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Toward Cross-Channel Management

A Comprehensive Guide for Retail Firms

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To our families & friends

Preface

“It is not the ship so much as the skillful sailing that assures the prosperous voyage.”

George William Curtis

This book deals with the greatest challenge in retailing at present – the fundamental change in shopping behavior when consumers interchangeably use various online and offline channels – a phenomenon that is referred to as cross-channel shopping. Because digital devices such as smartphones and tablets enable consumers to ubiquitously access the Internet, and inspire them to switch between online and offline channels, cross-channel shopping is the reality that firms must face in many retail industries. Even though this change in consumer behavior offers great potential, specifically for multi-channel players to successfully fight back against online pure players, it also imposes significant risk. With the greater alignment of channels, the complexity of the overall business model increases, and may negatively affect the cost position of the firm. This book presents specific management tools and templates in order to analyze how multi-channel incumbents can manage the firm-wide transformation process to successfully cater to the demands of cross-channel shoppers – an approach we call cross-channel management.

The book is based on results from studies conducted over the past five years, for which we carried out intensive research on the topic of cross-channel management. These studies include, *first*, insights from the PhD project of Dr. Felix Brunner, involving 71 top and middle managers of nine multi-channel firms from different retail industries. *Second*, we use results from cross-channel shopping studies carried out in 2014 and 2011, as well as Internet usage studies from 2013 and 2011, all published by Professor Thomas Rudolph. All four studies were conducted by the Institute of Retail Management, and with a study population developed from a representative sample of consumers from Switzerland, Germany, and Austria. *Third*, we include ideas and conclusions raised during a cross-channel management seminar – a six-module course for top executives from the Executive School of the University of St.Gallen that involved twelve top managers from various retail firms.

This book targets top managers, who are looking for new insights on how to transform their firms in a move toward cross-channel management, and middle managers who are directly confronted with changes in consumer behavior, such as heads of e-commerce and marketing divisions, who seek advice on how to successfully integrate their online and offline channels. As well, the audience for this book includes a generalized group of managers who are interested in the topic as a way to better understand the business complexity behind the phenomenon of cross-channel retailing. The final group for whom our book is useful consists of both executive and non-executive students, from all levels, who want to learn how to tackle this disruptive change in consumer behavior from strategic and managerial points of view.

Our successful completion of this project owes a debt to a network of inspiring and brilliant people who have offered valuable support during the last five years of research. In addition to offering sincere appreciation to all who participated in our studies – particularly the top and middle managers from various retail firms – we thank Ms. Kristina Kleinlercher from the Institute of Retail Management (IRM-HSG) for her great support reviewing and editing our manuscript, Dr. Deborah Nester from Northwest Florida State College for the proofreading, and Mrs. Anja Ludwig from De Gruyter for the final editing.

St. Gallen, October 2014

Thomas Rudolph and Felix Brunner