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## The Retail Revolution: Synergy of E-Tail and Brick-and-Mortar in a Post-Pandemic Era

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**Dr. Komal Ahuja\***

*\*Assistant Professor, MMIM, Maharishi Markandeshwar Deemed to be University Mullana, Ambala, Haryana, India.*

*Corresponding Email: [\\*komal.ahuja@mmumullana.org](mailto:komal.ahuja@mmumullana.org)*

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***Abstract:** The COVID-19 pandemic has significantly accelerated the digital transformation of the retail industry, forcing both traditional brick-and-mortar stores and online retailers to adapt and innovate. As the world gradually emerges from the pandemic, it becomes apparent that a new era of retail is taking shape—one that combines the strengths of e-commerce and traditional retail into a harmonious amalgamation. This paper explores the future of retail by examining the convergence of e-tail and retail, envisioning a landscape where online and offline shopping experiences seamlessly blend. In this post-pandemic world, retailers are recognizing the need to bridge the gap between the convenience and accessibility of e-commerce and the sensory and interactive aspects of in-store shopping. The paper highlights the key drivers behind this amalgamation, including evolving consumer preferences, advancements in technology, and the quest for personalized, immersive experiences. The integration of e-commerce and retail involves various aspects, such as creating omnichannel strategies, implementing innovative technologies like augmented reality and virtual reality, and reimagining store formats to accommodate digital enhancements. The paper explores these transformative approaches, delving into case studies and best practices that showcase successful examples of blending e-tail and brick-and-mortar. Additionally, the paper addresses the challenges and potential roadblocks that retailers may face in embracing this convergence. It discusses the need for strategic planning, investment in infrastructure and technology, as well as training and upskilling the workforce to adapt to the changing dynamics of the industry. By amalgamating e-tail and retail, retailers can leverage the strengths of both channels to deliver an enhanced shopping experience to consumers. This holistic approach aims to provide convenience, personalization, and seamless integration across online and offline touchpoints, ultimately fostering customer loyalty and driving business growth. In conclusion, the paper highlights the transformative potential of integrating e-commerce and traditional retail beyond the pandemic. It emphasizes the importance of embracing this convergence to meet evolving*



*consumer expectations, stay competitive in a rapidly changing marketplace, and shape the future of retail in a post-pandemic era.*

**Keywords:** *E-commerce, Retail, Pandemic, Online Shopping, Digital Transformation.*

## **1. INTRODUCTION**

E-commerce is India's sunrise sector, owing to its remarkable growth as a dominant transaction activity. It has boosted the economies with a technology-led push which transformed how business is done. It has changed the way how businesses sell their products, process orders, and provide customer service. Before the outbreak of the pandemic, a paradigm shift towards digitization and servitization of the various sectors was already in progress and the online shopping was experiencing a consistent annual growth rate of 4.5 percent globally but the pandemic had put e-commerce at the forefront of retail. (Totolo,2020) It brought dramatic environmental changes which accelerated the paradigm and encouraged the firms to adopt digital transformation, thereby making e-commerce an essential element of the retail ecosystem. As lockdowns became the new normal, consumers embraced online shopping and "went digital," purchasing more goods and services online. There was an increased internet use for news, health, and pleasure. The smart business owners turned this adversity as an opportunity and recognized the value of putting their items in front of their clients where they were: online. E-commerce transactions evolved from luxurious commodities and services to indispensable everyday necessities. The consumers worldwide increasingly relied on e-commerce for a wide range of purchases including essential goods and holiday gifts. The pandemic hastened the adoption of e-commerce by consumers and businesses seemingly overnight. This is due to the prevalence of stay-at-home orders, fears over the virus, and stay-at-home orders. According to Mckinsey, the shift towards e-commerce mindset occurred not only in countries where online shopping was already popular but also in cultures where retail traditionally involved in-person, local and cash-based transactions on a daily basis.

### **Impact on Consumer Behaviour**

The COVID-19 pandemic brought about a substantial transformation in consumer behaviour, particularly in the realm of e-commerce. This shift in behaviour occurred at an unprecedented pace, which is typically witnessed over several decades. The pandemic acted as a catalyst, accelerating changes that were already underway in consumer preferences. Online shopping presented consumers with positive aspects that were not commonly found in traditional offline shopping experiences. E-commerce's benefits of ease, adaptability, and personalization became clear and were enthusiastically embraced by many people. As a result, it is anticipated that consumer behaviour would change as a result of these discovered preferences rather than returning to how it was before the pandemic.

### **Scenario after Pandemic**

Even after the lifting of lockdown restrictions, the momentum of e-commerce continued to surge without any indication of slowing down. E-commerce was no longer seen as an alternative to physically shopping in a store. Consumers viewed it as the way they'll continue



to shop in the future since online shopping had crystallised into an indivisible part of most consumers' habits. Reinforced by positive shopping experiences, vast product discoverability, easy and lucrative pricing access and free delivery made more consumers inclined towards online shopping even for their everyday needs. According to a report, significant 87 percent of consumers are now inclined to increase their spending, placing higher importance on convenience rather than price, prioritizing personalized experiences over standard ones, and seeking instant solutions over delayed gratification. From smartphones to groceries, apparel to cars, the online realm offers a diverse collection of products accessible with just a few clicks. It's like a vast universe. The comfort of searching, purchasing, and having items delivered at your doorstep promptly or at a time that suits you has significantly reduced the frequency of visits to a physical retail shop. In a world where everyone has time and tighter schedules, people want convenience and ease in their lives which is facilitated by ecommerce platforms. Undoubtedly, e-commerce streamlines the buying process making it faster, easier, and more adaptable but at the same time the importance of physical retail stores cannot be denied. The role of physical retail stores in providing instant availability of products, facilitating hassle-free returns, assistance in buying decisions and perhaps most importantly, enabling customers to have a hands-on experience with a product. make them still vital and indispensable in the eyes of consumers.

### **Emergence of Hybrid Commerce**

This is where the "hybrid commerce" model comes into play, which can be described as the right technology-supported marketplace model that provides greater convenience and customer satisfaction and ensures stronger customer loyalty. "Hybrid e-commerce" denotes a business model that blends online and offline channels, offering customers a seamless and unified shopping experience. It involves the integration of digital technologies and traditional brick-and-mortar operations to create a consistent and interconnected retail ecosystem. Hybrid e-commerce encompasses various strategies and approaches that blend the advantages of online and offline retail. It leverages the convenience and accessibility of online platforms while incorporating the tactile and immersive aspects of physical stores. The goal is to enhance customer loyalty by delivering a comprehensive shopping experience that combines the best of both online and offline retail channels. In short, hybrid commerce is essentially a convergence of offline and online shopping experiences that allows the end consumer to enjoy the best of both worlds without sacrificing the benefits offered exclusively by either site. It is worth noting that the hybrid commerce model, with technology at its core, serves the needs and benefits of all stakeholders in the ecosystem, namely the buyer, the seller, and the e-marketplace brands.

By 2023, "hybrid commerce" is expected to usher in a paradigm shift that will be an exciting time for all players in the e-commerce or new-age commerce ecosystem(Devashish Goyal,toi,22).It provides a distinct and highly refined solution compared to traditional e-commerce systems; leading to enhanced operational efficiency for industry players and ensuring greater customer satisfaction. Hybrid commerce is poised to emerge as the pioneering frontier in modern commerce and shopping, promising significant advancements in the years to come! This amalgamation of etail and can unlock the potential for increased sales for businesses and provide an elevated customer experience Instead of viewing e-commerce as a threat, retailers should embrace it as a complementary tool to enhance their customer service.



This blending will create a win-win situation, benefiting both businesses and customers alike. However, in order to make this model successful, companies need to pay close attention at each step of the customer journey. This involves paying close attention to aspects such as discovery, research, purchase, customer support, service and returns, and nurturing a sustained, long-term relationship with customers.

### **Key Features of Hybrid Commerce**

#### **Buy Online, Pickup In-Store (BOPIS) Becomes Permanent**

Research reveals that the most significant challenges faced by consumers during in-store and online shopping experiences are long checkout lines, crowded and disorganized stores, and slow shipping times. Thankfully, the "Buy Online, Pick Up In-Store" (BOPIS) approach presents a promising solution to address these pain points effectively. BOPIS, also referred to as click-and-collect, enables customers to integrate online, in-store and mobile channels for their purchases. It combines the convenience of online shopping with speed, security and added advantage of picking up their order in-store. It also provides retailers with the ability to transform their customer experience to align with the demands of the digital and mobile era. This enables them to attract shoppers to their brick-and-mortar stores, leading to opportunities for additional sales, enhanced shopper engagement, and heightened brand loyalty.

#### **The Transformative Impact of AI and Emerging Technologies on Retail Operations**

Enterprise retailers are increasingly leveraging technology to optimize the customer experience in today's fast-paced shopping landscape. Machine learning is already being used extensively to manage data, and now infrared-camera technology is being employed to refine store layout, traffic flow, and product placement on shelves. Artificial intelligence is also playing a significant role by providing insights into shoppers' behaviour, including their duration of stay, frequency of visits, and reasons behind them. Specialized software enables retailers to target customers with personalized product advertisements based on data derived from shelf placements. Additionally, Amazon.com is revolutionizing the shopping experience with its frictionless Just Walk Out technology, now available in their expanding network of Amazon Fresh stores.

In the digital age, there is a growing demand for personalized products and services, and the integration of artificial intelligence (AI) solutions in the retail industry is proving to be a game-changer. By effectively utilizing AI, retailers can better meet their customers' expectations and gain a competitive edge. It has the potential to replace sales personnel by providing in-store customer assistance, reduce queues through cashier-less payment systems, enhance stock management through real-time monitoring, and provide virtual trial rooms to enable shoppers to virtually try on clothing and accessories, enhancing convenience and reducing the need for physical interactions. AI solutions in retail can seamlessly enhance customer engagement by creating interactive chat programs. Utilizing chatbots as a communication channel with customers can prove highly effective. They have the capability to handle a wide range of tasks, such as responding to frequently asked questions, providing personalized product recommendations, addressing customer complaints, and gathering valuable customer data. If necessary, they can seamlessly transfer the conversation to a telesales executive. These



chatbots are designed to continuously self-learn from past interactions, allowing them to refine their subsequent engagements with customers over time.

### **Seamless E-commerce Shopping: Unlocking a Frictionless Customer Experience**

Numerous financial institutions use tokenization of credit and debit cards to guarantee secure and frictionless transactions. In this approach, the sensitive payment data of the original card is substituted with a short and unique code that can only be authenticated, decrypted and translated by the token provider. This eliminates the tedious manual entry of card data and reduces the risk of fraud.

### **Digital Invoicing: A Promising Data Source for Enhanced Reliability**

Digital invoicing, also referred to as e-invoicing, has been in use for quiet sometime. However, an increasing number of financial and retail companies are now adopting digital invoicing to gain a deeper understanding of the customers through the data they collect. Using this information can help companies anticipate customer behaviour and devise effective strategies to optimize sales. Online payment providers are using these insights, such as preferred payment methods and transaction timing, to create innovative features in their payment apps. As a result, businesses are turning to customer relationship management tools to analyse these significant insights.

### **Transforming Buy Now, Pay Later with Crypto Payment Innovations**

In recent years, there has been a significant rise in the popularity of Buy Now Pay Later (BNPL) solutions for point-of-sale financing. These solutions enable shoppers to purchase their product and pay for them in fixed instalments over a period. Due to the growing popularity of BNPL, financial institutions are now turning their attention to projects that merge BNPL with cryptocurrencies. The resulting product is a crypto-linked BNPL card that offers customers the ability to access funds for purchases and manage expenses. This fusion of BNPL and crypto is expected to drive consumers away from traditional payment channels, and it is believed that crypto-linked cards will emerge as dominant players in the industry in the long run.

### **Elevating Customer Verification in Mobile Commerce: The Rise of Omnichannel Solutions:**

The emergence of mobile commerce gained popularity when “buy buttons” were introduced by social media channels like Instagram, Facebook and Pinterest and with the introduction of one-click checkout options. Additionally, the convenience of one-click checkout options further facilitated effortless online payments. At present, online payment providers are making efforts on the development of omnichannel customer verification. These systems aim to establish a digital identity for customers, enabling them to shop online and offline with ease. For example, the applications will have cell phone facial recognition, which allows for cross-platform user verification. The implementation of a unified digital identification system across various channels will facilitate comprehensive customer verification. By gaining access to a comprehensive view of customer information, empowers business & financial organizations to provide personalized offerings, including tailored financial assistance. Furthermore, this progress creates fresh opportunities for revenue



generation, such as offering Identity-as-a-Service (IDaaS) solutions for customer verification. This transformative development has the potential to revolutionize the commerce industry.

### **Emergence of Voice Payments in E-commerce: A Potential Trend**

Factors like the tone, pitch, and AI voice attribute recognition can ensure secure, quick, and effortless authentication process for consumers, enhancing the overall user experience. The rapid growth of speech technology has given rise to a thriving industry, where companies, developers, agencies, and startups are actively investing in enhancing functionality and user-friendliness. The introduction of voice-enabled payment systems is revolutionizing the customer experience, ushering in a new era of seamless digital payments that are both speedy and convenient. With voice technology, customers can make payments from any mobile device and simply interact with the Interactive Voice Response (IVR) system through their earbuds, like making a phone call. In-store campaigns generate interest, traditional advertising attracts attention, and free delivery encourages purchase. This means brands that want to stay relevant must create customer experiences that are thoughtful and memorable.

### **Data Analytics and Personalization in Hybrid Commerce**

In the context of hybrid commerce, the integration of online and offline channels provides retailers with a wealth of data that can be harnessed through data analytics techniques. By utilizing this data, retailers can obtain valuable insights into customer behaviour, preferences, and purchase patterns. This, in turn, empowers them to provide personalized experiences and stimulate business growth. One of the primary benefits of data analytics in hybrid commerce is its ability to help retailers understand customer needs and preferences on a granular level. By analysing customer data from multiple touchpoints, such as online transactions, in-store purchases, social media interactions, and loyalty programs, retailers can develop a comprehensive understanding of individual customers. They can identify specific preferences, shopping habits, and demographic information, allowing them to tailor product recommendations, promotions, and offers to each customer's unique preferences. This level of personalization creates a highly engaging and relevant shopping experience, increasing the likelihood of customer satisfaction and repeat purchases. The seamless integration of customer data from online and offline channels enables retailers to create a 360-degree view of their customers. This holistic view ensures that customers receive consistent and personalized interactions across all touchpoints. For instance, if a customer adds items to their online shopping cart but abandons the purchase, the retailer can leverage this information to send a personalized email or offer a discount when the customer visits a physical store. This omnichannel approach bridges the gap between online and offline experiences, providing a cohesive and convenient shopping journey for customers.

Moreover, data analytics holds significant importance in optimizing inventory management and supply chain operations in hybrid commerce. By analysing sales data, demand patterns, and customer preferences, retailers can accurately forecast demand, identify popular products, and adjust their inventory accordingly. This proactive approach to inventory management reduces the likelihood of stockouts, minimizes excess inventory, and improves overall operational efficiency. Additionally, by understanding customer preferences and purchase



patterns, retailers can optimize their product assortment to align with market demand, resulting in improved sales performance and customer satisfaction. Beyond customer-centric benefits, data analytics empowers retailers to make data-driven decisions across various aspects of their business. By analysing sales data, retailers can identify trends, spot opportunities, and make informed decisions regarding pricing strategies, product assortment, and marketing campaigns. This data-driven approach ensures that retailers allocate their resources effectively, focusing on strategies and initiatives that are likely to yield the highest return on investment (ROI). Furthermore, data analytics can help retailers identify operational bottlenecks and inefficiencies, enabling them to streamline processes, reduce costs, and improve overall performance. In addition to strategic decision-making, data analytics enables retailers to measure the effectiveness of their marketing campaigns and promotions. By tracking key performance indicators such as conversion rates, customer acquisition costs, and return on investment, retailers can assess the impact of their marketing efforts accurately. This insight allows them to optimize their marketing strategies, allocate resources effectively, and maximize the impact of their promotional activities. However, in the hybrid commerce landscape, retailers must prioritize data privacy and security. Collecting and analysing vast amounts of customer data requires retailers to implement proper measures to safeguard customer information and adhere to relevant data protection regulations. Building trust and maintaining transparent data practices are essential for the long-term success of hybrid commerce.

## **2. RESULTS AND DISCUSSIONS**

The paper emphasizes that integrating e-commerce and traditional retail is not just a temporary response to the pandemic but a transformative approach that will shape the future of the retail industry. By meeting evolving consumer expectations and staying competitive in a rapidly changing marketplace, retailers can position themselves for long-term success. There is a need for bridging the gap between the convenience and accessibility of e-commerce and the sensory and interactive aspects of in-store shopping. By integrating both channels, retailers can provide a seamless shopping experience that combines the strengths of online & offline shopping. In addition to this, the use of innovative technologies like augmented reality and virtual reality can enhance the in-store experience, enable virtual try-on of products, and provide personalized recommendations to customers. However, retailers need to engage in strategic planning, invest in infrastructure and technology, and allocate resources for training and upskilling their workforce to adapt to the changing dynamics of the industry in order to embrace the convergence of e-tail and retail to the fullest.

## **3. CONCLUSION**

As a matter of fact, in order to make the hybrid model the prevailing shopping norm in countries like India, harnessing technology to its full potential is essential. In the future, retailers should embrace a robust platform that enables efficient inventory management, ad campaigns, and the provision of prices or deals, all under one centralized location. At the same time, this approach must cater to the demands of modern consumers, ensuring the highest level of convenience for



a smooth, effortless, and efficient shopping experience. To achieve our Prime Minister's vision of making India a US \$5 trillion economy, it is now crucial for the country's retailers to digitize their brick-and-mortar stores within an omni-channel framework. This integration of all channels seamlessly into one embraces the powerful concept of hybrid commerce. It is essential to understand that today's customers expect the ability to browse and buy anywhere while having their orders fulfilled from any location. Retailers must deliver on all these aspects at scale. By adopting innovative, technology-driven hybrid solutions, Indian retailers and local offline sellers can revolutionize the shopping experience, resulting in seamless transactions. This shift has the potential to boost footfall significantly, ultimately leading to higher revenues and improved long-term profitability.

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