

Converting DIY stores to a complete Omni-channel experience: A case of Brico in Belgian

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Abstract

This study aims to develop an Omni-channel strategy for DIY store retailers. We used Brico, a DIY store chain in Belgian, as the research case in the study. The study provided seven possible strategies for Omni-channel retailing include that, firstly, retailers may convert the current services into a strong, easy-to-use and modern system. All obtainable data about a product should be provided. Secondly, retailers may consider to use iBeacon to attract customers in the offline store. Thirdly, retailers may convert the multiple IT systems they use now, into one, such as enterprise resource planning (ERP) system. Fourth, retailers may focus on Search Engine Optimization (SEO) for reaching the target audience online. Fifth, retailers may use QR codes in the store for retrieving broader product information. Sixth, the approach to be considered is to improve their means of payment, such as Bancontact. Lastly, retailers may improve their click & collect service to heavily connect the physical store, the mobile devices and the websites.

JEL classification numbers: L81

Keywords: Omni-channel, Multi-channel, DIY store.

1. Introduction

Nowadays, information technology has drastically changed the business models for retailers. Many retailers tend to endeavor to develop the high-quality services with the integration of multiple channels for their customers [1]. Thus,

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Omni-channel retailing has become a vital marketing strategy for retailers to stay ahead of its competition. Retailers likely combine the traditional channel with the online channel, through integration of business processes that are designed to satisfy consumer demand, regardless of time or place, to create a seamless shopping experience [2]. Therefore, to understand the integration of online and offline channels, this study used case study to elaborate this result. Thus, in the study an Omni-channel strategy for Brico, a Belgian-founded DIY store chain, will be sought. Brico is a currently market leader in DIY stores in Belgium [3]. To maintain this position, it is worth considering possible Omni-channel approaches for Brico's specific business case.

In the next section, more information about Brico will be given. Also, the currently used channels and services of Brico will be analyzed. After that, a firm recommendation on improving or establishing new channels will be made, including advantages, disadvantages and possible risks for every specific recommendation.

2. Identification of current retail strategy

As previously noted, Brico is a uniquely Belgian DIY store chain, established in 1973 [3]. It mainly focuses on do-it-yourself articles but also sells garden equipment. Brico follows a clear expansion strategy, that is being executed via franchisees, as Brico is mainly a franchise-based brand. Brico has 159 physical stores spread across Belgium, whereas 95 are being exploited as franchise stores [4]. Moreover, Brico currently offers several channels customers can interact with, both offline and online. Firstly, offline channels will be distinguished: the physical store and catalogue. Then, online channels will be discussed: the website, mobile app and an online newsletter.

2.1 Offline channels

Brick-and-mortar stores are the main channel Brico uses. As Brico is a DIY store, this is where over 90% of the interaction between Brico and its client base takes place. In the physical stores, besides regular sales, Brico also offers several services. The first one facilitation of a meeting between experts and customers. Whenever a client has a question regarding a DIY-project, whether this is renovating a room, constructing a garage or painting his cellar, he can request an appointment with store staff to advise him on the matter. This needs to be applied for 128h in advance. There, he will get personalized information and by the end, it will be clear which Brico materials will be necessary to use in the project of choice. It is completely free of charge. The second service Brico provides are workshops: customers that want to get started on a DIY project, can have a look on Brico's website, select any workshop of their interest, and subscribe until 3 days in advance. All workshops take place in a central depot, which makes it not

convenient for customers that do not live in the centre of Belgium. The other offline medium in which Brico interacts with its customers, is through a physical catalogue. These are produced monthly and contain special promotions, cashbacks or actions, not custom-made for each client. One can get them in their post box after subscribing in any stores or on the web-site. This lacks customization and is the same for each of the receivers.

2.2 Online channels

The first online channel in which Brico interacts with its client base, is the website. It is in operation since 2006, and mainly provides an online store: product assortment, product information, product prices, product features, and so on that can be linked directly to the online shopping cart. Further below, a service area where all services accessible in-store are featured: rent of building materials and duplication of keys. Further, there is an I-catalogue section, where it is possible to scroll through the monthly catalogue where special promotions are featured as well. At last, there is an advisory tab where you can search for and filter DIY projects. For example, if one wants to construct a fence, there is the possibility to click a smaller sub-tab 'Fence' where short instruction videos and guidelines are posted, including an overview of materials that can be used to construct it. Moreover, the mobile Brico app is a more modern representation of the catalogue. It does not provide an interactive shopping environment, nor a useful interface for interaction with the physical stores. For example, it is not possible to look for specific products outside the ones featured in the catalogue, nor the possibility to use a shopping cart. With respect to newsletter, a newsletter is sent to subscribed users by bi-week. This is not custom-made and so just a general tool to inform the interested client base.

Obviously, Brico is currently using a multichannel strategy. That is, a retailer uses two or more marketing channels, to reach one or more market segments [5]. However, that is not the optimal customer experience any client nowadays is looking for. Instead, it focuses on seamlessness. Customers need to be able to access online, mobile and offline channels in a fluent way, to enrich their brand experience. Only then they will stay faithful to the previously used brand and enrich the client base.

3. Omni-channel conversion steps: considerations & practicalities

According to the above arguments, we may develop the possible ways that Brico can convert to an Omni-channel strategy and how to do this. The possible strategies are shown as follows:

First, Brico may convert their current mobile app into a strong, easy-to-use and

more modern application. Instead of it being a limited physical catalogue, it needs to contain all products featured in store and on site, with product information, portfolio and all. It needs to answer the 'new' way of living and shopping. A key component in here is master data. Logistic or financial data is not enough anymore; if a customer was content earlier with a basic product description such as height, width, length, one front picture and price, this is not the case anymore. All obtainable data about a product should be provided. An easy-to-access mobile application platform should be able to provide the exact same support as the customer would get if he or she would be in the physical stores to ensure linkage between the two. It should provide the opportunity of creating a personalized account, where one can store his customer card, receive tailor-made promotions, can register for the workshops, can book an appointment and can pick & shop via a mobile shopping cart. This is the most important factor to improve their Omni-channel presence in the market.

Second, Brico should consider to use iBeacon to attract customers in the offline store. To explain in short: if the customer has the Brico app installed on his or her phone, creates an account, and is connected to WIFI/mobile data, his or her account would then be recognized via a beacon in the physical stores. The customer does not need to be planning a visit to Brico. If he or she is around a store, in a hypothetical range of about 700m, and is then receiving a push notification, that might do enough to trigger attention and get the client to the store. These push notifications would focus on past purchases and buying behaviour, being able to give custom-made promotions, offers or advise, 100% based on the profile of the customer. Note that seeing the new GDPR legislation could cause legal troubles if the privacy clause is not well-thought out. A key component of GDPR states that customers can remove themselves from databases they previously subscribed for, and if companies do not provide this option or violate it, they could be facing fines up to 4% of their total annual revenue [6].

Third, the other option for Brico is to convert the multiple IT systems they use now, into one. It currently uses different systems for the back office, purchase, supply, and warehousing. If they would convert to one ERP (enterprise resource planning) system, for example SAP, they would not only be able to combine all previously named departments in one manageable unit. It would also provide opportunity to add SAP Customer Experience (previously known as SAP Hybris) to the package [7]. This is a subdivision of SAP that specifically focuses on enhancing customer experience by providing a direct linkage between Brico and the customer. It enables them to make custom-fit campaigns, promotions or conditions for every customer, using any convenient customer relationship management tool [8].

Fourth, the other possible approach would be to focus more on Search Engine Optimization (SEO). SEO is a useful means for a business to reach their target

audience online with their core message, products and services or latest promotions. If SEO is done in the right way, it can help to get the business good rankings and end up on the front page of a Google search. This provides a good opportunity to gain extra competitive advantage. Of course, Brico already is a strong brand, being Belgium's market leader in DIY stores, but it cannot hurt to make the business entity more visible online [9].

Fifth, this approach that could help Brico to change into an Omni-channel brand is through the use of QR codes. In store, when a customer wants more information about a product, it should be an option to scan a QR code shown on the price tag. When scanned, there is a clear interaction between physical stores, which still is the main channel of Brico, and the mobile devices of customers. Possible outline could be for the customer to retrieve broader product information, see the items in the same range, see possible close alternatives, and put items on a wish list, which would end up on your profile on the mobile app.

Sixth, the approach to be considered is to improve their means of payment. Currently, the only ways to pay are physically in store with cash, card or Eco-cheques (a Belgian cheque to promote environmental consumerism) or by Visa/MasterCard when checking out on the website. This is outdated and should be completed by at least a payment environment in the app. Since Brico only has stores in Belgium, it would be convenient to use the already existing Bancontact app, where one should submit their banking card data. When checking out in any store that provides payments via Bancontact, the cashier just needs to provide the QR code, the customer scans this QR code, and the money is deducted/added directly to the bank account without any other channel involved.

Seventh, another concern for making Brico more Omni-channel oriented is to improve their click & collect service [10]. At this moment, customers face a very long lead time when ordering online, as every ordered item comes from a central warehouse and not from in-store. Online or mobile, the customer should be able to select products he wishes to buy in a store of choice. If these products are available, staff will assemble the products in a box. If ready, a mobile/online confirmation will be sent through the mobile app or through e-mail to the customer. These boxes will then be put in a separate section of the store, which the customer can access any time during opening hours. Payment can be made at the counter after picking the package in store, or can be done during check-out when making the reservation. In this approach, the physical store, mobile device and website are heavily linked.

Accordingly, we summarized the previously proposed approaches into a map, as shown in Figure 1.



Figure 1: Graphical representation of proposed Omni-channel approaches for Brico

Therefore, to maintain its competitive advantage as a market leader for the Belgian DIY store market, Brico needs to reinvent its current multichannel strategy into an Omni-channel strategy, as the currently existing channels are too weakly linked. If Brico can strengthen the integration between online and offline channels they used before, it will be able to improve the overall customer experience, which will facilitate customer retention [11].

4. Conclusion

This study aims to develop the Omni-channel strategy to integrate online and offline channels for retailers. Brico, a Belgian-founded DIY store chain, is a case in the study. Seven possible approaches have been discussed to enhance an

Omni-channel shopping experience, each with its pros and cons as follows.

First, the construction of a user-friendly mobile app. The current app is too basic and is open for improvement through implementation of an online version of the physical store, so the customer may have the same customer experience when shopping online. Second, use of iBeacon in attracting the customer in stores. The advantage of this is that he can be approached personally and will be more likely to come to the store. An important side note to consider for this method is that GDPR cannot be neglected. Third, the measure is transferring Brico's current IT systems to ERP system, for which SAP would be a good option. In this way, all data will be stored in one unit, facilitating an easier and more efficient use. Fourth, the method to enhance an Omni-channel experience is to work on SEO, to increase online presence. In this way, Brico could end up first when searching for DIY stores on any search engine, hence improving online visibility. Fifth, the method is using QR's to increase the connection between online-offline channels through scanning of the physical products, retrieving online information in the app. Sixth, the method is to provide a unified means of payment, using the already existing Bancontact app through QR codes. Seventh, the last method is improving the current order pick-up system. Customers will be able to order online, pick up in store, pay there or pay online to ensure a strong connection between online and offline channels.

After evaluating each of these possible methods, it can be concluded that each of them will contribute to a seamless integration of channels, so a complete Omni-channel retailing can be reached. The customer will be delighted to experience a seamless shopping experience, where online and offline are combined in the best way possible. In this way, Brico's market position will be maintained in the course of the next years.

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