltier, and Swan [39] (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 apply 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. [31] 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 [31].

## 5. Conclusions

The customer is getting more empowered, and omni-channel retailing is a phenomenon that almost every company nowadays must deal with. It is therefore important to understand how a 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 integration of all channels they use during their shopping journey. However, this is not limited to channel integration only, as it also encompasses brand consistency and promotional alignment. 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 are frequently mentioned in the literature, namely showrooming behaviour and its counterpart, webrooming behaviour. The former states that customers search for information about/to 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 because 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 that 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 the promotional strategy of retailers?"

In terms of 'merchandising' aspect of promotional strategy, companies could adapt merchandising of their brand in brick-and-mortar stores, as this can improve the consumer's sensory experiences towards the brand. This has the potential to diminish 'competitive showrooming' and to increase customer loyalty. In terms of 'webrooming', customers could be lured into brick-and-mortar stores 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 that drive engagement. Additionally, 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' is the strategy of 'goal-congruent promotions', as this enables companies to utilise customer data to provide them with 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. Just as merchandising can help mitigate customers from one channel to another, so can sales promotions. By limiting the option to redeem coupons on given channels, customers are automatically driven towards a certain channel. As mobile channel usage increases the purchase amount, incentives such as random discounts can drive customers towards this 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 emerging. Therefore, sales personnel must adopt the role of 'search assistants' and help customers in store to find 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 to better provide personalised interactions in store, increasing customer engagement.

The last 'promotional strategy' aspect considered in the 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 an incentive to those who *do* spread their experience with others.

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 Figure 2.

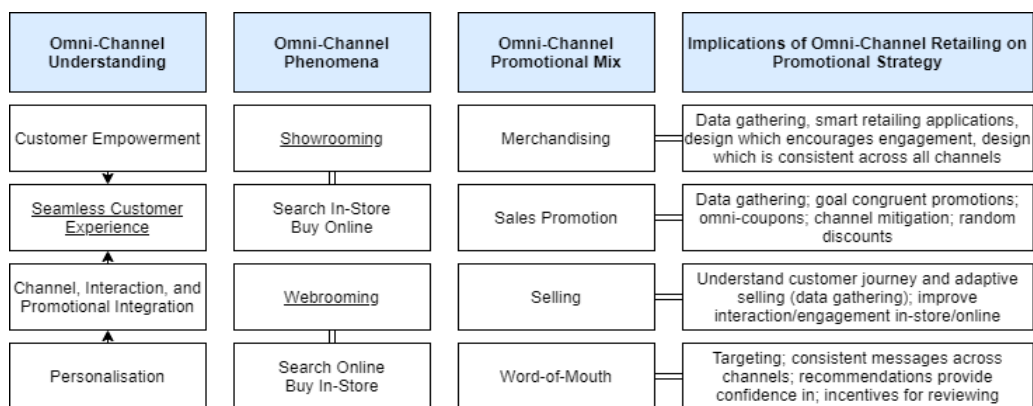


Figure 2. Overview of the discussed topics.

### 6. Implications

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

Overall, omni-channel retailing can be viewed as a challenge for companies [26], but it can also be viewed in terms of the opportunities it brings about, such as a chance to gain competitive advantages [2,6]. 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 that can prove to be important steps in the right direction of a successful promotional strategy in the omni-channel environment.

### 7. Limitations and Future Lines of Research

First of all, it is important to note that the sample used in this literature review is relatively small and provides a general overview. It is therefore important to further broaden the review of existing literature on omni-channel retailing and promotional strategy. This can be done by using more focused reviews—in other words, by zooming in on a specific aspect of the promotional strategy. Combining multiple analyses could provide a more detailed overview of the effects omni-channel retailing on the promotional strategy of retailers.

Additionally, empirical research could take place in order to more clearly uncover the managerial implications of the effects discussed in this research. This could entail a case study of multiple companies operating with an omni-channel strategy, leading to a sum-up of best practices. Such a case study can serve as a base for further research if there is evidence that the markets in which omni-channel retailers operate or the products they offer have different impacts on promotional strategy.

The literature review in this paper was focused on the ‘quite broad’ research question: “What are the implications of omni-channel retailing for the promotional strategy of retailers?” The question, as suggested by the Marketing Science Institute [8], 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 in better understanding the omni-channel environment and how to adapt promotional strategies accordingly. Although the literature gathered for this review *did* include several insights into customer behaviour, future research should be conducted that focuses more on the entirety of this research question, as this will provide a more complete picture of the implications of omni-channel retailing for promotional strategy.

Furthermore, Picot-Coupey et al. [22] 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 is also highly relevant based on the topics discussed in this literature review, as it could uncover the changes in implications for promotional strategy. Such research would also highlight the importance for companies to continuously adapt promotional strategy according to changing environments.

Taking into consideration the impact that technological advances in the past decades have had on the rise of omni-channel retailing, it is also important to look towards the future. A way to provide personalisation is using artificial intelligence as part of a promotional strategy [40]. Future research could investigate how artificial intelligence can be used to continuously make the customer experience more seamless through personalisation.

*Ethics:* As mentioned before, Bèzes [35] mentions the use of invisible smart-retailing applications. This raises some questions regarding privacy and ethics. Furthermore, Melero, Sese, and Verhoef [6], as well as Steinhoff et al. [28], mention the concerns of customers in terms of data protection and the importance of considering this. 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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## Appendix A

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
[12] Berman & Thelen (2018)	X	X	X	X				
[35] Bèzes (2019)						X		
[23] Bijmolt, Broekhuis, De Leeuw, Hırche, Rooderkerk, Sousa & Zhu (2021)	X			X		X		
[26] Blom, Lange & Hess (2017)	X				X			
[38] Cummins, Peltier & Dixon (2016)							X	
[39] Dahl, Alessandro, Peltier & Swan (2018)								X
[36] De Vries & Zhang (2020)					X			
[24] Hickman, Kharouf & Sekhon (2020)	X			X				
[25] Manser, Payne, Peltier & Barger (2017)	X			X				
[6] Melero, Sese & Verhoef (2016)	X			X				
[31] Órus, Gurrea & Ibáñez-Sánchez (2019)			X			X		X
[22] Picot-Coupey, Hure & Piveteau (2016)	X	X	X	X		X		
[37] Ravula, Bhatnagar & Ghose (2020)					X			
[32] Rippé, Weisfeld-Spolter, Yurova, Dubinsky & Hale (2017)							X	
[2] Shetty, Jeevananda & Kalghatgi (2018)	X							
[34] Souiden, Ladhari & Chiadmi (2019)						X		
[28] Steinhoff, Arli, Weaven & Kozlenkova	X							
[20] Swan, Dahl & Peltier (2019)	X							
[27] Valentini, Neslin & Montaguti (2020)	X			X				
[29] Viejo-Fernandéz, Sanzo-Pérez & Vázquez-Casielles (2020)		X				X	X	
[9] Yrjölä, Spence & Saarijärvi (2018)	X							
[21] Zhang, Ren, Wang & He (2018)	X							

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