Research on Animates Albany Omni-channel Retail Market

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Abstract: This study aims to collect consumer information through data-driven key performance indicators (KPIs) to meet customer needs. Using customer relationship management (CRM) software to analyze data and track products through unique QR codes, the six-month implementation process is expected to affect sales in the first year. The research also discusses the importance of providing customer service across multiple channels and optimizing customer interaction through mobile strategy and integrated service software. In addition, effective inventory planning requires a powerful demand planning system, and real-time forecasting and cross-departmental cooperation can be realized through inventory management software. Animates plans to increase data collection and application by 50% by integrating data from different channels and departments in the next 15 months. The contribution of this study is to provide a data-driven business growth strategy framework for retail enterprises, as well as the corresponding technical implementation plan and budget guide.

Keywords: Consumers; Retail market; Sales

1. Introduction

This paper aims to identify threats and opportunities likely to face Animates Albany in the next five years. This study will scrutinize the identified threats and opportunities, proffering a set of actionable recommendations designed to leverage the prospects or mitigate the identified risks. Subsequent to these recommendations, an execution strategy for the upcoming five years and beyond will be delineated.

The subject of this investigation is the Animates store located at Shop 4a Albany Mega Center, Don McKinnon Drive, Albany, Auckland. The area is a hub of leisure activities that attracts numerous families and pet owners, serving as a home to diverse businesses. The clientele comprises trendy, youthful pet owners with disposable income for premium pet products (Refer to Appendix 1). These customers prioritize reliability and utilize the Internet as a primary source of information. By comprehending the emotional aspects of the customer journey, businesses can better fulfill client expectations (Refer to Appendix 2). The clientele values quality service and support during the purchase experience and is inclined to recommend the establishment to their social circle.

2. Threats and Opportunity Identification

The concept of omnichannel retailing predominantly influences the current dynamics within the marketplace. This modern retailing strategy ensures the availability of a wide array of items online, spanning from edibles and home decor to clothing, as well as technological and electronic devices. The essence of omnichannel retail is to guarantee the timely delivery of a brand's products to consumers through a meticulously crafted operational plan. This plan encapsulates a variety of logistical approaches, including, but not limited to, diversified distribution techniques, supply chain management innovations, the implementation of drop-shipping, and the utilization of marketing automation systems (Brynjolfsson et al., 2013). For instance, companies such as Animate Albate have discovered that by tailoring the customer experience throughout the entire purchasing process within their omnichannel frameworks, they can foster stronger connections with their clientele, engaging them in a manner that is both relatable and efficacious. Operating within the realms of omnichannel retail, Animates has observed a surge in both opportunities and challenges that are anticipated to influence its service provision and consumer contentment. A focused SWOT analysis, with an emphasis on identifying opportunities and threats, is instrumental in pinpointing potential challenges that require attention and action, as well as recognizing the synergistic aspects that are contributing positively to the...
Research on Animates Albany Omni-channel Retail Market's SWOT can be seen in Figure 1.

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<tbody>
<tr>
<td>Better prediction of market trends</td>
<td>Decreased efficiency due to poor inventory management.</td>
</tr>
<tr>
<td>Diverse product portfolio creating strong customer base.</td>
<td>Budget constraints for marketing and promotion leading to customer base</td>
</tr>
<tr>
<td>High product quality hence customer loyalty.</td>
<td>expansion challenges.</td>
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<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
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<tbody>
<tr>
<td>Creation of smooth purchasing experience through utilization of omnichannel retailing.</td>
<td>Challenges meeting diverse consumer needs.</td>
</tr>
<tr>
<td>Availability of BOPIS strategy development</td>
<td>Conflict involving various channels and departments</td>
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Figure 1: SWOT Chat Analysis

2.1 SWOT Analysis - Opportunities

2.1.1 Creating a Smooth Purchasing Experience by Utilizing Omnichannel Retail.

Technological advancements have streamlined the manner in which consumers engage in retail activities, with a growing expectation for an uninterrupted experience throughout all facets of shopping. Animates' implementation of an omnichannel approach has demonstrably augmented its sales figures. Consumers, typified by the Animates client profile detailed in Appendix 1, frequently initiate their shopping journey by exploring products online prior to executing purchases within a physical store. Conversely, a segment of the consumer base exhibits a preference for scrutinizing items directly in-store before finalizing their transactions online. This behaviour underscores the opportunities available to retailers when consumers interact with multiple channels during the deliberation and acquisition stages of their shopping journey (Abdelmaged, M2021). In recognition of this trend, Animates is committed to incorporating the needs of all customer segments into its channel strategy in forthcoming years. To maintain a competitive edge, the company recognizes the imperative of creating cohesive omnichannel experiences, which entails maintaining well-stocked physical stores and ensuring inventory is meticulously optimized. The exigencies of the Covid-19 pandemic, which necessitated the shuttering of numerous businesses across New Zealand and propelled a preponderance of transactions into the digital realm, have accentuated the importance of a robust omnichannel strategy (Pather et al., 2020).

2.1.2 Buy Online Pick-Up in Store (BOPIS) Strategy Development.

Implementing Buy Online Pick-up In Store (BOPIS) strategies has revolutionized the retail landscape by seamlessly combining the immediacy of traditional shopping with the convenience of online retail. This hybrid model has become particularly appealing in the wake of the COVID-19 pandemic, which necessitated a reduction in physical interactions among individuals. The persistence of this model, post-pandemic, is largely attributable to the convenience it offers, a factor that has led to its sustained popularity. Research conducted by Bielozorov (2020) indicates a substantial increase in in-store visitations, with a reported 80% surge associated with the adoption of omnichannel practices. Furthermore, the likelihood of customers making additional purchases upon collecting their initial order in-store stands at 85%, a statistic that underscores the positive impact of BOPIS on revenue and the size of the average shopping cart (Bielozorov, 2020). In light of these financial incentives, retailers are increasingly incentivizing using BOPIS and similar click-and-collect services. Despite its apparent necessity in modern commerce, the BOPIS model is not without its challenges. Retailers frequently grapple with technical constraints that may lead to inventory discrepancies, delayed data processing, and a disjointed consumer experience. The most significant hurdles retailers face in adopting and managing BOPIS are logistical coordination and accurate inventory tracking.

2.2 SWOT Analysis - Threats

While acknowledging the prospects for growth, it must be recognized that the enterprise will imminently confront several obstacles. These encompass:

2.2.1 Challenges in Meeting Diverse Consumer Needs

It is widely recognized that transforming an occasional purchaser into a loyal client incurs far less cost than the constant creation of new consumer interest. Simone and Sabbadin (2018) assert that for
the sustenance of the retail sector, it is imperative for companies to engage in both activities. To effectively comprehend the position of their clientele within the purchasing process, their specific requirements, and their purchasing incentives, companies require detailed analytics. Furthermore, it is imprudent for companies to rely solely on web cookies for data acquisition, as the modern consumer's approach to website interaction has evolved. Consequently, catering to customer expectations may present a challenge due to the plethora of individual consumer needs and the sheer volume of information available.

2.2.2 Conflicts Involving the Different Channels and Departments

The advent of omnichannel marketing strategies emerged as a response to the complexities introduced by multichannel marketing. Some have argued that there is a negligible distinction between multichannel and omnichannel marketing; however, one incontrovertible aspect is the amplification of challenges as the number of channels increases. The disconnect between various departments within an organization—namely marketing, sales, finance, and logistics—can significantly influence the alignment of objectives and the manifestation of conflict. Moreover, channel conflict is exacerbated when inventory shortages arise owing to a misalignment within the supply chain (Hansen & Sia, 2015). The presence of multiple yet disconnected channels can precipitate considerable operational difficulties when one fails to accommodate the requisites of another. To circumvent such issues, it is imperative for all channels to engage in synergistic interaction, reflective of the principles of omnichannel marketing, thereby ensuring a cohesive customer experience. Neglecting customer prioritization can detrimentally affect various organizational processes, including order placement with suppliers and the mapping of inventories.

3. Recommendations

The process of recognizing and evaluating opportunities and challenges is crucial for equipping enterprises with the foresight and competitive edge necessary for future success. In light of the opportunities and threats that have been discerned, these organizations can develop and implement a variety of strategic recommendations. Such recommendations encompass the following:

3.1 Data Synchronization

Addressing the diverse requirements of consumers across multiple platforms is a significant challenge in the realm of omnichannel commerce. Animates Albany must ensure the meticulous recording of consumer data acquired through online shopping activities or form submissions. Such data collection facilitates a thorough analysis, enabling the delineation of the customer's journey and purchasing patterns. This, in turn, provides actionable insights for enhancing sales strategies (Picot-Coupey et al., 2016).

To align the business objectives with customer expectations, it is essential to amalgamate data from various channels, such as website interactions, telephonic engagements, email outreach, conversational interfaces like chatbots, and social media engagement. The integration of a Customer Relationship Management (CRM) system is a strategic approach to manage and centralize these diverse data streams. Moreover, accumulating extensive consumer data, establishing data-driven Key Performance Indicators (KPIs), and integrating various signals are critical for meeting the specifications set by Google Tag Manager (GTM) for the firm (Picot-Coupey et al., 2016). It necessitates the segmentation and categorization of voluminous data sets to enable the business to effectively discern and understand individual consumer needs, their browsing history, and to facilitate their progression towards an effortless and organic purchasing experience.

3.1.1 Time Frame

In order to achieve data synchronization, the company is required to integrate analytical tools, particularly those sourced from external vendors. Additionally, it is imperative for the company to adopt QR code scanning technologies and to assign distinct codes to each product. This will facilitate the monitoring of consumer demand patterns. The data gathered through these methods will subsequently be processed via Customer Relationship Management (CRM) software to extract valuable insights. The installation of both the necessary hardware and software, coupled with the product labelling process, is projected to span a period of approximately six months. It is anticipated that the impact of these measures on sales figures will become apparent within the first year following their
implementation.

3.1.2 Expected Cost and Provider

The enterprise is positioned to procure Customer Relationship Management (CRM) software through an arrangement with zapier.com, selecting a corporate subscription that is presently priced at approximately $799 monthly. Additionally, the incorporation of Quick Response (QR) code scanners is imperative for the purpose of affixing these codes to all merchandise, thereby enabling systematic tracking for data accumulation purposes. This necessitates an enhancement of the current systems or, potentially, the introduction of novel systems. The anticipated financial outlay for these technological advancements is projected to round up to a monthly sum of $1500.

3.2 All-in-one Customer Service Software

The efficacy of a multichannel retail approach is fundamentally tied to the level of customer service provided. Retailers, such as Animates, must endeavour to deliver comprehensive customer service. This objective can be achieved by enhancing the efficiency of interactions across various channels, consequently fostering a base of devoted customers. Implementing a mobile strategy can significantly augment the capabilities of customer experience teams, enabling them to maximize their effectiveness.

Customers today demand a unified platform that can cater to all their requirements, delivering a consistent experience at any time and place. Retailers are presented with a choice: they can either engage with customers through their preferred platforms or employ chatbots to facilitate automated yet personalized conversations. For the provision of these services, businesses may consider enlisting cm.com, which offers such solutions at a competitive rate of approximately $100 per month.

3.2.1 Time Frame

The contracted entity is tasked with the creation of an automated conversational agent, which is to be seamlessly integrated across all commercial platforms, including social media networks and the corporate website. This integration will enable the agent to engage in dialogues with customers across these diverse channels. The development phase for this digital assistant is projected to span a period of three months, following which a six-month phase dedicated to trials and implementation will commence.

3.2.2 Expected Cost and Provider

The company's budgetary projections include engaging cm.com for the provision of its services at a cost estimated to be $4387.

3.3 Effective Inventory Planning

It has been observed that conflict among the various channels within Animates presents a significant challenge. Implementing an effective demand planning strategy is crucial in achieving stability in business inventory planning. To address this challenge, companies are required to identify and implement the most effective customer touchpoints, fortify relationships with suppliers, and invigorate market demand by acting as proactive internal stakeholders. The capacity to anticipate inventory requirements accurately in real-time stands as a critical factor for surmounting any retail challenges that may arise. Furthermore, the utilization of an inventory management system ensures the seamless coordination of various components such as channels, manufacturing processes, supply chains, and transportation logistics (Xu & Cao, 2019).

In order to facilitate a comprehensive understanding of the distinct responsibilities within the company, it is essential to conduct a thorough evaluation of various aspects. These aspects include inventory carrying costs, tracking mechanisms, order fulfilment strategies, the percentage of perfect orders, and the management of cycle inventory from the most effective locations. The fostering of cross-departmental collaboration is paramount, as it empowers the marketing team to craft targeted offers, the finance team to generate accurate forecasts, and the sales team to identify the exact customer base eligible for these exclusive promotions, thereby enhancing the effectiveness of customer service delivery.

Lastly, the adoption of inventory management software optimally designed to automate multichannel management is a strategic necessity for businesses operating within this domain. This technological integration is instrumental in streamlining processes and ensuring the efficient
management of inventory across multiple channels.

3.3.1 Timeframe

The enterprise is currently navigating through a period marked by considerable challenges and interruptions. To mitigate these issues, it is imperative to implement a robust system. Such a system's initialization and effective operation necessitate a temporal investment of approximately two months.

3.3.2 Expected Cost and Provider

The necessity for an efficient solution in the realm of omnichannel management automation is imperative for the enterprise in question. An examination of the available providers reveals that Linnworks emerges as the optimal candidate for delivering such services, accessible via their website at https://go.linnworks.com/. Employing this particular software, the company is poised to adeptly oversee its order processing and inventory levels across a multitude of sales platforms.

The system in question proffers a suite of features, including the harmonization of pricing strategies, the capability for mass listing, and the facilitation of comprehensive modifications across various channels. Additionally, the software is equipped with sophisticated stock forecasting tools, enabling users to meticulously manage their supply chains, monitor inventory efficacy, and adequately satisfy consumer demand. The financial outlay for the implementation of this process is projected to be in the range of $1,200 to $1,300.

4. Strategy

The enterprise in question is currently leveraging an omnichannel architecture, which presents a plethora of opportunities as well as challenges. In the rapidly evolving commercial environment, maintaining a competitive edge is a critical challenge that businesses face both presently and in the foreseeable future. To ensure continued competitiveness, the primary strategy ought to revolve around the integration of various channels and departments. This integration is vital for the efficient acquisition, synchronization, and utilization of data, which in turn enhances operational efficiency and elevates the quality of customer service.

The objective set forth by the organization is to augment its data collection and usage capacity by 50 per cent within the next 15 months. This endeavour will involve the participation of consumers, who interact with the company through diverse purchasing and inquiry channels, as well as the different business channels and departments within the organization. The anticipated outcome of this strategic initiative is a more frequent patronage of both the physical store and its digital counterparts by customers. Furthermore, it is expected to facilitate the presentation of products tailored to customer preferences based on their behavioural patterns and to deliver convenience to clients.

In pursuit of these goals, the company plans to implement several key deliverables. Among these is the deployment of chatbots designed to enhance customer engagement. Additionally, the organization aspires to refine the presentation and proposition of its product offerings, ensuring that they are well-aligned with the identified needs of consumers as they browse. Lastly, the introduction of monthly special offers for clients is envisaged as a means of fostering customer loyalty and satisfaction.

4.1 Impact Map

Figure 2: Collection and application impact map
The impact diagram in Figure 2 aims to increase the collection and applications by 50% in the next 15 months. Key strategies include targeting customers through commercial retail channels and departments. It plays an important role in encouraging customers to come back frequently and use online channels more for convenience. Enhancements such as attracting customers through chat bots, better product display and special offers on online platforms will help achieve this goal.

4.2 General Budget

Anticipating the operational execution by the corporate entity, the aggregate financial allocation for the proposed strategies is projected at $7,287. The detailed expense allocation is delineated below in Table 1:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Cost</th>
<th>Service Provider</th>
</tr>
</thead>
<tbody>
<tr>
<td>Installation of CRM software</td>
<td>$1500</td>
<td>Zapier.com</td>
</tr>
<tr>
<td>All-in-one Customer ServiceSoftware</td>
<td>$4387</td>
<td>cm.com</td>
</tr>
<tr>
<td>Installation of inventory management software</td>
<td>$1300</td>
<td>Linnworks</td>
</tr>
</tbody>
</table>

5. Conclusion

Grasping the potential advantages and the obstacles that Albany Animates confronts is crucial for devising a strategic response that safeguards the company's future. The opportunities that have been discerned entail the enhancement of the consumer buying experience through the integration of omnichannel retailing, the advancement of a Buy Online Pick-Up in-store (BOPIS) approach, and the reinforcement of supply chain partnerships. Conversely, the business must navigate the complexities of catering to a diverse customer base and resolving the tensions that arise between various channels and departments. It is suggested that the deployment of Customer Relationship Management (CRM) software to achieve data synchronization and the adoption of inventory management systems are vital for effective stock control and collaborative operations.

References

## Appendix

### Appendix 1: Buyer Profile

| Name: Sarah |
| Age: 32 |
| Location: Albany, New Zealand |
| Occupation: Senior manager |

**Daily Routine**
- Looks after her Golden Retriever, Max, who is 2 years old.
- Regularly purchases items at the Animates Albany store for Max.
- Keeps up with the most recent developments in animal care by reading pet-related blogs, watching pet-related YouTube videos, and following pet-related social media.

**Technology Usage**
- Often uses technology to remain up to date on the newest animal care trends.
- Likely conducts research and information gathering via social media, blogs, and YouTube.

**Purchasing Behavior**
- Ready to spend money on high-quality things for Max.
- Picks Animates because of the store’s accessibility and selection of pet-related goods.
- Values the use of safe and high-quality pet products.
- Veterinarians, animal experts, and other pet owners have influenced her choices, and she remains a devoted customer of Animates because it regularly meets her needs and preferences.

**Pains and Pains**
- Wants to give Max the finest care possible but may not always have the knowledge to do so.
- Requires a dependable source for high-quality pet goods.

**Gains**
- Loves convenience and favors shopping for pet supplies at a single location.
- Animates is valued for its emphasis on providing expert advice and high-quality pet products.
- She appreciates the store’s dedicated aisle for dog products, which makes it simpler to find everything she needs in one place.
- Max’s owner is also devoted to animal welfare and supports animal organizations;
- eager to learn about the newest products and trends in animal care;
- financially able to buy Max premium products.

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Appendix 2: Consumer journey map