

Omni-Channel Fulfillment Dilemmas

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July 2013 - LBS - London, UK

COER 2016 - Wharton - Philadelphia, PA



16 June 2016

Omni-Channel Fulfillment Dilemma

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- Price
- Information
- Fulfillment
- Return
- Retailer

What do customers want?



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How to design the multichannel offer?


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Conjoint Analysis

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What is the utility that customers obtain from different product attributes?



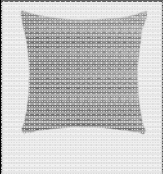


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What is the utility that customers obtain from different product attributes?


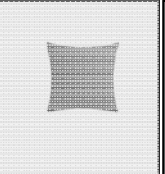

Price	15	20	25
Size	L	M	S
Shape	Sq.	Sq.+	Rect.
Fabric	Green	Orange	Multi

Categories Levels


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Price	20	25	15
Size	L	L	S
Shape	Sq.	Sq.	Rect.
Fabric	Red	Green	Multi

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Price	20	15	15
Size	L	S	S
Shape	Sq.	Sq.	Sq.+
Fabric	Green	Red	Multi

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Conjoint Analysis to Evaluate Multichannel Offer

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PRICE

1. 110 dollars
2. 120 dollars
3. 130 dollars
4. 140 dollars
5. 150 dollars










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INFORMATION

1. No information
2. Star ratings from 150 customers
3. Star ratings & customer reviews from 150 customers
4. A 3D view of the product
5. Virtual chat with a customer representative










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DELIVERY

1. Shipped to you for free in 2 business days
2. Shipped to you for free in 5 business days
3. Pay \$20 to have it shipped to you in 2 business days
4. Pay \$10 to have it shipped to you in 5 business days
5. Pick up the jacket for free in the store










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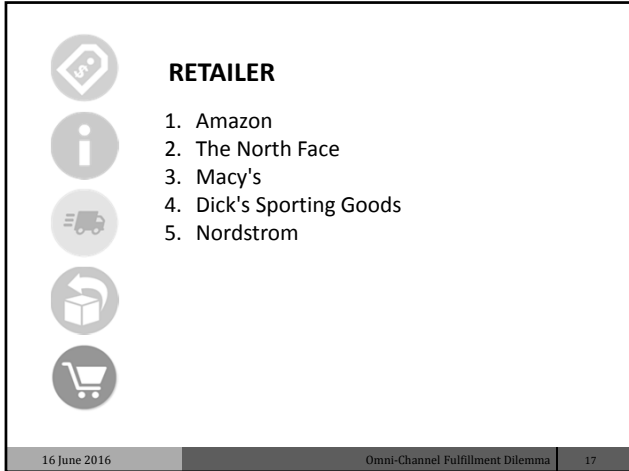


RETURN

1. Free return by mail or in store
2. Free in-store return or pay \$6 for return by mail
3. Free in-store return or pay \$12 for return by mail
4. Pay \$6 to return by mail (no in-store return)
5. Pay \$12 to return by mail (no in-store return)

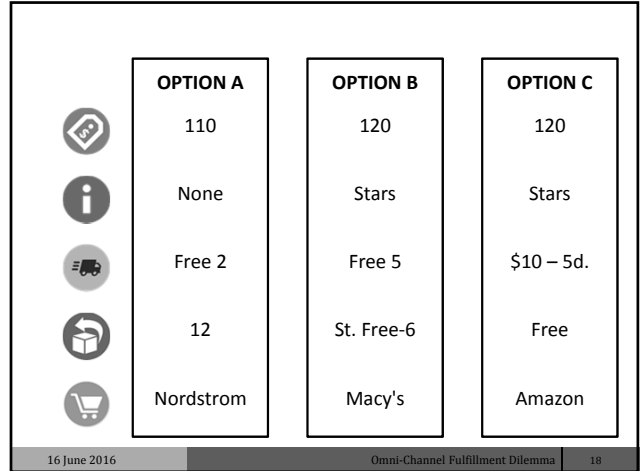
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RETAILER

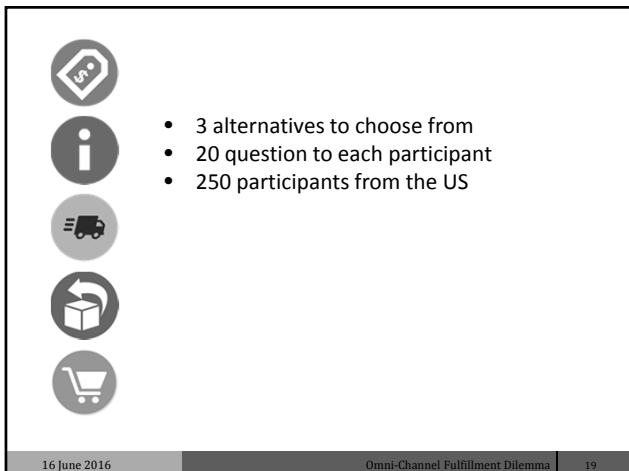
1. Amazon
2. The North Face
3. Macy's
4. Dick's Sporting Goods
5. Nordstrom

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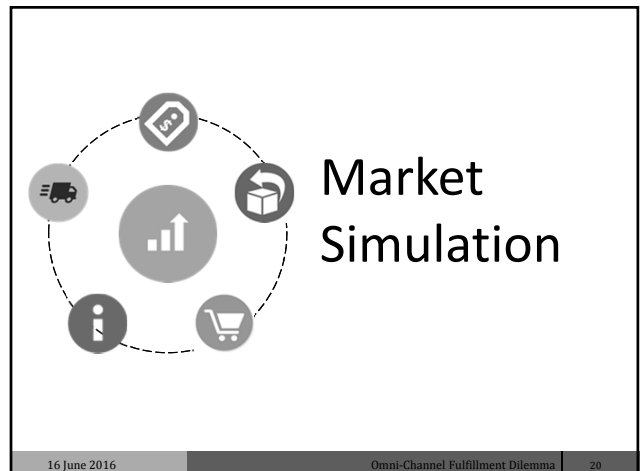
	OPTION A	OPTION B	OPTION C
	110	120	120
	None	Stars	Stars
	Free 2	Free 5	\$10 – 5d.
	12	St. Free-6	Free
	Nordstrom	Macy's	Amazon

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- 3 alternatives to choose from
- 20 question to each participant
- 250 participants from the US

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Market Simulation

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Next Steps

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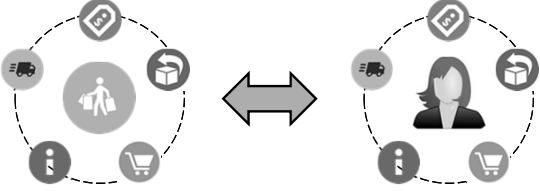
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Customer

Retailer

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