# POSSIBILITIES OF IMPLEMENTING OMNICHANNEL CONCEPT IN DISTRIBUTION – OPPORTUNITIES AND THREATS

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#### Abstract

The main aim of this paper is to show opportunities and threats, awaiting companies, which potentially will implement the omnichannel concept in theirs distribution process. Secondary aim is to make suggestions on what type of strategies should the companies adopt to maximize their benefits and to minimize threats waiting for them, while implementing omnichannel concept. Potential implementation of omnichannel concept are going to show realizable ways of proceeding for the companies in matter of managing their distribution process in this concept. Methodology in this document consists of literature analyses, SWOT / TOWS analysis and survey. Literature analysis was used to show present solution of omnichannel concept in distribution and to identify possible opportunities and threats for companies implementing omnichannel concept. SWOT / TOWS analysis was conducted upon a targeted audience group of 33 managers and specialists from different companies. Survey was conducted to show how important these opportunities are and what threats are relevant for respondents and to confirm that only significant determinants were chosen in the research. Weights of determinants to TOWS analysis were calculated based on the results of the survey. The result of this research points out which strategy would be most suitable for companies willing to implement omnichannel concept in theirs distribution processes. The results of SWOT / TOWS analysis have a potential to become a base for future, and more accurate researches in a matter of choosing strategy by a companies in theirs next-gen distribution area, especially using omnichannel concept.

Key words: omnichannel, distribution, SWOT, TOWS

#### 1. INTRODUCTION

The main aim of omnichannel concept is to reach customer using every single channel. Nowadays, in terms of fast changing world, especially in digital life, it is essential to make decisions and preparations long before competitors, otherwise the competitive advantage will shrink or vanish. According to "IDC Insight Research Document" from January 2012 (Parker et al., 2012), it was pointed out that omnichannel was described in reference to retail trade three years earlier. This term refers to use every single channel to reach customer. It includes stationary shops, leaflets, brochures, websites and mobile devices. The development from single channel to multichannel and then up to omnichannel in reaching customers, makes the companies adjusting their strategies to customers' needs.

Omnichannel evolved from multichannel and single channel concepts. Single channel was the first idea of how to reach the customer. It was traditionally used when the customer came to the store. It was the only channel between a customer and a retailer. In the course of time, there appeared many other channels to contact retailers with customers like phones, mobile devices, socials media etc. This became known as multichannel concept. Nowadays the connection and complement between every channel is known as omnichannel concept. In omnichannel it is essential to divide customers into groups, because individual approach cannot be reached as of the amount of customers. One of main reason of customer segmentation is to provide information about cost in each segment. Different companies chose different strategies, but it is common to connect similar groups of customers together to lower variety of operational activities (Domański & Hadaś, 2017). Several software scripts are monitoring customers behaviors while shopping and from the outcome of this study every customer is put into a group based on his behavior. These groups are easily targeted with different schemas and marketing tools.

Omnichannel concept is not only about simple purchasing process, it is also about customer care. One of biggest mistakes companies can make while implementing omnichannel concept in theirs strategy is to use only traditional customer care. There are few main services that should be used for mobile customers (Rosenberg, 2014):

- Cloud implementations and Big Data storage to bring all end users together.
- Mobile applications and APIs (Application Protocol Interface) connect customers with live assistance via browsers and IP for voice / video (WebRTC),
- Integrations between mobile apps and contact centers
- Mobile customer choice of mode for all interactions.

When preparing to implement omnichannel concept it is essential to analyze opportunities and threats that may occur in the market environment. One of easiest to conduct analysis can be SWOT / TOWS analysis. Main reason of choosing these was Bonnie Taylor's opinion – "This analysis leads to business awareness and is the cornerstone of any successful strategic plan. It is impossible to accurately map out a small business's future without first evaluating it from all angles, which includes an exhaustive look at all internal and external resources and threats. A SWOT

accomplishes this in four straight-forward steps that even rookie business owners can understand and embrace" (Fallon, 2018).

# 2. OVERVIEW OF TODAY'S DISTRIBUTION CHANNELS

#### 2.1. E-commerce

Nowadays many purchases are made using different kind of technology. If the customer is looking for any item, they can easily use price comparison websites to search for e.g. lowest price offer or availability. There are two types of customers, and their behaviors in reference to either browses online and buy physically in store – webrooming (Philips, 2013) or browse in store and buy online - showrooming (eMarketer. 2012; Smith, 2013; Butler, 2013). It is also useful to check the opinions from other customers about their purchase. To reach customers it is common to provide them with solutions like e-mail or chat communication, therefore they can ask employees about the products. One of possible ways to improve this kind of communication is to use not only common chats and e-mails, but to complement it with presence of audio and video transmissions. It is essential to give as much information as potential customer needs. It may happens that e-mail and chats will not be enough to fulfil this role, and that is where the audio and video transmissions come into lights. They may be very useful to provide additional tips for customers before buying the products. Thou it is not the only reason for expanding communication with customers. Audio and video transmissions may be used to support service after a purchase has been made. Many services can be easily provided without waiting for a serviceman coming to customer, because it is often a matter of cleaning a filter or rebooting a device, which can be done by a customer him/her self. This kind of service can be performed under the supervision from a trained serviceman using audio – video transmission. Everyone has access to essential infrastructure nowadays, which can be used for these types of communications. Streaming can be done e.g. by Skype, Youtube or Facebook. E-commerce do not have to be reduced to physical distribution, but also to provide additional services for customers.

On the other side, it is quite common to order a product with collect at a store option. For the customers, it is very comfortable, because they do not have to wait for the delivery from courier, and they can pick up their purchase along the way from work.

# 2.2. Digital Distribution

More and more software, films, e-books and manuals are distributed using digital channels. "Consumers have a growing number of digital devices, but also different ways of being constantly connected online with their favourite retailers in the prospecting, order and delivery period." (Belu & Marinoiu, 2014). This way of delivering goods to customers supplements casual distribution. Main advantage of digital distribution is that the goods can be delivered almost instantly and costless. It also saves time for every participant, because they do not have to travel to meeting,

instead they can just use their PC or mobile devices. Omnichannel concept do not have to narrow itself to physical distribution, but it can also deliver additional services. That's why digital distribution can became handy. Many times customers do not need to contact specialists face to face, but instead they can use different tools to solve the problems remotely. One of fastest growing services, which is using digital distribution, is e-learning. We have students as customers and teachers as people who deliver services. It is close at hand to use digital distribution as a part of learning by streaming lectures, helping students remotely, conducting and showing experiments from safe distance and letting everyone do their exercises at their own pace, not only in person during lectures. These kinds of meetings have taken place for many years in world-wide companies, when offices from one country need to contact other office, which is far away. As it was mentioned before digital architecture is already prepared to use digital distribution. However, there are also disadvantages that must be considered before deciding to use digital distribution. Main concern is whether we can maintain adequate safety level of privacy during the delivery and / or meeting. Second point worth thinking about is that not everything can be delivered using digital distribution e.g. physical goods. Maybe at some point we can get digital distribution to supplement traditional delivery, by ordering something remotely, and getting it 3d printed in our houses. 3D printing as a way of distribution will be described in details further in this article.

# 2.3. Usage of Computers, Tablets And Mobile Phones

Based on "E-zakupy 2016" report by TNS Polska contracted by Ceneo.pl and "Kupuje mobilnie 2016" by M-commerce frequency of Polish are making more and more purchases via Internet from 2014. Purchases made few or more times in a month in 2014 was 28%, and in 2016 it grew up to 48%. It is a progress of around 70% in 2 years. Worth noticing is a fact that purchases made via Internet, by using mobile phones grew from 16% in 2014 to 42% in 2016. Using tablets for same purchases grew from 8% in 2014 to 19% in 2016 (E-zakupy 2016, Kupuje mobilnie 2016). Systematic growth in using mobile devices for purchasing, shows that digitals channels to reach customers are getting more and more impact on customer services. According to this state, companies need to act now to maintain theirs market position. Essential action, from the technology view, is to enable customers to access companies' web-pages on mobile devices. Just enabling web-pages on mobile devices is usually not enough. Web resources need to be adjusted in a certain way, so that using it will be convenient for customers. More and more services are monitoring customers behaviors not only to target and group customers, but also to dynamically adjust web resources and to react as fast as possible to customers actions. Companies can send messages about the availability product, which was glanced through by a customer, when he or she is close by the store. Usually there is a short expire date of the offer in a message, to force impulsive reaction and purchase by a customer.

#### 2.4. Smart Home Devices

Development of smart devices does not only affect mobile phones or watches, but it steps up to every single aspect of human lifes. One of the newest examples of smart devices can be smart refrigerators. Those can order and make purchases from a store, and also make payment using owner's credit card. There are also smart speakers either from Google, Amazon or Apple, which can also make another channel between customers and companies. At this point, there comes additional challenges in distribution, because the amount of smart devices' purchases will grow, so the delivery process will have to develop to keep customers services happiness level. Using home smart devices will make much more order deliveries from vicinity. Deliveries from nearby area and smart home devices will create new channel between stores and customers. Possible development of this concept is not only ordering daily shopping but also integrating this technology with our calendars. Connecting calendars and smart home devices can make many arrangements and planned events without or a lot less customer involvement.

#### 2.5. Distribution in Customer House

Development of 3D printing can be used to deliver many items directly to a customer house, without the traditional distribution approach. This means avoiding transfer from manufacturing facilities to warehouses, next to stores and finally to customers. However, 3D printing as a new distribution channel has many limitations, e.g. it will be hard or even impossible to print very complicated electronic devices just like that. This does not mean that in future it still be impossible. Like all distribution channels, so 3D printing, can develop and be more and more useful. Nowadays, 3D printing is often used to print prototypes, small items, gadgets, jewelry and other customer adaptation items. One of best examples of using 3D printing was the creation of prosthesis for 53-years old patient which was way cheaper (50 dollars compared to 42 000) than Myoelectric (Simson, 2014). In reference to omnichannel concept, 3D printing is another way to communicate simultaneously between customers and companies. It can avoid traditional transportation, delivery can be done within hours, and it also can be cheaper.

#### 2.6. Autonomous Cars

It is worth noticing that many of top-tech companies such as Nvidia, Uber and Volkswagen are cooperating and putting their efforts in building and testing autonomous cars. Based upon report "Accelerating the Future: The Economic Impact of the Emerging Passenger Economy" about Autonomous Vehicle Service, it is very probable that distribution using these cars can be cheaper and safer. From the point of view of distribution, this channel is another possible way to connect customers with companies. Advantages of this channel in a matter of distribution is, that - it can automate many sub-processes in ordering and delivery, therefore employees will have less contribution in distribution. Main disadvantage of using autonomous cars in distribution is that door-2-door delivery will be hard to achieve. The only possibility

is to deliver goods nearby the customer e.g. on street. However, Toyota and Pizza Hut declared cooperation in a matter of using autonomous cars in delivery pizzas on Consumer Electronics Show 2018 conference (CES 2018). It may turn out that from this relation there will be revolution in delivering food.

# 3. ANALYSIS OF POSSIBILITIES IN IMPLEMENTING OMNICHANNEL CONCEPT

# 3.1. Identifying Opportunities and Threats in A Matter of Implementing Omnichannel Concept

In this research, there is an assumption, that the target for SWOT and TOWS analysis in implementing omnichannel concept, is a hypothetical company that works under the traditional approach in distribution. However, this company is considering moving to omnichannel concept in delivery. The area of operation for this company's delivery consist of delivery from central hub to regional warehouses and then to stores and / or individual customers directly. That means not only physical delivery, but also customer care. The aim for this analysis is to point out best strategy for the company and to show, what to avoid during the implementation of omnichannel concept.

First step in SWOT / TOWS analysis is to identify strengths, weaknesses, opportunities and threats. Next step is to state weights of those parameters based on results from survey.

### Strengths:

- S1. Well-developed network of traditional distribution and experience in customer care.
- S2. Adjusting offers to customers more often to reach their current need. Weaknesses:
  - W1.Low direct control over whole distribution.
  - W2. Lack of investments in building and upgrading IT infrastructure to let growing amount of customers using different channels simultaneously.

#### Opportunities:

- O1. Possibility of better monitoring of customers' behaviors and to use collected data to improve marketing's strategy.
- O2. Potential lower costs of single deliveries.
- O3. Possibility of adjusting latest technology to changing market's necessity.
- O4. Customers can exchange their daily shopping to use smart home devices instead.
- O5. Using autonomous cars in distribution
- O6. Potentially lower distribution costs using omnichannel in comparison to traditional distribution, or even costless distribution if digital distribution is used.
- O7. More customers can be reached, because more channels are available.

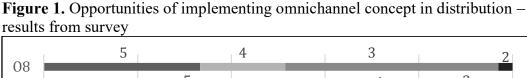
O8. Faster delivery, especially when distribution can be done right at customer's house.

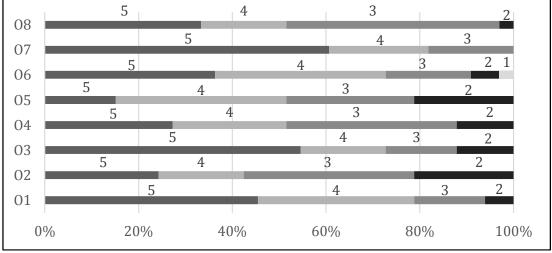
#### Threats:

- T1. Customers' behaviors can be monitored by unauthorized subjects.
- T2. More threats from cybernetic attacks, especially to block the servers by DDOS attacks, or to steal information about customers by phishing attacks.
- T3. Customers' resistance to use the latest omnichannel concepts.
- T4. More dependency of companies and customers to technology.
- T5. Permanent necessity of implementing and using new tech solutions by customers and companies.

## 3.2. Survey of Implementing Omnichannel Concept in Distribution

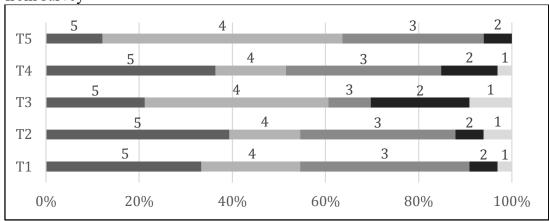
Next step of the research was to conduct survey to define weights of determines for companies willing to implement omnichannel concept. Base of the SWOT analysis was not certain company, but a generalized virtual one. Respondents were a targeted audience group of 33 people. The reason of this action was to choose only respondents who have a vast knowledge about companies they work for and know strong and weak sides, opportunities and threats of it. In the survey, respondents have to mark how much impact determines from categories like opportunity and threat in a 1-5 scale has. Strengths and weaknesses were determined by a group of experts, because main field of this research was to point out opportunities and threats. In the scale 5 means that respondent strongly agrees, 4 means he just agrees, 3 means he has no opinion about it, it is neutral for him, 2 means he disagrees, and 1 means he strongly disagrees about each determine. O1, O2 and so on, correspond to opportunity number 1, opportunity number 2 etc. Full name of O1, O2 ... can be found in 3.1 point of this paper. Based on the results of the survey, the weights in SWOT and TOWS analysis have been defined.





Main opportunities highly recommended by respondents are O1, O3, O6 and O7. That is changing either technology or marketing strategy to improve sales or services and opportunity of having more customers from more channels, followed up by monitoring customers' behaviors and lowering costs of distribution.

**Figure 2.** Threats of implementing omnichannel concept in distribution – results from survey

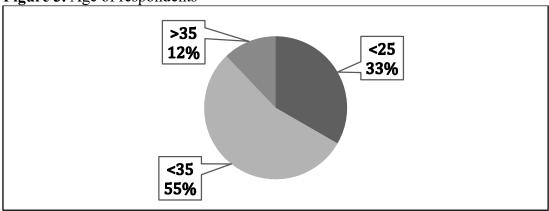


Source: own research

Respondents see, that every threat should be considered seriously. This means that information about clients (T2) is critical for creating successful marketing strategy and improving services, so that it should be well protected and not shared among unauthorized subjects (T1). Respondents also pointed out, that technology should be implemented in omnichannel in responsible way, not by force (T3). There should also be an alternative to implemented technology (T5), and companies should not be addicted to technology (T4).

The structure of examined companies and respondents is shown on figures 3 – 6.

Figure 3. Age of respondents



Source: own research

Respondents were mainly young people, less than 35 years old. The reason for this is that they have knowledge about omnichannel concept, and they are used to purchasing using their mobiles and PCs.

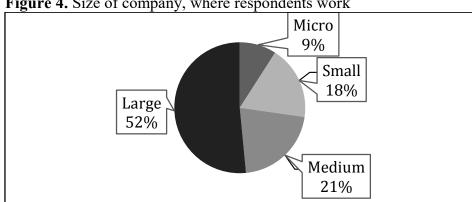
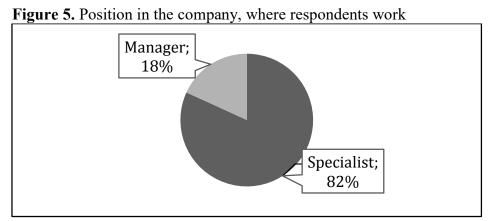


Figure 4. Size of company, where respondents work

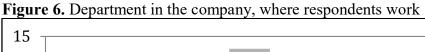
Source: own research

Significant amount of respondents were working in large companies.



Source: own research

More than a half of respondents were specialists. Minority of them were working as managers.





Source: own research

Respondents mostly worked in logistics department. The reason that only respondents that work in logistics, customer care, accounting, IT and trade were

chosen, is that they have a knowledge about logistics processes and IT systems in distribution, customer segmentation, operational customer services and costs in distribution.

In the summary of survey, there will be pointed out, how many respondents have chosen which number in scale. S1, S2 and so on, correspond to strengths number 1, strength number 2 etc. Full name of S1, S2 ... can be found in 3.1 point of this paper.

**Table 1.** Summary of survey (average, mode, and median for analyzed determinants)

|        | T1    | T2      | T3    | T4 | T5 |
|--------|-------|---------|-------|----|----|
| 5      | 11    | 13      | 7     | 12 | 28 |
| 4      | 7     | 5       | 13    | 5  | 46 |
| 3      | 12    | 11      | 3     | 11 | 30 |
| 2      | 2     | 2       | 7     | 4  | 2  |
| 1      | 1     | 2       | 3     | 1  | 0  |
| Avg.   | 3,758 | 3,75758 | 3,424 | 4  | 4  |
| Mode   | 3     | 5       | 4     | 5  | 4  |
| Median | 4     | 4       | 4     | 4  | 4  |

|        | O1    | O2 | O3    | O4      | O5    | O6   | S7   | O8   |
|--------|-------|----|-------|---------|-------|------|------|------|
| 5      | 15    | 8  | 18    | 9       | 5     | 12   | 20   | 11   |
| 4      | 11    | 6  | 6     | 8       | 12    | 12   | 7    | 6    |
| 3      | 5     | 12 | 5     | 12      | 9     | 6    | 6    | 15   |
| 2      | 2     | 7  | 4     | 4       | 7     | 2    | 0    | 1    |
| 1      | 0     | 0  | 0     | 0       | 0     | 1    | 0    | 0    |
| Avg.   | 4,182 | 3  | 4,152 | 3,66667 | 3,455 | 3,97 | 4,42 | 3,82 |
| Mode   | 5     | 3  | 5     | 3       | 4     | 5    | 5    | 3    |
| Median | 4     | 3  | 5     | 4       | 4     | 4    | 5    | 4    |

Source: own research

According to data from table 1. there is a high compatibility between respondents in terms of impact of each determinant from every category.

Next tables, numbered from 2 to 11 were created according to SWOT / TOWS methodology. They are next step in SWOT / TOWS analysis. Sum of weight in tables always count to 1, and the value of weight was given by experts based on the results from survey. Interaction means how many times does one criterion interact with other e.g. from table 2, O1 only interacts with S2, so interaction is 1. Weight \* interaction is a result of multiplying, and the results are ranked in rank column. Sum of interactions is a result of adding all interaction, both in columns and lines. Ratio is a sum of weight \* interactions, both in columns and lines. Each table has in its title question, which was asked as a hint to fill up the table with values. Each question is essential to specify recommended strategy of implementing omnichannel concept for the company.

**Table 2.** Can identified strengths let exploit opportunities?

|                       |     |     |        |              | Weight *     |      |
|-----------------------|-----|-----|--------|--------------|--------------|------|
|                       | S1  | S2  | Weight | Interactions | interactions | Rank |
| O1                    | 0   | 1   | 0,15   | 1            | 0,15         | 4    |
| O2                    | 1   | 0   | 0,1    | 1            | 0,1          | 5    |
| О3                    | 0   | 1   | 0,2    | 1            | 0,2          | 2    |
| O4                    | 0   | 1   | 0,1    | 1            | 0,1          | 5    |
| O5                    | 1   | 0   | 0,05   | 1            | 0,05         | 7    |
| O6                    | 1   | 1   | 0,1    | 2            | 0,2          | 2    |
| O7                    | 1   | 1   | 0,2    | 2            | 0,4          | 1    |
| O8                    | 0   | 0   | 0,1    | 0            | 0            | 8    |
| Weight                | 0,5 | 0,5 |        |              |              |      |
| Interactions          | 4   | 5   |        |              |              |      |
| Weight * interactions | 2   | 2,5 |        |              |              |      |
| Rank                  | 2   | 1   |        |              | _            |      |
| Sum of interactions   |     |     | -      | 18           |              |      |
| Ratio                 |     |     |        |              | 5,7          |      |

Source: own research

**Table 3.** Will the opportunities enhance strengths?

|                            | 01       | O<br>2  | O<br>3  | O<br>4  | O5       | O<br>6  | O<br>7  | O<br>8  | Weigh<br>t | Interactio<br>ns | Weight * interactions | Ran<br>k |
|----------------------------|----------|---------|---------|---------|----------|---------|---------|---------|------------|------------------|-----------------------|----------|
| S1                         | 0        | 0       | 0       | 0       | 1        | 0       | 1       | 0       | 0,5        | 2                | 1                     | 2        |
| S2                         | 1        | 0       | 1       | 1       | 0        | 0       | 1       | 1       | 0,5        | 5                | 2,5                   | 1        |
| Weight                     | 0,1<br>5 | 0,<br>1 | 0,<br>2 | 0,<br>1 | 0,0<br>5 | 0,<br>1 | 0,<br>2 | 0,<br>1 |            |                  |                       |          |
| Interactio ns              | 1        | 0       | 1       | 1       | 1        | 0       | 2       | 1       |            |                  |                       |          |
| Weight * interaction s     | 0,1      | 0       | 0,<br>2 | 0,<br>1 | 0,0      | 0       | 0,<br>4 | 0,<br>1 |            |                  |                       |          |
| Rank                       | 3        | 7       | 2       | 4       | 6        | 7       | 1       | 4       |            |                  |                       |          |
| Sum of interaction s Ratio |          |         |         |         |          |         |         |         | _          | 14               | 4,5                   |          |

**Table 4.** Will the strengths overcome the threats?

|                       | S1  | S2  | Weight | Interactions | Weight * interactions | Rank |
|-----------------------|-----|-----|--------|--------------|-----------------------|------|
| T1                    | 0   | 0   | 0,2    | 0            | 0                     | 2    |
| T2                    | 0   | 0   | 0,3    | 0            | 0                     | 2    |
| T3                    | 0   | 1   | 0,1    | 1            | 0,1                   | 1    |
| T4                    | 0   | 0   | 0,3    | 0            | 0                     | 2    |
| T5                    | 0   | 0   | 0,1    | 0            | 0                     | 2    |
| Weight                | 0,5 | 0,5 |        |              |                       |      |
| Interactions          | 0   | 1   |        |              |                       |      |
| Weight * interactions | 0   | 0,5 |        |              |                       |      |
| Rank                  | 2   | 1   |        |              |                       |      |
| Sum of interactions   |     |     | 1      | 2            |                       |      |
| Ratio                 |     |     |        |              | 0,6                   |      |

Source: own research

**Table 5.** Will the threats weaken the strengths?

|              | T1  | T2  | Т3  | T4  | T5  | Weight | Interactions | Weight * interactions | Rank |
|--------------|-----|-----|-----|-----|-----|--------|--------------|-----------------------|------|
| S1           | 0   | 0   | 0   | 0   | 0   | 0,5    | 0            | 0                     | 4    |
| S2           | 0   | 0   | 1   | 0   | 1   | 0,5    | 2            | 1                     | 5    |
| Weight       | 0,2 | 0,3 | 0,1 | 0,3 | 0,1 |        |              |                       |      |
| Interactions | 0   | 0   | 1   | 0   | 1   |        |              |                       |      |
| Weight *     |     |     |     |     |     |        |              |                       |      |
| interactions | 0   | 0   | 0,1 | 0   | 0,1 |        |              |                       |      |
| Rank         | 3   | 3   | 1   | 3   | 1   |        |              |                       |      |
| Sum of       |     |     |     |     |     | •      |              |                       |      |
| interactions |     |     |     |     |     |        | 4            |                       |      |
| Ratio        |     |     |     |     |     |        |              | 1,2                   |      |

**Table 6.** Will the weaknesses forbid to exploit opportunities?

|        |     |     | 1      | 11           | Weight *     |      |
|--------|-----|-----|--------|--------------|--------------|------|
|        | W1  | W2  | Weight | Interactions | interactions | Rank |
| O1     | 1   | 1   | 0,15   | 2            | 0,3          | 4    |
| O2     | 1   | 0   | 0,1    | 1            | 0,1          | 5    |
| O3     | 1   | 1   | 0,2    | 2            | 0,4          | 2    |
| O4     | 0   | 1   | 0,1    | 1            | 0,1          | 5    |
| O5     | 1   | 0   | 0,05   | 1            | 0,05         | 7    |
| O6     | 1   | 0   | 0,1    | 1            | 0,1          | 2    |
| О7     | 0   | 1   | 0,2    | 1            | 0,2          | 1    |
| O8     | 1   | 0   | 0,1    | 1            | 0,1          | 8    |
| Weight | 0,5 | 0,5 |        |              |              |      |

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| Interactions Weight * | 6 | 4 |   |    |      |  |
|-----------------------|---|---|---|----|------|--|
| interactions          | 3 | 2 |   |    |      |  |
| Rank                  | 2 | 1 | _ |    |      |  |
| Sum of interactions   |   |   |   | 20 |      |  |
| Ratio                 |   |   |   |    | 6,35 |  |

Source: own research

**Table 7.** Will the opportunities overcome weaknesses?

|            |     |     |    |    |     |    |    |    |      |            | Weight *   |     |
|------------|-----|-----|----|----|-----|----|----|----|------|------------|------------|-----|
|            |     |     |    |    |     |    |    |    | Weig | Interactio | interactio | Ran |
|            | 01  | O2  | О3 | O4 | O5  | O6 | Ο7 | 08 | ht   | ns         | ns         | k   |
| W1         | 1   | 0   | 1  | 0  | 0   | 0  | 0  | 0  | 0,5  | 2          | 1          | 4   |
| W2         | 0   | 0   | 0  | 0  | 0   | 0  | 0  | 0  | 0,5  | 0          | 0          | 5   |
|            | 0,1 |     | 0, | 0, | 0,0 | 0, | 0, | 0, |      |            |            |     |
| Weight     | 5   | 0,1 | 2  | 1  | 5   | 1  | 2  | 1  |      |            |            |     |
| Interactio |     |     |    |    |     |    |    |    |      |            |            |     |
| ns         | 1   | 0   | 1  | 0  | 0   | 0  | 0  | 0  |      |            |            |     |
| Weight *   |     |     |    |    |     |    |    |    |      |            |            |     |
| interactio | 0,1 |     | 0, |    |     |    |    |    |      |            |            |     |
| ns         | 5   | 0   | 2  | 0  | 0   | 0  | 0  | 0  |      |            |            |     |
| Rank       | 2   | 3   | 1  | 3  | 3   | 3  | 3  | 3  |      |            | _          |     |
| Sum of     |     |     |    |    |     |    |    |    |      |            |            |     |
| interactio |     |     |    |    |     |    |    |    |      |            |            |     |
| ns         |     |     |    |    |     |    |    |    |      | 4          |            |     |
| Ratio      |     |     |    |    |     |    |    |    |      |            | 1,35       |     |

**Table 8.** Will the weaknesses enhance threats?

|                       | W1  | W2  | Weight | Interactions | Weight * interactions | Rank |
|-----------------------|-----|-----|--------|--------------|-----------------------|------|
| T1                    | 1   | 1   | 0,2    | 2            | 0,4                   | 2    |
| T2                    | 0   | 1   | 0,3    | 1            | 0,3                   | 2    |
| T3                    | 0   | 0   | 0,1    | 0            | 0                     | 1    |
| T4                    | 0   | 0   | 0,3    | 0            | 0                     | 2    |
| T5                    | 0   | 0   | 0,1    | 0            | 0                     | 2    |
| Weight                | 0,5 | 0,5 |        |              |                       |      |
| Interactions          | 1   | 2   |        |              |                       |      |
| Weight * interactions | 0,5 | 1   |        |              |                       |      |
| Rank                  | 2   | 1   |        |              |                       |      |

| Sum of interactions | 6 |     |  |
|---------------------|---|-----|--|
| Ratio               | _ | 2,2 |  |

Source: own research

**Table 9.** Will the threats enhance weaknesses?

|                       | T1  | T2  | Т3  | T4  | T5  | Weight | Interactions | Weight * interactions | Rank |
|-----------------------|-----|-----|-----|-----|-----|--------|--------------|-----------------------|------|
| W1                    | 0   | 0   | 0   | 0   | 0   | 0,5    | 0            | 0                     | 4    |
| W2                    | 0   | 1   | 0   | 0   | 1   | 0,5    | 2            | 1                     | 5    |
| Weight                | 0,2 | 0,3 | 0,1 | 0,3 | 0,1 |        |              |                       |      |
| Interactions          | 0   | 1   | 0   | 0   | 1   |        |              |                       |      |
| Weight * interactions | 0   | 0,3 | 0   | 0   | 0,1 |        |              |                       |      |
| Rank                  | 3   | 1   | 3   | 3   | 2   |        |              |                       |      |
| Sum of interactions   |     |     |     |     |     | •      | 4            |                       |      |
| Ratio                 |     |     |     |     |     |        |              | 1,4                   |      |

Source: own research

**Table 10.** Summary of TOWS results

|     | SWOT         |       | TOWS         |       | SWOT/TOWS    |       |
|-----|--------------|-------|--------------|-------|--------------|-------|
|     | Interactions | Ratio | Interactions | Ratio | Interactions | Ratio |
| S/O | 18           | 5,7   | 14           | 4,5   | 32           | 10,2  |
| S/T | 2            | 0,6   | 4            | 1,2   | 6            | 1,8   |
| W/O | 20           | 6,35  | 4            | 1,35  | 24           | 7,7   |
| W/T | 6            | 2,2   | 4            | 1,4   | 10           | 3,6   |

Source: own research

**Table 11.** Strategy matrix

| tuble 11. Strategy matrix |                      |                       |  |  |
|---------------------------|----------------------|-----------------------|--|--|
|                           | Opportunities        | Threats               |  |  |
| Strengths                 | Aggressive strategy  | Conservative strategy |  |  |
| Interactions              | 32                   | 6                     |  |  |
| Ratio                     | 10,2                 | 1,8                   |  |  |
| Weaknesses                | Competitive strategy | Defensive strategy    |  |  |
| Interactions              | 24                   | 10                    |  |  |
| Ratio                     | 7,7                  | 3,6                   |  |  |

As seen from the outcome of SWOT / TOWS analysis, companies that have similar strengths and weaknesses to those assumed in this research, should employ aggressive strategy. This means they should exploit theirs strengths and synergize it with opportunities. Main aim should be concerned upon maintaining top position on the market over the competition. At second place there is competitive strategy. This means that company can partially use it also in making strategic decisions.

#### 4. CONCLUSION

Concluding, the main aim of this paper was to show opportunities and threats, that may be encountered by companies, which potentially will implement the omnichannel concept in theirs distribution process. These are main points, which should be thought over before changing to omnichannel distribution:

- High pace of technology development, especially in everyday life creates long-term changes, to which companies need to adjust to be still competitive at market.
- Using omnichannel concept creates also a big stream of data. That is why IT infrastructures are essential to sustain higher strain. This data won't be only created directly by customers, but also by independent devices e.g. smart fridges. Flow direction of data won't be from customers to companies with orders, but also from companies in a matter of marketing events and information about delivery of order.
- Bigger data streaming means that it needs to be secured better. This means a lot of investments to prevent customers' data leaks. Especially for competitive companies other's customers' behavior and banking data is crucial.
- Monitoring customers' behavior on websites is priceless, because it can be used to improve services and get ahead of competitors.
- Lower costs of single deliveries will not necessarily lower also overall costs, because the amount of deliveries will be growing to meet the demand. Customers' usually accept delivery time to not extent 48 hours, even if its holiday time. In omnichannel concept there is a possibility to meet the demand by using autonomous cars, so that the bottleneck will be cars, not employees.
- Lower impact by customer to distribution process is a next step in automating processes. Benefit of this approach is that many aspects are standardized, which has influence on less costs generated during delivery. However, any special requests from customers can be very hard to meet and will generate higher expenses. Companies may encourage customers to use only specific ways of delivery, which will be best for companies not customers.
- New-age home devices, shows that not only mobile phones can be smart. From the customers' point of view smart fridge can be very useful, because there will not be any more issues with daily shopping. However too much trusting these devices can make customers get addicted to smart devices.

To achieve main aim of this paper, firstly, the survey was conducted to show opportunities and threats. Next step was to carry out SWOT / TOWS analysis, which showed what type of strategy should a company use for biggest outcome. Result of this paper is a solid basis for future researches about modern distribution processes.

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