



CONSUMER AND RETAIL GROUP

FROM CHANNEL CHAOS TO OMNICHANNEL CONTROL: THE NEW BLUEPRINT FOR PROFITABLE RETAIL GROWTH



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Now Is The Time To Align Your Channel Strategy Across Your Organization



What began for many retailers as a survival pivot to digital during COVID has become one of the industries biggest growing pains. As consumer sentiment shifts and economic pressures mount, companies are grappling with bloated operations, fractured experiences, and unsustainable channel economics. This is leading to many ultimately missing the mark on connecting with consumers through an omnichannel strategy. Years of underinvestment in digital, capped by rushed upgrades, are starting to show their cracks.



As consumers cross channels and retailers, the expectation for consistent product, value, and experience are tied to your brand having a strong strategy, remembering there is no one-size-fits-all strategy for how brands engage and connect with consumers. The question is: how do you make digital and in-store work for you and your customer?

In this article, we will explore:

- How to assess if your digital investments were built for the long term
- Where omnichannel dysfunction erodes value, and how reframing its role can strengthen customer engagement
- What practical steps can drive profitable, scalable growth going forward

The importance of omnichannel retailing continues to accelerate. Consumers now expect more relevant digital touchpoints, and the impact of those interactions on brand perception and conversion is greater than ever. According to CRG's Consumer Sentiment Survey,

61%

of respondents say technology experiences significantly influence their purchasing decisions, with younger consumers (ages 18–44) far more influenced by digital engagement than their older counterparts.

The Digital Pivot Was Right — But Was It Sustainable?



During the pandemic, retailers understandably accelerated digital initiatives to meet changing consumer behaviors. However, in the rush to act, investments were made quickly, resulting in siloed business systems and fragmented operating models disconnected from physical retail.

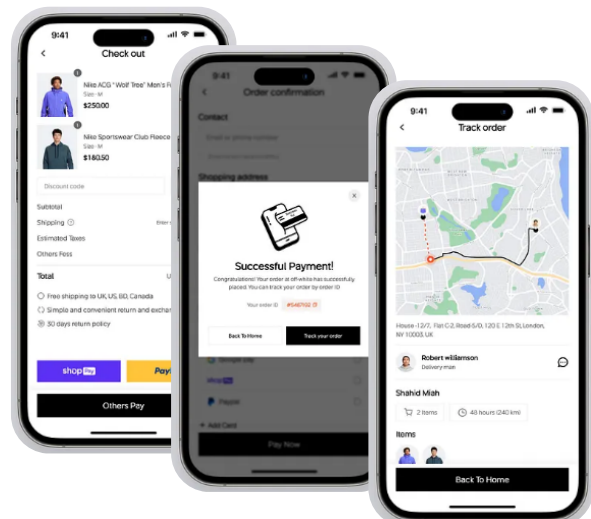
These changes led to compounding challenges – duplicative systems, disjointed customer experiences, inconsistent brand touchpoints, misaligned organizational structures, and unsustainable P&Ls.

The next phase for retailers isn't to swing the pendulum back to stores—it's about smarter configuration. Omnichannel success relies on seamless encounters between the physical and digital worlds, creating an integrated experience that enhances, rather than competes with, the customer journey.



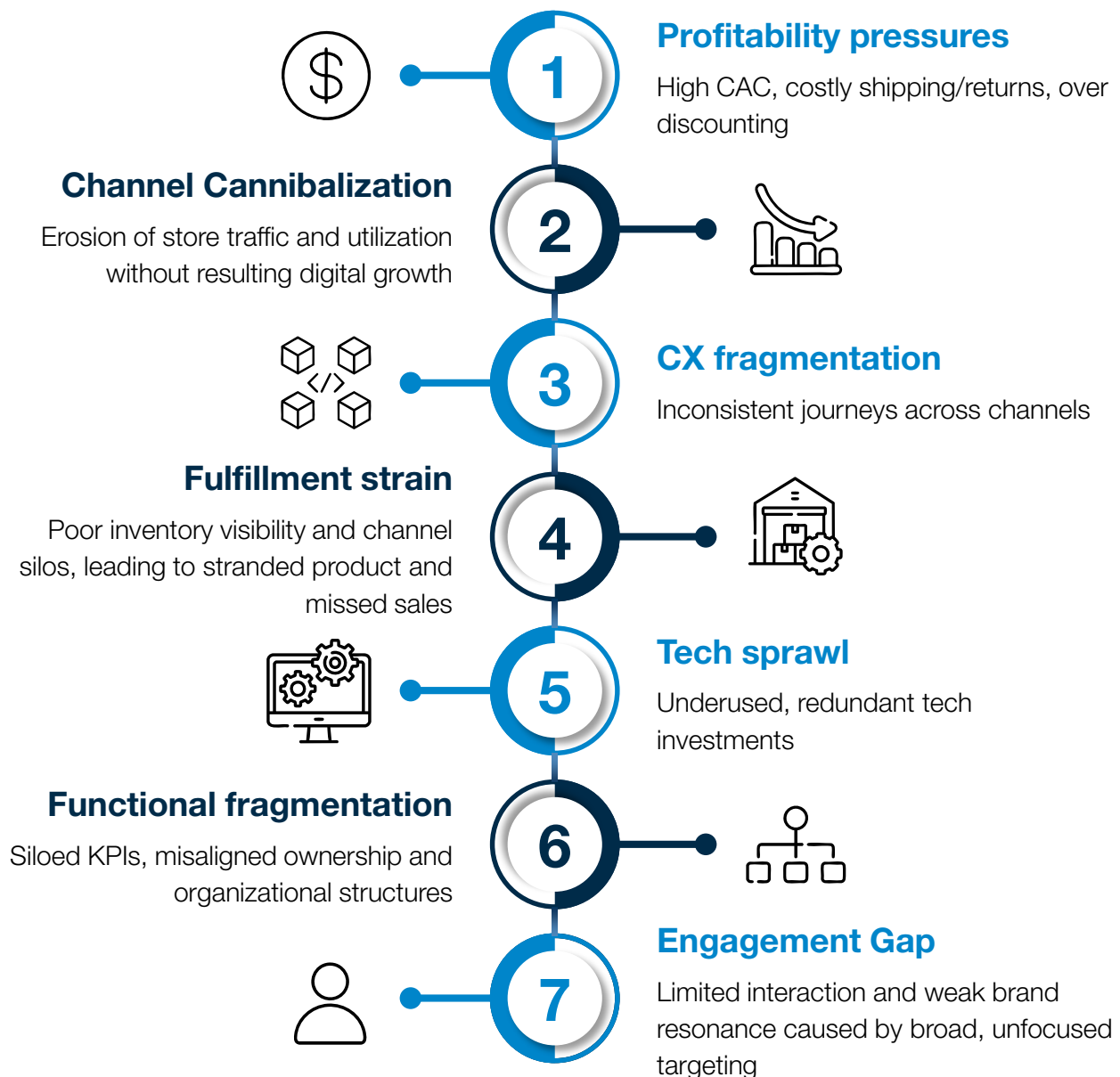
Questions to ask when assessing your omnichannel experience

- Did we build quick fixes that just keep up with competitors or sustainable capabilities that drive strategy?
- Are our physical and digital channels harmonized or cannibalizing?
- Are we optimizing for lifetime value (LTV) or still chasing short-term sales?
- What is the penetration of digital business and does that match where our customers are shopping?
- Who is steering the omnichannel experience: is it the customer or the retailer? And what does omnichannel retailing mean for our storytelling?



The Cost of Digital Overreach: 7 Deadly Symptoms

As omnichannel becomes the norm, opportunity lies in mastering the complexity, not avoiding it. From profitability pressures and fragmented customer experiences to fulfillment inefficiencies and digital complexity, each issue chips away at growth and brand strength. Internal misalignment and weak community engagement only amplify the problem, making it harder for companies to deliver a seamless, profitable experience across channels. The below list highlights main pressures that result from emphasizing digital without a strategic plan.



5 Bad Habits That Must Be Broken

What began for many as crisis-era band-aids during COVID has since hardened into structural flaws in today's omnichannel strategy. Unsure of the efficacy of your omnichannel approach? Below are key indicators it may be working against you – Buying Business, Expansion without Alignment, Chasing Channels not Customers, Underbuilding the Brand, and/ or Technology without Strategy.



01 Buying Business



Trying to claw back business by over-investing in one-time pops rather than strategically strengthening the brand or product.

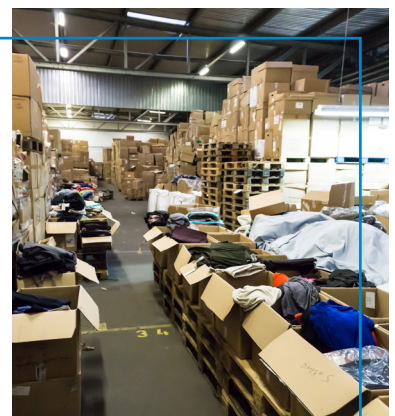
One example is an over-reliance on promotions to drive demand. Retailers that saw digital spikes continue to lean on discounts to fuel short-term sales—eroding margins and conditioning customers to wait for promos.

Expansion Without Alignment

02

In the rush to capture pandemic-era growth, many retailers rapidly grew online marketing and fulfillment capabilities—but without a cohesive operating model that oversaw all functions.

Retailers are now navigating ad-hoc solutions; managing fragmented structures, disconnected KPIs, and inconsistent execution across channels. As growth outpaces the organization's capacity to deliver, weaknesses in supply chain coordination, service levels, and the overall customer experience become exposed.



03

Chasing Channels, not Customers



In the effort to push technology and digital adoption, retailers over-prioritized digital penetration without clearly defining each channel's role.

This causes a fragmented customer experience without clear channel clarity. Digital enables discovery and convenience, while physical stores drive experiential engagement, immediate fulfillment, and loyalty. When retailers tunnel vision on one channel's growth, they risk misallocating resources, reducing traffic, and eroding community and brand purpose.

Underbuilding the Brand

04

Weak integration across channels undermines even the best-intentioned omnichannel strategies.

Disconnected systems threaten fulfillment, inventory accuracy, upsells, personalization, and consistent messaging—eroding loyalty and profits in both the short and long term. The divide can come at a real cost – 61% of customers would consider switching to a competitor after just one unfavorable experience (CMSWire).



05

Technology without Strategy



Investment in technology out of desperation rather than as a strategic investment in the future.

Necessity often motivates retailers to invest in digital capabilities. Unfortunately, many of these investments have created unnecessary complexity and ad-hoc solutions. Technology investments should drive integration, even if it challenges existing structures. Strategic goals and intended outcomes—not technology for its own sake—should guide every investment.

Omnichannel Playbook: The Four Key Archetypes



The following four archetypes are designed to guide you—not to stereotype—by outlining the key considerations needed to win across both the unique operational and consumer dimensions of your business, and to ultimately drive long-term success.

DIGITAL CONVERTS

Brands *born online* and historically wholly focused on digital, often as category disruptors, defined by deep customer insight and data-driven customer engagement

Now, these brands are *expanding to B&M* to strengthen brand affinity and acquire previously untapped customer segments through a new channel.

WARBY PARKER

WHOLESALE DEPENDENTS

Brands that primarily built their scale and identity through *wholesale partnerships* but have awakened to the criticality of *owning customer relationships*.

These brands are now *turning to DTC* channels to regain control of brand storytelling and their customer experiences.



CHANNEL REBALANCERS

Brands that historically operated with paralleled digital and physical channels are now *rebalancing their channel mix* — streamlining operations and re-evaluating investment to create a more connected, efficient ecosystem.

Each channel retains its strategic purpose but is designed to *complement the other*, grounded in customer needs and profitability.



OMNICHANNEL BY DESIGN

Companies that built *omnichannel capabilities* early and *from the ground up*—operating as unified, connected ecosystems where digital, in-store, and backend functions work in congruence to deliver a seamless customer experience from inception—serving as *first movers in the market*.



Key Considerations:

Factors for Success:

Operational

Building brick-and-mortar muscle: leasing, staffing, design, and daily operations

Upleveling inventory planning and logistics to power multi-location growth

Managing rising CAPEX and operating costs tied to physical expansion

Consumer

Expanding target customer focus beyond digital channels and tailoring assortments accordingly

Translating digital strengths—convenience, personalization, and seamless experience—into the physical store environment

DIGITAL CONVERTS

Leverage Deep Data Reserves for Footprint Decisions

Use customer data from eCommerce to identify high-density markets and open stores strategically

Realign around Total Customer Value

Shift focus from CAC to loyalty and retention. Assign group-wide goals that optimize lifetime value and build systems that reward engagement through personalization, exclusivity, and service.

Operational

Strengthening operational backbone and supply chain agility to meet DTC service demands: investing in last-mile delivery, real-time inventory visibility, and advanced demand forecasting

Consumer

Developing first-party data infrastructure – establishing the systems and governance needed to collect, maintain and use first-party data from owned channels

WHOLESALE DEPENDENTS

Streamline the Tech Stack

Reduce overhead costs by auditing tools for usage and ROI and focusing on clear orchestration layers that work together, and each have distinct purposes (CDP, OMS, inventory visibility)

Drive intentionality in assortment, merchandising, marketing decisions

Leverage customer data to make more deliberate decisions on assortment, merchandising and marketing choices in both owned channels and in wholesale environments

Key Considerations:

Factors for Success:

Operational

Defining clear assortment and pricing rules across channels—balancing what stays channel-specific versus unified

Optimizing fleet productivity through store-level performance analysis and strategic closures to enhance overall profitability

Consumer

Using customer needs to define the role of each channel and guide omnichannel strategy

Designing a flexible shopping model with frictionless buying, seamless returns, multiple fulfillment options, and channel-specific perks

CHANNEL REBALANCERS

Strengthen channels by design, not default:

Prioritize a channel-first mindset that strengthens each unique purpose, creating a stronger, more connected omnichannel foundation

Leverage a channel-led operating model that maintains distinct channel teams,

while implementing shared processes and governance to ensure alignment and collaboration across the ecosystem

Operational

Maintaining coherence at scale by aligning systems, standardizing data flows, and streamlining processes to ensure consistent operations and consumer experiences

Embedding omnichannel at the core of the operating model—integrating digital, physical, and operational levers to drive sustainable growth and profitability

Consumer

Leveraging data and partnerships to strengthen relationships with consumers and maintain differentiation as competitors close the omnichannel gap

OMNICHANNEL BY DESIGN

Leverage integrated data to anticipate needs:

Monitor behavior across digital, in-store, and backend systems, using firsthand insights to optimize assortment, personalize experiences, and drive engagement across all touchpoints.

Integrate organizational structure with unified omni-channel leadership

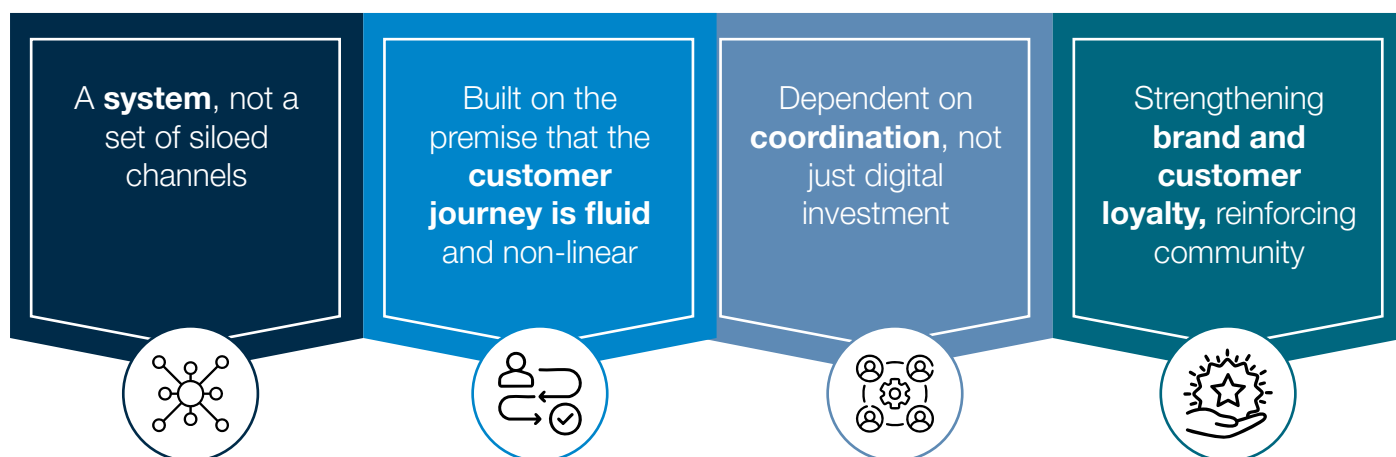
overseeing all channels, ensuring alignment across digital, store, and back-end functions. Channel roles are defined by purpose to void duplication and competition

Final Thought: Omnichannel isn't about channels—it's about coherence

Modern-day omnichannel is a coordinated system designed around the fluid, non-linear customer journey. Success requires seamless integration across discovery, conversion, fulfilment, and loyalty, using every potential consumer touchpoint to strengthen brand, build loyalty, and foster community.



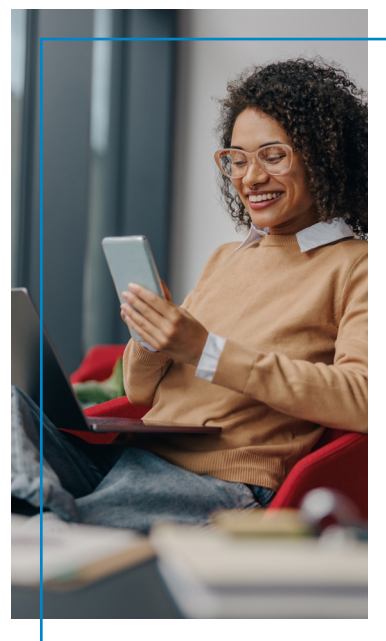
Omnichannel is:



The equation for growth has become increasingly complex. AI platforms like **ChatGPT** are quickly becoming the front door for brand exploration, product research and even product conversion. Retailers that are already struggling to improve their omnichannel strategy will be under additional pressure to incorporate AI into their existing customer experiences.

Winning today means orchestrating a **seamless, proactive, customer experience across discovery, conversion, fulfilment, and loyalty**, designed to anticipate needs rather than chase them. Prematurely prioritizing agentic commerce without a strong omnichannel foundation risk compounding performance challenges and undermining brand credibility.

Your channel strategy, whether omnichannel or multichannel, should be a strategy that is **intentional, profitable, and customer centric**. The time for reactive, crisis-era models is over. What is needed now is a disciplined, future-fit approach that creates value, earns loyalty, and scales with intention.



At A&M Consumer & Retail Group, we have the experience and resources to support you during these challenging times. We are passionate about helping companies achieve their maximum potential and be on the right side of disruption. We look forward to connecting.



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