Chapter 1
Pre-, During-, and Post-COVID-19 Era in Retailing:
Multi-Channel and Omni-Channel Retailing

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ABSTRACT

The COVID-19 pandemic started as a health crisis; however, it dramatically generated social, economic, and behavioral changes. The transformations in business environment, shopping, and consumption behaviors are believed to be long-lasting after the pandemic era. Therefore, COVID-19 is a disruptive force. In this chapter, the authors analyzed the effects of COVID-19 on retailing industry as a result of changes in shopping behaviors. They discussed the evolution of multi-channel and omni-channel retailers, and they highlighted the changes in shopping behaviors due to COVID-19 on the basis of secondary data. Then they preceded a qualitative research and collected data via semi-structured in-depth interviews. They reported their findings in the last section of the chapter.

INTRODUCTION

Retailing is defined as *the set of business activities that adds value to the products and services sold to consumers for their personal or family use* (Levy and Weitz, 2012 p.6). People generally think of retailers as the ones who sell products in stores, such as supermarkets, however, services such as hairdressers, car rentals, hotels, cinemas, restaurants are also retailers. Retailers do play a crucial role in consumer

markets since they link manufacturers and consumers. They generate value to both, consumers and manufacturers: (1) they provide a variety of assortments in one place, (2) they break bulk into smaller quantities, (3) they hold inventory, and (4) they provide services (Levy and Weitz, 2012). They have strong social and economic impacts on consumer and business markets. Although it has been started in 1860s as a local business to deliver needs and wants of the local consumers, today it is a global business.

According to the Deloitte's (2020) Global Power of Retailing Report, the retail revenue of largest 250 retailers is 4.75 million USD. They operate in 12.8 countries on average, and 25.8 percent of their sales come from their foreign operations. Among the 250 retailers the top 10 retailers' revenue is 32.2%. Those at the top 10 were ranked according to their revenues (2018 fiscal year) as: Wal-Mart, Costco, Amazon, Schwarz Group, The Kroger, Walgreens, The Home Depot, Aldi, CVS, and Tesco (Deloitte, 2020). Therefore, today when we talk about retailers, we talk about big international corporations that are using multiple retail channels to reach their customers. The main factors that have fundamentally changed retailing are (1) changes in global retail landscape, (2) escalation of competitiveness, (3) digitalization and new technologies, and (4) changes in consumer behaviors. Those factors affected the transition of retailers from brick-and-mortars to multi-channel retailers.

In 2019 the world has witnessed the COVID-19 pandemic, which is one of the most powerful factors that has affected everything. It is a public health crisis, but it has produced economic, social and behavioral changes (WTO, 2020). In response to COVID-19 governments took precautions such as social distancing, and lockdowns, which has pushed consumers to online/mobile shopping. Amazon announced revenues of 75 billion USD in the first three months of the year, averaging 33 million USD an hour (WTO, 2020). Due to lockdowns, even the local retailers and convenience stores developed a multi-channel retailing model by offering online channels, while the global ones invested upon their multiple-channel strategies and focused on omni-channel experiences. It seems that consumer centric omni-channel retailing will impact the future of retailing in the post COVID-19 era (Kahn, 2021).

Omni-channel retailing has evolved as an extension of multiple-channel strategies, however it is different than multi-channel retailing. Multi-channel management is defined as *the design, deployment, coordination, and evaluation of channels to enhance customer value through effective customer acquisition, retention, and development* (Neslin et al., 2006 p. 96). On the other hand, omni-channel retailing is about managing each channel as integrated with each other (Verhoef et al., 2015).

This chapter considers the changes that COVID-19 caused on shopping behavior and retailing applications. We address pre, during and post COVID-19 era in retailing particularly in multi-channel and omni-channel retailing. In the following sections, we will discuss the development of multi-channel and omni-channel retailing. Then we will explain the effects of COVID-19 on consumers' shopping behaviors and retailing applications on the basis of secondary data. Then we will present our findings of qualitative research, which was conducted in Turkey in May 2021.

BACKGROUND

Multi-Channel Retailing

A retail channel is the way *a retailer sells and delivers merchandise and services to its customers* (Levy and Weitz, 2012 p.58). Store is the most common channel used by retailers. Beside stores, retailers use non-store channels such as Internet, catalogs, direct mail, direct selling, and television; defined as multi-

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