



May 5, 2022

Since the term omnichannel was first uncorked around 2010, retailers have continued to tinker with the formula to get it right: striving for seamless customer engagement across all sales channels, ensuring inventory consistency between online availability and brick-and-mortar stock and providing distinctive shopping experiences across all channels. As monthly retail sales climb slowly against a backdrop of one of the most rapid inflation spikes in decades, the challenge for stores of every size remains consistent: making the customer's shopping journey as easy as possible, in as many ways as possible.

In this area, big-box chains and single-location small businesses are floating in the same ocean, buffeted by waves of supply chain disruptions, an inflationary macroeconomic climate and decade-long low in consumer confidence. The good news, though, is that it's now easier to build an omnichannel lifeboat, whether for a national chain or a single store.

In some sense, that's a direct result of the pandemic, said Bill Kiss, head of digital and retail strategy for Ace Hardware, a retailer-owned cooperative with about 4,600 locally owned outlets in the U.S. The pandemic drove home the key point of a workable omnichannel strategy, which was to let customers shop, purchase and return merchandise "completely on their terms," he said. "To do that, we replatformed the website to make sure we were fully integrated into our stores."

Because hardware stores were classified as essential businesses, Ace stores stayed open. Still, health worries and a reluctance to pay for shipping spurred customers to demand buy-online-pick-up-in-store. "Before the pandemic, we didn't hear much demand for curbside pickup from either our customers or retailers," Kiss said. "It wasn't on our roadmap. When the pandemic hit, we had 72 hours to stand that up."

He estimated that curbside pickup made up 30% of Ace's business at the peak of the pandemic and said it remains popular. One reason for the success is Ace's consistency between online offerings and goods in stores. "People go to the website to see what they can find at the store," he said. "Latency is bad; people don't want to wait five to seven days for their purchase, so we're making massive investments to evolve and apply this omnichannel business."

The proliferation of omnichannel software means smaller retailers can present offerings that are similar to their larger competitors'. While the evolution to omnichannel was gradual, many retailers now feel fairly well established in that mode as the pandemic recedes. Keith Fix, CEO of analytics and data firm Retail Aware, said the available technology options are bridging the gap between large and small omnichannel retailers. "We're seeing more tools become available for smaller retailers that allow them to compete," he said. "Historically, this was only available to multinationals and the biggest brands. Now, this doesn't require multimillion-dollar systems and you can do this with relatively inexpensive devices that can be integrated into [point-of-sale] systems."

For florist Sharon Van Noort in Niagara-by-the-Lake, Ontario, the move to omnichannel was both gradual and logical. She is the second generation of her family to lead Van Noort Flower Studio and said the store has relied on telephone orders since it opened in 1964. "Getting a secure site was probably my biggest challenge," she said about starting an e-commerce website, though subsequent software upgrades have struck that from her list of concerns.

The Integration of e-commerce offerings and in-store inventory was another challenge. "At first ... we had an endless amount of options for the customer to choose from, and we had less staff" during COVID, she said. "So we really minimized our online offerings. We had hundreds of choices, and now we have 20, which is much more manageable. If people have too many choices, it can make it confusing for them, and as a seller, you have to maintain that inventory. Now, I can order from my supplier each week and have all of the 20 options we have on the site in the shop."

Not every small retailer is cut out for an evenly matched e-commerce and brick-and-mortar presence, though. Mary Liz Curtin, owner of Detroit-area eclectic clothing and furniture store Leon & Lulu, said she's had two "very expensive and ultimately unsuccessful forays into the online shopping world." Omnichannel doesn't seem like the right fit for Curtin. She has consciously reduced her online offerings to less than half of what's available in her sprawling Clawson, Michigan, store, where the focus is firmly on providing customers a memorable in-store shopping experience. "The online business is a great way for our customers who are unable to get here to get what they want," she said. "You can buy online and you can search, but you don't really shop. You miss the thrill of discovery and the personal experience of interacting with the merchant."

Curtin's approach bucks a trend, though. Eighty-nine percent of small and midsize business owners who answered Software Advice's Small Business Comeback Survey in early 2021 said the technology that makes hybrid and omnichannel sales models possible will form core parts of their strategies.

Ace Hardware's Kiss offered an optimistic outlook that reflects the post-pandemic environment: "Online shopping is thriving, but brick-and-mortar is definitely not dead."

By Will Swarts

Executive Editor, ICSC Small Business Center

Small Business Center

ICSC champions small and emerging businesses in getting from business plan to brick-and-mortar.

[Learn more](#)

