ISRG Journal of Economics, Business & Management (ISRGJEBM)

ISRG PUBLISHERS

Abbreviated Key Title: Isrg J Econ Bus Manag

ISSN: 2584-0916 (Online)

Journal homepage: https://isrgpublishers.com/isrgjebm/

Volume – IV Issue - II (March-April) 2026

Frequency: Bimonthly

Omni-Channel Strategy in the Digital Era: A Strategic Management Analysis through SWOT, Balanced Scorecard, and Blue Ocean Strategy Frameworks

Mohamad Dito Pratama[1*], Arnis Budi Susanto[2], Intan Nurul Awwaliyah[3]

[1, 2, 3] Faculty of Economics and Business, University of Jember, Indonesia

| **Received:** 21.04.2026 | **Accepted:** 26.04.2026 | **Published:** 27.04.2026

***Corresponding author:** Mohamad Dito Pratama

Abstract

The massive digital transformation in the retail industry demands that companies deliver consistent and high-value channel integration for customers. Delays in formulating a targeted omni-channel strategy can trigger various risks, ranging from service fragmentation, operational inefficiencies, poor customer data utilization, and even reduced company competitiveness amidst increasingly experience- and technology-based competition. This research is qualitative and employs a literature analysis approach, searching for keywords relevant to the topic. This research focuses on Azko Retail, where the need for a clear omni-channel strategy is crucial to ensure that digital transformation is not carried out in isolation but integrated with long-term business objectives. Through strategic management studies, this research uses three integrated approaches: SWOT Analysis, Balanced Scorecard, and Blue Ocean Strategy. This research aims to provide a strong analytical foundation to help companies formulate strategies that are adaptive, measurable, and relevant to current market dynamics. The SWOT approach is used to evaluate competitive positions, the Balanced Scorecard to comprehensively map performance benchmarks, and the Blue Ocean Strategy to design value innovations that create new market space. The results of this study are expected to be a strategic guideline for Azko Retail in executing an omni-channel strategy to achieve sustainable competitive advantage in the digital era.

Keywords: *Balance Scorecard, Blue Ocean Strategy, Strategi Omni Channel, SWOT Analysis*

INTRODUCTION

The development of digital technology has driven significant changes in consumer behavior, particularly in how they search for information, interact with brands, and make purchases. Modern consumers no longer rely on a single channel, but instead utilize multiple platforms such as physical stores, websites, mobile apps, and social media simultaneously in the decision-making process. A study cited by the Harvard Business Review shows that approximately 73% of consumers prefer to use multiple channels during their shopping journey, indicating that multichannel behavior has become the new norm in the global retail ecosystem (Persuasion Nation, 2025). Furthermore, the average consumer uses nearly six touchpoints before making a purchase, reflecting

DOI: 10.5281/zenodo.19809808

the increasing complexity of the customer journey in the digital age (The Trust Agency, 2025). This phenomenon indicates that the purchasing process is no longer linear, but rather dynamic and integrated across channels. Consumer expectations for the shopping experience have also increased. Approximately 90% of customers expect consistent interactions across channels, while 87% of consumers believe that brands need to strive harder to provide a seamless experience (The Trust Agency, 2025). This condition confirms that channel integration is not just a technological innovation, but has become a strategic factor in building customer satisfaction and loyalty.

An omni-channel strategy is a retail approach that integrates all online and offline sales and communication channels to create a consistent and seamless customer experience at every point of interaction (Verhoef et al., 2015). Unlike multi-channel, which only provides various channels separately, omni-channel emphasizes the interconnectedness between channels so that customers can easily move without any obstacles during the shopping process. The development of digitalization further strengthens the importance of this approach, along with changes in consumer behavior that tend to use multiple devices and channels simultaneously. Data shows that 85% of online shoppers start the purchase process on one device and complete it on another, while 82% of smartphone users conduct product research online before visiting a physical store (ElectroIQ, 2025; Keevee, 2025). This shows that the customer experience is no longer linear, but integrated across interconnected channels.

From a business value perspective, omni-channel consumers have been shown to contribute significantly more than single-channel consumers, with a lifetime value of approximately 30% greater and a tendency to shop more frequently and with higher transaction values. However, failure to deliver an integrated experience can negatively impact customer loyalty, with a significant number of consumers potentially abandoning their purchase or switching to competitors due to inconsistent cross-channel experiences (Gitnux, 2026; The Trust Agency, 2025). These findings emphasize that an omni-channel strategy is no longer merely an innovation but has become a strategic necessity for retail companies to maintain competitiveness amidst increasingly complex consumer behavior dynamics.

The global retail industry is undergoing significant structural transformation along with the acceleration of digitalization and changes in consumer behavior. Global e-commerce growth shows a very strong trend, with online sales projected to increase from USD 4.4 trillion in 2023 to USD 6.8 trillion in 2028, contributing approximately 24% of total global retail sales (Forrester, 2024). However, physical stores still dominate, accounting for approximately USD 21.9 trillion of the USD 28.7 trillion in global retail sales, encouraging companies to invest in omni-channel strategies to create an integrated shopping experience (Forrester, 2024). In Indonesia, e-commerce transaction value continues to increase from IDR 205.5 trillion in 2019 to IDR 487.01 trillion in 2024, demonstrating the acceleration of digitalization in national trade activities (Bank Indonesia, 2025). The largest surge occurred in 2021, influenced by changes in consumer shopping behavior during the pandemic, which accelerated the adoption of online transactions (Bank Indonesia, 2025). The Central Statistics Agency (BPS) reported that the number of e-commerce businesses in Indonesia reached 4.4 million units in 2024, a 15.3% increase compared to the previous year, indicating that more businesses are turning to digital platforms to expand their market reach (BPS, 2025). Furthermore, e-retail and marketplace transactions recorded a 6.19% quarterly increase, driven by high demand for various product categories such as personal care and household supplies (BPS, 2025). The development of e-commerce and the acceleration of digital transformation have intensified competition in the retail industry, where companies no longer compete solely on price, but also on service speed, ease of access, and the quality of the customer experience. This situation encourages retailers to integrate online and offline channels through an omni-channel approach to maintain competitiveness.

The growth of omnichannel has been proven to encourage consumer migration from traditional to digital channels due to ease of access, service integration, and consistency of the shopping experience (Syafitria, 2024). This situation demonstrates that companies that are able to effectively integrate various sales channels will have a competitive advantage over retailers that still operate conventionally. Thus, modern retail competition is no longer determined solely by store location or product price, but by a company's ability to build an integrated shopping ecosystem. The dominance of major players in adopting omni-channel strategies indicates that the future of the retail industry will increasingly rely on digital innovation and technology integration as a source of strategic advantage.

Nationally, Indonesia's growing internet penetration—expected to reach over 215 million users by 2024—shows significant potential for developing an omni-channel strategy (APJII, 2024). Today's consumers demand not only convenience but also speed, personalization, and integrated cross-platform services. Therefore, retail companies in Indonesia are required to formulate strategies that adapt to these changes to remain competitive.

The development of omni-channel strategies in the retail industry requires companies to integrate all sales channels to create a consistent and seamless customer experience. In this context, Azko Retail, as one of Indonesia's growing retail players, has begun adopting a multi-channel approach through a combination of physical stores and a digital presence. However, Azko's omni-channel implementation still shows signs of being less than optimally integrated. This is reflected in the continued separation between online and offline channels, which operate in parallel, particularly in sales systems, inventory management, and customer databases. This situation has the potential to lead to information fragmentation and hinder the formation of a single customer view, namely a comprehensive understanding of customer behavior across all touchpoints. As a result, the customer experience becomes less consistent, while data utilization for strategic decision-making is less than optimal.

Furthermore, Azko's digital transformation tends to be partial, with digital channel development not yet fully integrated with business processes and organizational capabilities. Conceptually, the success of an omni-channel strategy is largely determined by the level of channel integration that enhances the customer experience and operational effectiveness (Verhoef et al., 2015). Without a holistic strategy formulation, omni-channel implementation risks remaining tactical and short-term, making it difficult to create a sustainable competitive advantage.

Furthermore, channel fragmentation can directly impact the quality of the brand experience. Modern consumers expect a seamless transition between online and offline interactions, including

DOI: 10.5281/zenodo.19809808

consistent pricing, product availability, loyalty programs, and after-sales service. When companies fail to deliver a consistent experience, customer perception of the brand can decline, ultimately impacting loyalty and purchasing decisions. Research shows that an integrated customer experience is a critical determinant in creating customer value and competitive differentiation (Lemon & Verhoef, 2016). Furthermore, fragmented customer data also limits companies' ability to leverage analytics for strategic purposes, such as personalized promotions, demand forecasting, and product development. Yet, in the data-driven economy, customer information is a strategic asset that can improve managerial decision-making accuracy and strengthen long-term relationships with consumers.

From an operational perspective, uncoordinated digital transformation also has the potential to lead to cost inefficiencies. System duplication, non-standardized work processes, and lack of inventory synchronization can increase operational expenditure without a corresponding increase in productivity. This presents a serious challenge, especially amidst retail competition that increasingly demands both efficiency and organizational agility. Therefore, the challenges faced by Azko Retail are not only related to technology adoption but also the need to formulate a comprehensive omnichannel strategy. The company needs to design a strategic management approach that integrates all business channels to create a consistent customer experience, optimize data utilization, and improve operational efficiency. Therefore, strategic analysis is crucial for identifying the company's competitive position and formulating a sustainable transformation direction in the digital era.

From a customer perspective, the success of an omni-channel strategy relies heavily on a deep understanding of the consumer journey. Customer Journey Mapping enables companies to identify all customer interaction points, evaluate pain points, and design more consistent and value-added experiences. This approach is becoming increasingly important as customer experience has become a key determinant of competitive differentiation in the modern retail industry (Lemon & Verhoef, 2016). Furthermore, in the strategic decision-making stage, companies require a method capable of objectively prioritizing strategic alternatives. The Quantitative Strategic Planning Matrix (QSPM) offers a quantitative approach to evaluating the relative attractiveness of various strategic options based on previously identified internal and external factors. Thus, the QSPM helps management minimize subjective bias while improving the quality of strategic decisions (David & David, 2017).

The integration of these frameworks demonstrates that formulating an omni-channel strategy requires a multidimensional approach that focuses not only on environmental analysis but also on organizational capabilities, customer experience, and strategy implementation priorities. The combination of SWOT and Balanced Scorecard needs to be strengthened with VRIO, Dynamic Capabilities, Customer Journey Mapping, and QSPM so that the company can formulate a more comprehensive, adaptive, and sustainable strategy. Thus, the need for a more holistic strategic framework is becoming increasingly urgent for Azko retail. An integrated strategic approach is expected to not only be able to address the challenge of channel fragmentation but also strengthen the company's competitive position amidst increasingly technology-based retail competition. This condition then becomes an important foundation for this research to design a more comprehensive and implementable omni-channel strategy formulation.

Despite the rapid growth of omni-channel literature, most research focuses on operational and marketing aspects, such as channel integration, cross-channel shopping behavior, and customer experience. Research that positions omni-channel as a holistic strategic management issue, linking business environmental pressures, resource readiness and internal capabilities, formulating alternative strategies, and translating strategies into measurable implementation frameworks, remains relatively limited. Furthermore, studies in the Indonesian retail context, which is currently undergoing a digital transformation phase, have not provided much insight into how to systematically formulate omni-channel strategies according to the characteristics of the company and the domestic market. This gap constitutes a research gap in this study, making the study of Azko Retail crucial for developing a more comprehensive, contextual, and implementable omni-channel strategy.

The novelty of this research lies in its effort to develop an omni-channel strategy formulation that goes beyond identifying channel conditions and customer experience, but is designed more holistically through a strategic management perspective. This research integrates external environmental analysis, internal resource and capability evaluation, strategic priority selection, and strategy translation into a measurable implementation framework. Thus, this research offers a more comprehensive approach than previous studies that generally still place omni-channel only partially within the marketing, technology, or consumer behavior aspects. Another novelty of this research is its placement in the context of Azko Retail as a company currently in the digital transition phase. Therefore, the research results are expected to provide conceptual and practical contributions in developing a contextual, implementable, and sustainable omni-channel strategy.

The urgency of this research is further heightened by the rapid pace of digital transformation in the retail industry, while companies are required to deliver consistent and valuable channel integration for customers. In such a situation, delays in formulating a targeted omni-channel strategy can lead to service fragmentation, operational inefficiencies, poor customer data utilization, and reduced competitiveness in an increasingly experience- and technology-driven retail environment. For Azko Retail, the need for a clear omni-channel strategy is crucial to ensure that digital transformation is not fragmented but rather connected to the company's long-term business objectives. Therefore, this research is urgently needed as an analytical basis to help companies formulate strategies that are more adaptive, measurable, and relevant to current retail market dynamics.

LITERATURE REVIEW

Strategic Management in the Context of Digital Transformation

Strategic management is an integrated process used by organizations to formulate, implement, and evaluate strategic decisions to achieve competitive advantage (Fred R. David, 2013). From a modern perspective, strategic management focuses not only on planning but also on the organization's ability to align external environmental conditions with internal resources and the company's long-term goals.

DOI: 10.5281/zenodo.19809808

This alignment is crucial in facing increasingly complex business dynamics, where organizations are required to respond adaptively to changes in markets, technology, and consumer behavior. According to Michael E. Porter (2008), strategic success is determined by a company's ability to position itself appropriately amidst competitive pressures in the industry. Meanwhile, the resource-based approach emphasizes that competitive advantage also depends on a company's ability to effectively manage and utilize strategic resources.

In the context of digital transformation, strategic management plays a crucial role in guiding organizations not only to adopt technology but also to integrate it into their overall business model. Bharadwaj et al. (2013) emphasized that digital strategy must align with business strategy to create sustainable competitive advantage.

Thus, strategic management in the digital era not only functions as a planning tool, but also as a framework to ensure alignment between the business environment, internal capabilities, and the direction of company transformation, so as to produce strategies that are adaptive, measurable, and oriented towards creating value for customers.

RBV & VRIO/VRIN

The Resource-Based View (RBV) is a strategic perspective that emphasizes that a company's competitive advantage stems from the organization's internal resources and capabilities. This theory was first popularized by Barney (1991), who stated that a company will be able to achieve superior performance if it possesses resources that are valuable, rare, difficult to imitate, and non-substitutable. Resources in the RBV include tangible assets such as technology, infrastructure, and financial capital, as well as intangible assets such as brand reputation, organizational culture, knowledge, and employee competencies. Organizational capabilities are crucial because they demonstrate a company's ability to effectively integrate and utilize these resources to respond to the dynamics of the business environment. In the context of modern retail, the RBV helps companies identify internal strengths that can form the foundation of a sustainable strategy, particularly in the face of digital transformation and omni-channel competition.

The VRIO framework is an analytical tool developed by Barney to evaluate whether a resource can create a sustainable competitive advantage. VRIO consists of four main criteria:

1) Value (V) – Resources must be able to provide value by helping the company take advantage of opportunities or reduce threats.
2) Rarity (R) – The resource is not possessed by many competitors.
3) Imitability (I) – Difficult to imitate due to unique historical factors, causal ambiguity, or social complexity.
4) Organization (O) – The company has systems, structures and processes that support optimal resource utilization.

Meanwhile, the VRIN concept is an early development of the RBV that adds the criterion of non-substitutability, namely that resources cannot be replaced by other equivalent strategic alternatives. The use of VRIO/VRIN allows organization evaluate whether source Power only generate competitive parity, temporary advantage, or sustained competitive advantage.

Dynamic Capabilities Framework

The Dynamic Capabilities Framework is a concept in strategic management that explains an organization's ability to integrate, build, and reconfigure internal and external competencies to respond to rapidly changing business environments (Teece, 2018). Unlike the resource-based view, which focuses on strategic asset ownership, dynamic capabilities emphasize a company's capacity to continuously adapt and innovate to maintain a competitive advantage in dynamic market conditions.

Omni-Channel Strategy in the Retail Industry

Omni-channel is a strategic approach that integrates all customer interaction and transaction channels—both online and offline—to create a consistent and seamless experience at every touchpoint (Verhoef et al., 2015). Unlike multi-channel, which manages channels separately, omni-channel emphasizes the interconnectedness of channels within a single, integrated system. From a strategic management perspective, omni-channel is not just a marketing approach, but rather a business integration strategy that aligns operational processes, information systems, and customer data management. This integration enables increased efficiency, data-driven decision-making, and the creation of a consistent customer experience. Strategically, omni-channel contributes to increased retail competitiveness because it is able to create higher customer value while increasing responsiveness to changes in consumer behavior (David Rigby, 2011).

Customer Journey as a Customer Experience Perspective

The customer journey describes the entire process of customer interaction with a company before, during, and after a purchase through various touchpoints (Lemon & Verhoef, 2016). In the modern retail context, the customer journey is dynamic and cross-channel, where customers can move between online and offline channels within a single purchase process.

This situation requires companies to ensure a consistent customer experience across all touchpoints. Disintegration between channels can potentially lead to fragmented experiences, such as differences in product information, services, or pricing, which can ultimately decrease customer satisfaction and loyalty. Therefore, channel integration is key to creating a seamless experience that supports a successful omni-channel strategy.

From a strategic perspective, customer journey mapping serves as a tool to identify customer interaction points, understand needs and expectations, and detect bottlenecks in the service process. Thus, the customer journey is used not only to improve the customer experience but also as a basis for evaluating the extent to which the implemented omni-channel strategy is relevant, integrated, and able to create value for customers.

Strategic Analysis Framework

1. Porter's Five Forces

Five Forces, or what is commonly referred to as the five competitive forces analysis, is an analysis model formulated by Michael Porter with the aim of creating a framework as a review medium in improving company strategies that contribute to competitiveness and competitive advantage (Hintoro & Wijaya, 2021).

Porter's Five Forces is a basic supporting tool used to formulate a company's competitive strategy. The purpose of Porter's analysis is to determine the company's competitive advantage. Porter's five forces analysis model is a strategy development method that has been generally used in many industries. Porter believes that the competitive nature of an industry can be seen as a mixture of five forces, namely rivalry among similar companies, the possibility of

DOI: 10.5281/zenodo.19809808

new competitors entering, the potential to develop alternative products, the bargaining power of sellers/suppliers, and the bargaining power of buyers/consumers (Paskalino & Ronny, 2015).

Porter's five forces model uses five factors to determine the level of competition and market attractiveness of an industry. These factors are the threat of new entrants, the bargaining power of buyers, the bargaining power of suppliers, the threat of substitute products, and competition from similar competitors. Through an analysis of these five forces, we can determine the strength of a company's current competitive position and the strength of its planned competitive position.

Figure 1. Porter's Five Forces

With utilizing Porter's Five Forces model, the team management can understand action what is needed, such as the method used to give contribution in determine superiority compete for company. With existence analysis this company have directions in make a decision for achieve extensive strategies in create superiority Competitive. Companies often develop strategies without considering the long-term impact of their strategic choices on the company's structure. Companies see competitive advantages when their strategic choices are successful, but they fail to anticipate the consequences of competitive reactions. If a company's strategy is copied by competitors and damages the company's structure, all parties involved will suffer the consequences. This is often done by second-tier companies to find ways to overcome their weaknesses and problems (Riky & Mustamu, 2014).

2. PESTEL (Macro Analysis)

According to Johnson et al. (2017), PESTEL is a strategic analysis tool that helps organizations map key external forces that can influence the company's long-term strategic direction. Through this approach, companies can improve the quality of decision-making by systematically considering the dynamics of the business environment. In the context of this research, PESTEL analysis is used to identify external opportunities and threats that can influence the formulation of an omni-channel strategy at Azko Retail. Understanding macro factors allows companies to design strategies that are more adaptive to changes in the business environment while increasing organizational readiness to face market uncertainty. Thus, PESTEL not only functions as a tool for mapping the external environment, but also as a foundation in the process of formulating long-term oriented strategies.

Alternative Strategy Formulation

1. SWOT analysis

The SWOT Matrix is a strategic analysis tool used to synthesize a company's internal and external conditions into a single, integrated framework. This analysis combines strengths and weaknesses as internal factors, and opportunities and threats as external factors, resulting in a comprehensive understanding of the company's strategic position. In the context of strategy formulation, the primary function of SWOT is not simply to identify these factors, but to generate alternative strategies through a matching process between internal and external conditions. The results of this synthesis produce four main strategic groups, namely:

1) SO (Strength–Opportunities) strategy: taking advantage of internal strength with opportunity external in a way maximum.
2) WO (Weakness–Opportunities) strategy: minimize weakness with utilise existing opportunities.
3) ST (Strength–Threats) strategy: using strength for anticipate or reduce impact threat.
4) WT (Weakness–Threats) strategy: defensive strategy for minimize weaknesses and avoidance threat.

Thus, the SWOT Matrix serves as a strategic synthesis tool to transform environmental analysis results into concrete strategic options. In this study, SWOT serves as the initial stage in generating alternative omni-channel strategies, which will then be evaluated and prioritized using advanced approaches such as QSPM and Blue Ocean Strategy.

2. Blue Ocean Strategy

Blue Ocean Strategy is a strategic approach introduced by Kim and Mauborgne (2005) that emphasizes the importance of creating new market space (blue ocean) without competitors, so that competition becomes irrelevant. Unlike traditional strategies that focus on competition in existing markets (red ocean), Blue Ocean Strategy encourages companies to break out of bloody competition through value innovation. Value innovation is a key principle in Blue Ocean Strategy that simultaneously integrates differentiation and cost efficiency. Companies not only strive to be unique, but also create new value for customers by eliminating or reducing factors that provide less benefits, while simultaneously enhancing and creating new elements that have never been offered in the industry. To support this process, Kim and Mauborgne introduced the Four Actions Framework, namely

1) Eliminate – Removing factors that are no longer relevant in industry competition.
2) Reduce – Reduce Rated aspect overcharged by customers.
3) Raise – Increase factors that provide more value to consumers.
4) Create – Create new elements that can produce different experiences.

Furthermore, using the strategy canvas helps companies map their competitive position and identify differentiation opportunities. Through this tool, organizations can identify key competitive factors and design new value curves that are more relevant to customer needs. In the context of retail transformation and omni-channel strategies, Blue Ocean Strategy becomes relevant because it encourages companies to compete not only on price or

DOI: 10.5281/zenodo.19809808

promotions but also on delivering integrated, innovative, and customer experiences.

3. Quantitative Strategic Planning Matrix (QSPM)

The Quantitative Strategic Planning Matrix (QSPM) is an analytical tool in strategic management used to objectively evaluate and prioritize alternative strategies based on internal and external factors of the organization. This method was introduced by Fred R. David as part of a strategy formulation framework that helps decision-makers select the most attractive strategy from among several available options (David, 2017).

The QSPM builds on the results of previous analyses, such as the Internal Factor Evaluation (IFE) and External Factor Evaluation (EFE), and can be combined with the SWOT matrix to generate strategic alternatives. The main advantage of the QSPM is its ability to reduce subjectivity in strategic decision-making through a quantitative approach. The process of developing the QSPM involves a number of stages main, namely:

1. Identify key internal and external factors that have been weighted according to their level of importance.
2. Determine alternative strategies to be evaluated.
3. Assign an Attractiveness Score (AS) to each strategy, usually on a scale of 1–4, to indicate the strategy's level of attractiveness to a particular factor.
4. Calculate the Total Attractiveness Score (TAS) by multiplying the factor weights by the AS value.
5. Add up all TAS to get the strategy with the highest value as the top priority.

This approach enables organizations to compare various strategies systematically and transparently, resulting in more rational and accountable decisions. Furthermore, QSPM helps companies allocate resources more effectively because the chosen strategies have undergone a data-driven evaluation process.

METHODOLOGY

This study builds a conceptual and analytical foundation based on a literature review to formulate an integrated omni-channel strategy for Azko retail. This approach was chosen because the research focuses on enhancing the strategic framework by combining theories, models, and empirical results relevant to digital transformation in the retail industry. Literature review allows researchers to identify patterns, differences, and best practices from various previous studies addressing omni- channel, strategy management, and customer experience-based value innovation.

The literature sources used were strategic management books, conference proceedings, and relevant digital retail industry reports. To ensure relevance to the latest digital technology advances, a database with publications spanning the last ten to fifteen years was used. Keywords search includes "omni-channel strategy", "digital transformation in retail", "customer experience integration", "strategic management tools", "SWOT analysis", "Balanced Scorecard", and "Blue Ocean Strategy".

The literature identification, classification, evaluation, and synthesis process are the steps used to complete the analysis. To begin, relevant literature is collected and recorded. Then, the literature is grouped based on key topics, such as value innovation, omni-channel strategy, retail digital transformation, and strategic performance measurement. Finally, the evaluation phase involves assessing the methodological quality and relevance of the results from each study. Next, the synthesis phase integrates the various findings into an analytical framework that supports the integrated use of SWOT, Balanced Scorecard, and Blue Ocean Strategy.

Furthermore, the results of the literature synthesis were used as the basis for creating a strategic framework relevant to Azko Retail. This framework serves as a conceptual guide for measuring competitive position, creating strategic performance indicators, and developing value innovations that support sustainable omni-channel implementation in the era of digital transformation.

RESULTS AND DISCUSSION

Research Object

At Azko Retail, the main problem lies not only in the availability of online and offline channels, but also in the suboptimal integration of both channels to provide a consistent and valuable customer experience. Therefore, this study focuses on the Resource-Based View (RBV) and Dynamic Capabilities because the success of an omni-channel strategy depends on the company's ability to manage strategic resources and continuously adapt to changes in the business environment. While the business environment context is analyzed using IFE/EFE, PESTEL, and Porter's Five Forces, the evaluation of internal resources is conducted using VRIO.

The analysis results are then used as a basis for developing an omni-channel strategy by utilizing SWOT, prioritizing strategies with QSPM, and strengthening differentiation with the Blue Ocean Strategy. Afterward, the Balanced Scorecard is used to incorporate the selected strategy into an implementation framework. This way, strategic objectives and performance indicators can be measured. Furthermore, a customer journey map is used as a strategic validation tool to evaluate how well the suggested strategy fits with the integration of service and customer experience across various touchpoints. Therefore, this conceptual framework demonstrates an integrated workflow used to identify strategic issues, conduct capability and business environment analysis, create strategies, implement them, and ensure Azko Retail's customer experience contributes to the success of its omni-channel strategy.

Literature Analysis

The development of omni-channel strategies in modern retail literature demonstrates a shift from simply managing multiple channels to channel integration oriented toward customer value creation and operational efficiency (Verhoef et al., 2015; Cai & Lo, 2020). Various studies confirm that the level of channel integration is a key determinant in creating a quality customer experience, where a fragmented approach tends to lead to service inconsistencies and lower customer satisfaction (Gao et al., 2021; Gerea et al., 2021). Thus, omni-channel is not only about channel integration, but also about the holistic alignment of business processes and customer interactions.

From a consumer behavior perspective, the success of an omni-channel strategy is heavily influenced by a company's ability to deliver consistent, personalized, and trustworthy experiences across all touchpoints. Factors such as service personalization, customer journey design, and privacy management have been shown to play a role in increasing customer engagement and retention (Cheah et al., 2022; Yin et al., 2022; Zheng et al., 2024; Weippert et al., 2024; Suh et al., 2023). This suggests that the primary value of omni-channel lies in the seamless integration of customer experiences across channels.

DOI: 10.5281/zenodo.19809808

From an operational perspective, omni-channel implementation creates complexities that require adjustments to logistics systems, inventory management, and cross-functional organizational coordination (Kembro & Norrman, 2018; Du, 2021). Therefore, success is determined not only by the quality of the customer experience but also by the readiness of internal systems to support efficient channel integration.

In the context of digital transformation, the literature emphasizes the importance of dynamic capabilities as a key factor in supporting organizational adaptation to changes in technology and the business environment. The ability to sense, seize, and reconfigure enables companies to respond to disruption more adaptively and sustainably (Ellström et al., 2022; Saeedikiya et al., 2024). Meanwhile, in strategy formulation, the integration of analytical tools such as SWOT, Balanced Scorecard, and QSPM is considered effective in producing comprehensive, measurable, and objective strategies for prioritization (Quezada et al., 2019; Elezaj, 2023; Haekal & Satrya, 2022).

Overall, previous studies have shown that an omni-channel strategy requires integration between customer experience, operations, and organizational capabilities. However, most studies have examined these aspects only partially, resulting in few studies integrating internal-external analysis, resource capabilities, strategy formulation, and customer journey evaluation into a coherent strategic framework, particularly in the context of local retail.

Strategy Implementation

The strategy implementation in this study uses the Balanced Scorecard as a framework for translating strategy into strategic objectives and measurable performance indicators. According to Kaplan and Norton (1996), the Balanced Scorecard enables organizations to integrate vision and strategy across four key perspectives: financial, customer, internal business processes, and learning and growth.

In this context, the Balanced Scorecard serves as a tool to ensure that the formulated omni-channel strategy can be systematically implemented by establishing KPIs aligned with strategic objectives. This ensures that implementation is not merely conceptual but also measurable and can be evaluated on an ongoing basis.

1. SWOT Analysis at Azko

The primary objective of SWOT is to synthesize internal (strengths and weaknesses) and external (opportunities and threats) conditions to generate realistic and contextual strategic alternatives. In its implementation, SWOT does not stop at factor identification, but continues with a matching process to formulate SO, WO, ST, and WT strategies. In the omni-channel context at Azko Retail, SWOT implementation can be carried out by linking strengths such as the physical store network and brand presence with digitalization opportunities (SO), or leveraging technological opportunities to address weaknesses in system integration and customer data (WO). The final result is a collection of strategic options that serve as the basis for strategic decision-making in Azko's omni-channel development.

2. Balanced Scorecard (BSC) at Azko

The purpose of the Balanced Scorecard is to translate the formulated strategy into a measurable implementation framework through comprehensive performance indicators (KPIs). Implementation is carried out by grouping strategic objectives into four main perspectives: financial, customer, internal business processes, and learning and growth. In the omni-channel context at Azko Retail, the channel integration strategy translates into KPIs such as improved customer experience (from a customer perspective), efficient cross-channel inventory management (internal processes), and enhanced employee digital capabilities (learning & growth). Thus, the BSC ensures that Azko's omni-channel strategy can be implemented measurably and sustainably.

3. Blue Ocean Strategy (BOS)

The goal of the Blue Ocean Strategy is to create new market space with minimal competition through value innovation. Its implementation is carried out using the eliminate, reduce, raise, and create framework to design new value for customers. In the context of Azko Retail, this strategy can be implemented by reducing service complexity, increasing integration of the shopping experience, and creating a seamless omni-channel service that differentiates itself from competitors. Thus, Azko not only competes in its existing market but also differentiates itself and opens up new market opportunities through a superior customer experience.

CONCLUSION

A literature review shows that an omni-channel strategy is a crucial part of the digital transformation of the retail industry. If implemented without a clear strategic direction, this transformation can lead to service fragmentation, operational inefficiencies, and underutilization of service information. Strategic management approaches using SWOT, the Balanced Scorecard, and Blue Ocean Strategy have proven to be complementary in providing a comprehensive analytical framework. SWOT helps determine a company's competitive position internally and externally, and the Balanced Scorecard ensures that strategies can be translated into measurable performance indicators. Blue Ocean Strategy encourages the creation of value innovation that differentiates the company from its competitors. By combining these three approaches, a strong strategic foundation is built for developing a structured and sustainable omni-channel direction.

A literature synthesis indicates that Azko retail requires an omni-channel strategy focused on technology adoption and long-term business objectives. The findings of this study are expected to provide strategic guidance for guiding the comprehensive implementation of digital transformation, enhancing customer experience, and maintaining a sustainable competitive advantage in the digital retail era.

REFERENCES

1. Bharadwaj, A., El Sawy, O. A., Pavlou, P. A., & Venkatraman, N. (2013). Digital business strategy: Toward a next generation of insights. MIS Quarterly, 37(2), 471–482.
2. Cai, Y. J., & Lo, C. K. Y. (2020). Omni-channel management in the new retailing era. International Journal of Production Economics, 229, 107729.
3. Cheah, J. H., et al. (2022). Are privacy concerns still relevant? Revisiting consumer behaviour in omnichannel retailing. Journal of Retailing and Consumer Services, 65, 102114.
4. David, F. R. (2013). Strategic Management: Concepts and Cases (13th ed.). Pearson.
5. Du, Q. (2021). An overview on omnichannel inventory strategy under uncertain demand. American Journal of Industrial and Business Management, 11(5), 525–535.

DOI: 10.5281/zenodo.19809808

6. ElectroIQ. (2025). Omnichannel statistics by revenue, region and facts.
7. Ellström, D., Holtström, J., Berg, E., & Josefsson, F. (2022). Dynamic capabilities for digital transformation. Journal of Strategy and Management, 15(2), 272–286.
8. Elezaj, E. (2023). Quantitative Strategic Planning Matrix as a superior strategic management tool. Mendel Journal.
9. Forrester. (2024). Global retail e-commerce sales will reach $6.8 trillion by 2028.
10. Gao, W., Fan, H., Li, W., & Wang, J. (2021). Crafting the customer experience in omnichannel contexts: The role of channel integration. Journal of Business Research, 126, 12–22.
11. Gerea, C., Gonzalez-Lopez, T., & Hershkovitz, E. (2021). Omnichannel customer experience and management: An integrative review. Sustainability, 13(5), 2824.
12. Gitnux. (2026). Multichannel marketing statistics report.
13. Johnson, G., Scholes, K., & Whittington, R. (2017). Exploring strategy (11th ed.). Pearson Education.
14. Kaplan, R. S., & Norton, D. P. (1996). The Balanced Scorecard: Translating strategy into action. Harvard Business School Press.
15. Kaplan, R. S., & Norton, D. P. (2004). Strategy maps: Converting intangible assets into tangible outcomes. Harvard Business School Press.
16. Kembro, J. H., & Norrman, A. (2018). Adapting warehouse operations and design to omni-channel logistics. International Journal of Physical Distribution & Logistics Management, 48(9), 890–912.
17. Keevee. (2025). 37 omnichannel statistics for 2025.
18. Kontan – Bank Indonesia. (2025). Transaksi e-commerce Indonesia 2019–2024.
19. Kotler, P., & Keller, K. L. (2016). Marketing management (15th ed.). Pearson.
20. Lemon, K. N., & Verhoef, P. C. (2016). Understanding customer experience throughout the customer journey. Journal of Marketing, 80(6), 69–96.
21. Periskop.id. (2025). BPS: Transaksi e-retail dan marketplace tumbuh 6,19% pada kuartal III 2025.
22. Persuasion Nation. (2025). Key omnichannel marketing statistics.
23. Porter, M. E. (2008). The five competitive forces that shape strategy. Harvard Business Review, 86(1), 78–93.
24. Quezada, L. E., Reinao, E. A., Palominos, P. I., & Oddershede, A. M. (2019). Measuring performance using SWOT analysis and Balanced Scorecard. Procedia Manufacturing, 39, 786–793.
25. Saeedikiya, M., et al. (2024). Toward a dynamic capability perspective of digital transformation in SMEs. Journal of Cleaner Production, 418, 139831.
26. Suh, T., et al. (2023). An omnichannel strategy for DIY customers' enhanced experience. Journal of Business Research.
27. Teece, D. J. (2018). Business models and dynamic capabilities. Long Range Planning, 51(1), 40–49. https://doi.org/10.1016/j.lrp.2017.06.007
28. The Trust Agency. (2025). Consumer behavior statistics.
29. Verhoef, P. C., Kannan, P. K., & Inman, J. J. (2015). From multi-channel retailing to omni-channel retailing: Introduction to the special issue on multi-channel retailing. Journal of Retailing, 91(2), 174–181. https://doi.org/10.1016/j.jretai.2015.02.000
30. Wang, X., Bart, Y., Netessine, S., & Wu, L. (2025). Impact of multi-platform social media strategy on sales in e-commerce.
31. Weippert, M., Henseler, J., & Schuberth, F. (2024). The scope and intensity of personalised omnichannel interactions across the customer journey. Journal of Marketing Management.
32. Yin, C. C., Kim, H., & Ryu, K. (2022). How to retain customers in omnichannel retailing. Journal of Retailing and Consumer Services, 68, 103050.
33. Zheng, L., Sun, R., & Zhang, J. (2024). Customer journey design in omnichannel retailing. Journal of Retailing and Consumer Services, 76, 103592.

DOI: 10.5281/zenodo.19809808