How to make the most of omnichannel retailing:

Omnichannel is a multichannel approach to sales that seeks to provide the customer with a seamless shopping experience whether the customer is shopping online from a desktop or mobile device, by telephone or in a bricks and mortar store.

e of the biggest challenges for brick-and-mortar retailers is finding a strategy to compete with online-only sellers such as Amazon. Although Walmart and JCPenney, for example, have invested substantially in e-commerce operations to complement their physical stores, the economics facing these hybrid retailers remain daunting. Both chains announced store closings in 2016.

For retailers that operate both stores and websites, the conventional "omnichannel" strategy is to encourage shopping across channels so that customers who shop only in stores will begin also buying online, and vice versa. Promotions and coupons are one way to promote this behavior, and retailers such as Macy's, Bed Bath & Beyond, and Home Depot routinely use them.

However, few retailers have closely examined the profitability of such promotions. And they typically pay little attention to a variable that may be particularly important when customers are deciding whether to shop online or in-store: the distance between home and the nearest store.

To understand how these variables interact to affect customer behavior and retailer profitability, a research team led by Xueming Luo, a marketing professor at Temple University, worked with a Chinese department store on its coupon strategy. The researchers randomly selected 56,000 members of the store's loyalty program. On the basis of purchase records, they identified 8,692 who shopped exclusively online and 24,804 who shopped only in physical stores. (They dropped the remainder, who already shopped in both channels, from the study.) Some of the 33,496 targeted customers were sent coupons redeemable only online; some were sent coupons good only in physical stores; and some were sent coupons good in either channel. Members of a control group got no coupons at all.

The researchers then monitored purchases over the next week and compared the coupon recipients' behavior—and the effect on the chain's profits, net of coupon costs—with that of the control subjects. For their analysis, they divided the shoppers into two categories according to their proximity to a physical store. The dividing line was five kilometers, a distance that makes sense in a densely populated urban area where many shoppers rely on public transportation.

Among customers who lived close to a store, no type of coupon made a significant difference to shopping or profits. For those customers, the researchers concluded, the costs of getting to a store were low, so no added motivation was needed to prompt a trip. Among customers who lived farther away and had previously shopped only online, the online coupon generated twice as much profit as among the control group, and the flexible coupon increased profits by 800%. But when distant shoppers who'd previously bought only in stores were given online-only coupons, profits from them*fell* by 51%. In other words, encouraging online customers to visit a store increased profits, but incentivizing in-store customers to shop online decreased them.

This may seem counterintuitive: Most retailers want customers to shop in both channels, in the belief that it shows the customer has a stronger relationship with and is buying more from them. Driving customers online also helps physical retailers rationalize the huge investments they've made in IT to support their websites and mobile apps. However, incentivizing a store-to-online shopping migration ignores several key points: Customers who shop in stores tend to buy more, partly because they make more impulse purchases. They're also more willing to buy tactile, "experiential" goods such as apparel, shoes, and makeup. And they're less likely to compare prices, because that's harder to do in-store than online. "If customers come to your [physical] stores regularly, you should not encourage them to shop online," Luo advises. The more profitable play is to coax online shoppers to come into your stores, where the environment can induce them to spend more. "That's the winning omnichannel strategy," Luo says.

How to do that? The research shows that coupons redeemable only in stores and targeting previously online-only shoppers who live some distance away can work well. Another strategy, which Walmart and some other retailers are already implementing, is to give online customers incentives (such as free shipping) to have orders sent to a local store for pickup rather than delivered to their homes. Finally, reducing the real or perceived costs of traveling to a store (by, for example, locating stores near public transit or ensuring ample parking) may make distant online customers more inclined to visit.

The researchers are confident that their insights apply to retailers in the United States and other markets, although what constitutes living "close" to a store will vary according to population density, car ownership, and suburbanization.

The results of this research are also surprising given that many outside observers believe that physical retailers should be shuttering stores more aggressively. For example, a report issued in April by Green Street Advisors, a real-estate research firm, says that U.S. department stores should close a combined 800 stores—about 20% of their locations—to bring costs in line with sales per square foot, which have dropped by 24% over the past decade. The retailers reject this advice: They say it assumes that the sales from a store that closes can be easily shifted online, but that in fact it is very difficult to win those sales back.

Luo points to another trend that illustrates the advantages of having a physical store as part of an omnichannel strategy: Companies that began as online-only have started to invest in brick-and-mortar locations. For example, in May Amazon announced plans to open additional physical stores (it already operates one in Seattle). In these expansions, Amazon joins formerly online-only retailers such as Warby Parker (eyeglasses) and Bonobos (apparel) that have opened physical stores. "Online shopping is very goal-oriented and transactional," Luo says. "Traditional retailers' strength is the in-store shopping experience, and they need to play that up."

Ms. Monisha D'costa
Source: *Harvard Business Review*

Preparing to Interview for Your Dream Job? Better Go in Person:

A new study examining the effects of technology-mediated interviews found in-person interviews yielded better impressions for the company and the candidate. The paper, "Technology in the Employment Interview: A Meta-Analysis and Future Research Agenda," published today in the journal Personnel Assessment and Decisions.

"We live in a world where we increasingly rely on technology, but this study reminds us that personal interactions should never be underestimated," said author Nikki Blacksmith, a doctoral candidate at the George Washington University's Department of Organizational Sciences and Communication. "Many times, the candidate does not have a choice in the format of the interview. However, the organization does have a choice and if they are not consistent with the type of interview they use across candidates, it could result in fairness issues and even possibly a lawsuit."

To compare the effectiveness of in-person and technology-mediated interviews, Ms. Blacksmith and her co-authors examined 12 articles published from 2000-2007 that included interviewer and interviewee ratings, that is, assessment of how the company and the candidate performed during the interview. In order for the article to be considered, it needed to include both in-person and technology-mediated interactions.

Ms. Blacksmith found that, overall, technology-mediated interviews resulted in lower ratings for both the company and the candidate. Within that category, video interviews received the most negative rankings, followed by telephone and computer interviews. Face-to-face interviews received more favorable rankings.

Additionally, the study looked at the effect of time on the ratings, assuming that as people became more accustomed to the technology and it improved or advanced, they would rate it higher. In fact, the opposite occurred, and ratings became more negative for more recent studies.

"Considering the rate at which technology has changed, it is clear that we lack understanding of the modern interview," Ms. Blacksmith said in the paper.

While these results are important to note, Ms. Blacksmith also notes that the study has certain limitations. The paper evaluated a relatively small number of studies and the most recent article was published seven years ago.

Ms. Monisha D'costa
Source: mediarelations.gwu.edu

Selfies for a picture of good health:

Selfies, with pouting lips and arched eyebrows to mark every occasion, may have come to be known as attention seeking, addictive and dangerous behaviour but what if your doctor recommends taking one? From monitoring various stages of cancer to advising dental patients on the best techniques of oral hygiene, health experts in Chennai are finding that self-portrait photographs and videos may help promote good health, and early diagnosis to prevent diseases.

The idea that selfies can be used as visual diaries, to monitor and correct health problems, made six students at the Ragas Dental College, Chennai, take a video of themselves brushing their teeth everyday. This was for a study about refining toothbrush techniques. "In a city like Chennai, many people may brush their teeth at least once a day but only a few of them use the right technique," said Dr Rooban Thavaraja, one of the researchers.

Toothbrush habit is often the best way to maintain oral hygiene but as there may be no one good way to brush your teeth, often people suffer from dental problems. "The unique formation and setting of every individual means that different people may need different methods of oral care," said Dr Rooban. So he trained his volunteers in the right way to brush teeth. The students were then asked to take selfie videos while brushing every morning for 14 days. Four students completed the task and the researchers observed improvement up to 8% in their brushing skills. The authors of the study, published in the Indian Journal of Dental Research, say they managed to demonstrate initial feasibility of using selfie videos to better dental health, but need a more detailed study to assess its effectiveness.

Although many doctors are still hesitant to use cellphones for interactions and prescriptions, a few of them feel it can be used by women for self-examination of breast cancer. "Women can be asked to take a video of themselves once every month for three months and bring it for a review. This can help ensure that they don't miss any step. But it should be done in a small group, where women make videos of themselves wearing a light T-shirt and see if it works," said Dr Vijaya Bharathi Rangarajan, founder of Canstop, an NGO that works in cancer prevention.

In rare cases, doctors say selfie videos are effective especially when the symptoms are not immediately visible, like in case of fits. "I tell my patients to take videos when they are experiencing a stroke or fits and they have done it. It helps me know how long they had a fit, what were the symptoms and much more. This is a more accurate way of understanding their condition as most descriptions are often not accurate," said senior neurologist Dr T Arulmozhi. "I would say it has saved lives," he said.

While selfies being used in the health sector is still at a nascent stage, the fitness industry has been using this photographic representation to motivate and monitor for some time now.

For the past six months, 34-year-old Archana R has been photographing herself in her sports bra and bike shorts. This is not a narcissistic exercise as she does it to keep tabs on her fitness level using an app. The flabs would make her want to look away. But, soon, she accepted that this was how she looked, and the acceptance became her motivation to lose weight. "I knew workout and diet would help me get into shape but I needed motivation. So, I decided to take a selfie every day. Initially, I was embarrassed about being reminded about my flab but two weeks later when I saw changes, it motivated me," said Archana. Today, many of her family and friends are clicking selfies to stay fit and using apps which thrives by building an online community of people who are on the road to good health.

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Ms. Monisha D'costa
Source: timesofindia.com

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The six systems of organizational effectiveness:

The Leadership System is the central organizing system that must deliver on all functions owned by the Top Team or C-Suite

These functions include and require that leadership become cohesive, define the future (vision), set direction, create and execute strategy, ensure alignment, communicate clarity, engage stakeholders, develop talent, manage performance, build accountability, ensure succession, allocate resources, craft the culture, and deliver results. The effectiveness of the Leadership System determines the performance of the business.

The Six Systems are broader in scope than functional departments and must be understood independently and interdependently as part of an integrated whole. These Six Systems set up the conditions and components necessary to create a healthy, high-performing organization.

1. Leadership: To achieve high performance or sustain results, leaders must define and refine key processes and execute them with daily discipline. They must translate vision and values into strategy and objectives, processes and practices, actions and accountabilities, execution and performance. Leaders address three questions:

1) Vision/Value. What unique value do we bring to our customers to gain competitive advantage? What do we do, for whom? Why?
2) Strategy/Approach. In what distinctive manner do we fulfil the unique needs of our customers and stakeholders? What strategy supports the vision for achieving competitive advantage?
3) Structure/Alignment. What is the designed alignment of structure and strategy, technology and people, practices and processes, leadership and culture, measurement and control? Are these elements designed and aligned to create optimal conditions for achieving the vision?

2. Communication: Everything happens in or because of a conversation, and every exchange is a potential moment of truth—a point of failure or critical link in the success chain. Strategic communication ensures that the impact of your message is consistent with your intentions, and results in understanding. What you say, the way you say it, where, when and under what circumstances it is said shape the performance culture.

When leaders maximize their contribution to daily conversations, they engage and align people around a common cause, reduce uncertainty, keep people focused, equip people for moments of truth that create an on-the-table culture, prevent excuses, learn from experience, treat mistakes as intellectual capital, and leverage the power of leadership decisions to shape beliefs and behaviours.

3. Accountability: Leaders translate vision and strategic direction into goals and objectives, actions and accountabilities. Performance accountability systems clarify what is expected of people and align consequences or rewards with actual performance. Leaders need to build discipline into their leadership process and management cycle to achieve accountability, predictability, learning, renewal and sustainability.

4. Delivery: The best organizations develop simple processes that are internally efficient, locally responsive and globally adaptable. Complexity is removed from the customer experience to enable them to engage you in ways that are both elegant and satisfying. Establishing and optimizing operational performance is an ongoing journey.

Operations need to be focused on the priority work, using the most effective techniques—aligning initiatives and operations with strategy; continuously improving operations; pursuing performance breakthroughs in key areas; using advanced change techniques in support of major initiatives; establishing a pattern of executive sponsorship for all initiatives; and building future capability and capacity.

5. Performance: The Human Performance System is designed to attract, develop and retain the most talented people. The idea is to hire the best people and help them develop their skills, talents and knowledge over time. Of course, it becomes more critical as they add abilities and know-how, that we reward them properly so they feel good about their work and choose to remain with the organization as loyal employees.

6. Measurement: A system of metrics, reviews and course corrections keeps the business on track. Organizations need concrete measures that facilitate quality control, consistent behaviours, and predictable productivity and results. Within these parameters, control is instrumental to viability and profitability. Every activity has a set of daily rituals and measures.

Leaders establish and maintain the measurement system to ensure disciplined processes. They track progress against strategy and planning; review status on operational results through clear key metrics; update the strategy regularly; and ensure action is driven by insight based on relevant, current information that is focused on achieving the vision.

This Six Systems frame helps people see how everything is integrated. Again, until the Leadership System operates effectively, all other systems are degraded. We work with leaders to

ensure their Leadership System is highly effective, and we have dozens of cases that demonstrate the power of using a Whole Systems Approach.

Throughout our careers, we have partnered with CEOs and their teams across dozens of organizations and can say with confidence that successful transformation efforts were those in which the Extended Leadership Team did its work of mastering leadership and improving their individual and collective effectiveness while tending to the health of the Leadership System. These transformation efforts were not only successful, but more importantly, the success was sustained over time.

Sadly, we also witnessed transformation efforts that were less than successful and in some cases failed. These failures could be linked directly to a failure of leadership to consciously transform individually and collectively. Without a mature, highly evolved and fully functioning Leadership System, transformation efforts will not succeed.

Ms. Sunita Bhuiya

Source: *Excerpted from Mastering Leadership: An Integrated Framework for Breakthrough Performance* and Extraordinary Business Results, *by Robert J. Anderson and William A. Adams (Wiley, 2015).*