

Omni-channel logistics special issue

The last five years have seen one of the biggest disruptions in traditional retailing for a generation (see, e.g. Mena and Bourlakis, 2016). This has, to a large degree, been driven by technology and information systems enabling customers to interact differently with retailers and also the retailers themselves through the application of technology, be it within the final mile delivery or the warehouse facilities to create a supply chain that is highly responsive to customer needs. The customer no longer views the e-commerce channel of the business as separate and has started asking “why can I not buy online and collect in store, or buy in store but get it delivered directly to home or buy online and return goods to the store”? This has resulted in considerable challenges for logistics and supply chain managers. The customer now sees the business as a single entity and wants to interact across traditional channels, and the customer as we know is always right!

The term omni-channel was first defined by practitioners to emphasise this customer perspective, stressing that the new approach required that a customer could interact with the business in “all ways and in all locations”. Omni-channel focuses on “a truly integrated approach across the whole retail operation that delivers a seamless response to the consumer experience through all available shopping channels, whether on mobile internet devices, computers, in-store, on television and in catalogues” (Saghiri *et al.*, 2017; Wilding, 2013), whereas multi-channel focusses on the customer transacting with the business (browse, buy, return) through “independently managed channels”, including retail stores, online stores, mobile app stores and telephone sales.

The omni-channel perspective of the business has resulted in new business logistics models rapidly developing to accommodate this new paradigm. Significant challenges on traditional supply chain and logistics has also changed the cost drivers within the supply chain with traditional metrics being utilised within the retail supply chain proving insufficient; this has driven increased focus on understanding the “cost to serve” customers. As with any supply chain approach, new processes, networks and infrastructure, information systems and organisational structures have had to be developed to enable the omni-channel revolution.

It could be argued that academics have been left as observers to this revolution with industry leading the way but academics have played significant roles in supporting this new paradigm. At the Cranfield School of Management, our team has worked with leading retailers in this field influencing and supporting new ways of working by developing frameworks to help managers to develop, run and monitor omni-channel systems (see, e.g. Bernon *et al.*, 2016; Saghiri *et al.*, 2017; Saghiri and Wilding, 2016; Wilding, 2013). This special issue is therefore timely enabling the academic community to contribute to the debates and analysis of the omni-channel revolution. The papers within this edition provide useful and applicable insights which will be of value to both practitioners and academics and we hope will encourage others to join the debates and research being undertaken.

The papers presented in this edition, as would be expected for a logistics approach that is still evolving, are predominantly focussed on the foundational literature and the transition to the omni-channel business model. These papers build on a recent special issue on “Retail Logistics” edited by Mena and Bourlakis in 2016. In that special issue, relevant omni-channel-related work was published (see Bernon *et al.*, 2016; Hübner *et al.*, 2016; Ishfaq *et al.*, 2016) and provided the foundation (and inspiration!) for the current special issue.



Specifically, the first paper undertakes an important review of current academic research within the context of omni-channel retailing (Kotzab *et al.*, 2018). In total, 70 academic papers of relevance are identified enabling the researchers to identify 34 foundational publications. A significant conclusion of this research is the limited consideration of logistics and supply chain management literature with the majority of work embedded in the marketing and sales discipline. This highlights the importance of the need for interdisciplinary research.

Building on the theme of the literature, the following paper (Rasini, Melacini, Perotti and Tappia, 2018) undertakes a systematic review in order to understand the distribution network design, inventory and capacity management and delivery planning and execution within the context of omni-channel retailing. This review further highlights, despite increasing interest in omni-channel, that there is a little focus on logistics and supply chain issues.

These literature review papers provide a foundation and direction for further academic research. They also provide insights for practitioners with a useful guidance on developing business logistics models for the omni-channel. Overall, gaining understanding of the current logistics approaches that organisations are currently utilising to enable the omni-channel is particularly important in identifying how an omni-channel transition can take place.

Hübner *et al.* (2018) present an investigation of 12 case companies from six European countries. Interestingly, they note that many retailers are leveraging existing logistics structures to fulfil online orders; this finding also reveals the internal and external factors that have influenced decision making. The paper identifies six distinct types of order fulfilment which will be of particular use to practitioners embarking on an omni-channel journey.

Earlier papers in this special issue also recognise that, in general, research into omni-channel is undertaken from a sales and marketing perspective. Importantly, management strategy and business logistics models have received less attention. Rasini, Marchet, Melacini, Perotti and Tappia (2018) go some way to addressing this gap and through a rigorous review of literature, a framework is developed and tested on over 90 Italian companies from various sectors. The findings provide valuable insights into the key logistics variables and methods to re-structure business logistics within the omni-channel. Critically, channel integration, within both transport and warehousing operations, and coexistence of multiple configurations are the main enablers for the omni-channel proposition.

A common debate within the practitioner circles focusses on whether a company can make a transition from a traditional multi-channel structure to an omni-channel way of working. The challenges of changing culture, processes, infrastructure and information systems within a traditionally structured business can be significant and difficult to address. The final paper (Larke *et al.*, 2018) sheds further light on the challenges of an organisation making the transition from multi-channel to omni-channel through a well-described case study focussing on how an organisation worked to ensure the unified customer experience across the landscape of multiple supply chain channels. It also highlights the importance of the strategic implementation process. A major strength of this paper is that the authors have provided these insights within the context of Japanese distribution giving insights into the e-commerce strategy from the Japanese literature that is less well known in the Western English-speaking world.

As the omni-channel revolution continues, we hope that this special issue provides a useful and insightful introduction to both academics and practitioners. Our goal at the Cranfield School of Management is to enable academic knowledge to create action within the industry. We hope that the lessons and insights provided within these papers will go some way towards achieving this goal.

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