

Developing an Omni-Channel Strategy for Social Enterprises in the Philippines

Marvin I. Noroña, Janine Paula M. Tabar, and Ma. Theresa Angelie P. Eugenio

School of Industrial Engineering and Engineering Management

Mapúa University

658 Muralla St. Intramuros, Manila, Philippines

minorona@mapua.edu.ph, jpmtabar@mymail.mapua.edu.ph,

mtapeugenio@mymail.mapua.edu.ph

Abstract

Channel is defined as a medium where the company and customer interact. Different selling and marketing channels assist business to reach their markets: Brick-and-Mortar, Multi-Channel, Cross-Channel, and Omni-Channel. The for-profit social enterprises initiate social and environmental impact through an entrepreneurial approach by creating unique products and services. As the developing technology and innovation affect the retail industry, adaptation to these changes is inevitable for micro, small, and medium-sized enterprises, as well as for-profit social enterprises. The survey conducted showed the classification and data on the retail strategies and practices of various social enterprises in the Philippines. It also showed the businesses' views on the omni-channel adaptation. The study determined the key success variables that helped measure the following latent factors for omni-channel initiatives: Technological development, Conceptual factors, Capability and Competitive factors; and evaluated how these factors affect each other using the Structural Equation Modeling. The initial and final model fit test has been done, where the final and overall model fit parameters were accepted, and all latent factors have been shown to have significant direct, indirect, and total effects on each factor. Strategic activities and business initiatives were proposed as the study aimed to develop an effective and appropriate omni-channel marketing and selling strategy for micro, small, and medium-sized social enterprises in the Philippines.

Keywords

Social Enterprises, Omnichannel Strategy, Structural Equation Modeling (SEM), Technological Development

1. Introduction

Social Enterprises is a fast-emerging discipline that generates social impact through an entrepreneurial approach, becoming essential for economic growth and playing a significant contribution in local economies through job creation, improving quality of life for the local people, provision of valuable social services, production of social goods and sustainable development (Borzaga & Solari, 2001; Jilenga, 2017). It plays a crucial role in solving social problems by using creative strategies, especially in the context of limited resources and capabilities (Di Domenica, Haugh & Tracey, 2010). Thus, non-profit and for-profit social enterprises are included in economic processes such as doing business, economic policy, and financial policymaking. A for-profit social enterprise (SE) is an organization that applies commercial strategies to optimize financial, social, and environmental well-being improvements – this may include optimizing social impact while earning profits for the owners/sponsors.

While the non-profit SEs depend on funding and grants through donations or government, for-profit SEs rely heavily on their sales and profit and need a way to improve and preserve their funding source (Carson & Griffith, 2009). SEs such as mainstream entrepreneurial ventures must inevitably follow certain innovative entrepreneurial approaches to their marketing if they are to achieve their objectives successfully (Satar et al., 2016). Thus, SEs are forced to adopt certain revenue-generating strategies to maintain their position in the market and ensure their survival in the competition which the SEs are facing from the for-profit sector.

Channel is defined as a customer contact point through which the company and the customer interact, is built to assist customers during their decision-making process and build deeper customer relationships (Beck & Rygl, 2015; Yrjölä, Spence & Saarijärvi, 2018). There are different types of channel strategy: (1) Brick-and-Mortar (B&M); (2) Multi-channel; (3) Cross-channel retailing; and (4) Omnichannel (OC) retailing. The Omnichannel, as the channel

focus of the study, is defined as the complete integration of all channels with no distinction between the online and the physical channel (Simone & Sabbadin, 2017), a business model with set of activities that will help in selling products and merchandise through all general channels, where the customer can control full channel interaction and integration (Brynjolfsson, Hu & Rahman 2013; Verhoef et al., 2015; Xu & Jackson, 2019).

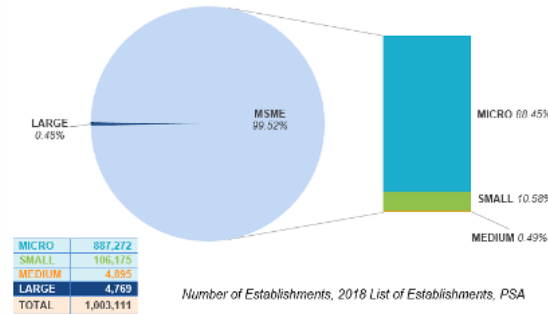


Figure 1. Number of Establishments, 2018 List of Establishments, PSA

According to Philippines Statistics Authority, they recorded a total of 1,003,111 business enterprises operating within the country and 99.52% are MSMEs (Fig. 1). Of that 99.52%, micro-enterprises constitute 887,272 of the totals, small enterprises with 106,175, and medium enterprises at 4,895. The Philippine MSME market is dominated by retail and wholesale with almost 47% of the total, and the majority of these, especially the micro enterprises are found in the National Capital Region (NCR) with 203,312 or 60.05% of the total business establishments in the Philippines.

Table 1. MSME Classification

Enterprise	Category	
	By Asset Size	By Number of Employees
Micro	Up to P3,000,000	1 - 9 employees
Small	P3,000,001 - P15,000,000	10 - 99 employees
Medium	P15,000,001 - P100,000,000	100 - 199 employees

Table 1 shows the MSME Classification. It is a comprehensive table of Enterprises Category- Micro, Small, and Medium- in the Philippines by which through this, enterprises can be identified in terms of asset size and employee size. In the year 2007, it was assessed that 30,000 social enterprises are operating in the Philippines, of which by far were cooperatives and associates of some form, and 500 were a microfinance institution (Darko & Quijano, 2015).

1.1 Objectives

As technology is one of the biggest factors that affect this sudden change in the retailing industry, the OC marketing strategy has been adopted by bigger retail companies (e.g. Glade, Crate & Barrel, McDonalds', Starbucks, SM, 7-11, Toby's Sports & Walter Mart) to enhance customer loyalty, boost their sales and increase market share (Braaten, 2018; Segovia, 2017). In the light of the retail industry players using the OC approach in selling and given that the for-profit retail social enterprises are seeking for sustainable sales and growth, the study aims to substantiate the question: Will an Omnichannel Strategy fit a retail social enterprise considering its dual goal of being profitable and having social impact? Consequently, this study aims to achieve the following objectives, that is: (a) to assess the current retailing strategies and practices of retail SEs; (b) to determine and define key success factors needed for retail SEs to employ Omnichannel initiatives, and (c) to develop an effective and suitable Omnichannel marketing framework for retail SEs.

As SEs have been rising in the Philippines, where a few SEs are already achieving national impact, there are still relatively few studies that thoroughly discuss management and marketing distribution channels that a retail Social Enterprise can use. The study will focus on Philippine-based retail enterprises engaged in the marketing and selling of merchandise that employ differentiation in their core products and distribution channels. Due to said focus, the

scope of the study is limited in terms of the number of retail social enterprises and terms of historical data, if any. The research will have to obtain primary information from retail social enterprise owners and managers in this regard.

2. Methodology

The study utilized the Structural Equation Modeling (SEM) approach to evaluate the non-observed latent factors by measures, and the combination of factor analysis and multiple regression were utilized to assess the relation between the measured and non-measured factors. SEM is a widely recognized theoretical methodology for the theory testing and extension in the marketing and consumer behavior disciplines (Hair et al., 2016). It deals with reflective and formative measurement models but also suitable for testing the path coefficient in complex models (Rasoolimanesh et al., 2015; Ringle et al., 2012), thus, several studies have used SEM as a tool to determine and evaluate the factors. Furthermore, AMOS was used as the statistical software to perform the hypothesis testing. The non-observed latent factors are the factors in which it cannot be measured, were defined by the observed variables to analyze the interrelationship between the latent factors. The validity of the measurement model can be achieved by examining the Model Fit indices and assessing the construct validity and reliability of the model. Using the different model fit indices, the study was able to examine the proposed structural model.

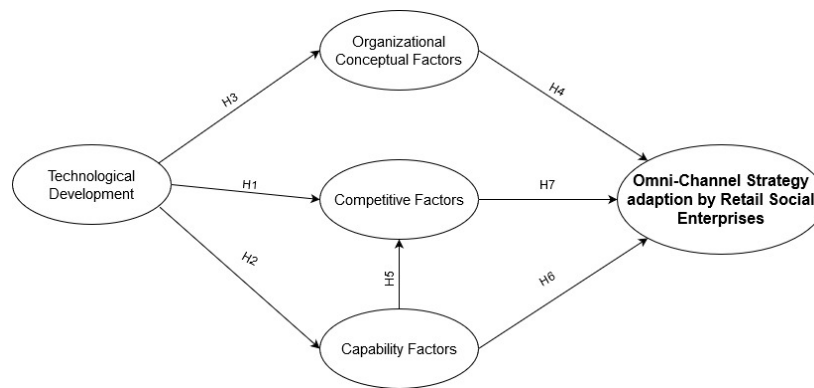


Figure 2. Conceptual of Omni-Channel Strategy adaption by Retail Social Enterprises Model

The study proposed seven (7) hypotheses to analyze the relationship of factors (Fig. 2) to achieve the objectives. Several studies stated that technology and innovation have begun to be the focal point of interest in retailing and the rapid technology change should be responded by the SMEs to find a way to sustain their business (Hypothesis 1) (Zhou, Tan & Uhlener, 2007; Varis & Littunen, 2010; Bouwman, Nikou & Reuver, 2019). Pleska (2018) stated it was also seen to be affecting the current channel strategies that retailers use in reaching their market and this affects the customers' behavior in responding (Hypothesis 2). Organizational Conceptual Factors discusses and focuses on the concept of a SE, and the technological developments in the retail industry are expected to make a difference to the SE (Hypothesis 3) (Sim, 2018; Juneja, n.d.), and such organizational conceptual aspects of SEs believed to influence formulating an effective OC strategy for retail SEs (Hypothesis 4). The Organizational Conceptual factors only discusses the concept of SE; thus, the capability and competitive factors were separated. The organizational capability is the ability of a company to manage their resources effectively to gain an advantage over competitors and focus these resources to manage customer demands (Hypothesis 5) (theintactone.com, 2020). Competitive factor, such as its strengths, knowledge about it and its process, relationships built are used to come up with effective and efficient strategies that will provide a distinct advantage (Hypothesis 7) (Simone & Sabbadin, 2017; Pleska, 2018) and the enterprises should be able to execute wisely and properly, as the willingness of the consumers to choose Omni-Channel now depends on the retailers' performance (Hypothesis 6) (Priporas et al., 2017; Chatterjee & Kumar, 2017; Ferdousi, 2017). As the hypotheses were formulated, the first and second objective of the study are now defined.

2.1 Data Collection

A total of 267 representatives from different for-profit SEs in the Philippines participated in the survey conducted. The survey consists of questions that identify the classification of the SE and 35 questions that will support the hypotheses formulated in the study. A 5-point Likert scale was used as a rubric, where the 5-point presents the respondents' agreement to the statement, and 1-point as disagreement. The classification of different enterprises,

presented in Table 1, categorized by asset size and by the number of employees, were used as the basis of how the data will be categorized and arranged in the study.

3. Results and Discussion

3.1 Survey Results

Figure 3 illustrates the demographics of the MSM SEs in the Philippines according to their asset size, where 62% of the different SEs the Philippines can be classified as a micro social enterprise, with an asset size of PHP 3,000,000. The figure shows the number of SEs to be considered when developing the strategy and initiatives that the study proposes.



Figure 3: Classification of Micro, Small and Medium Social Enterprises according to Asset Size

The result of the survey, where each latent factor has been measured by the measure variables, were consolidated to be analyzed, and will be used as the data to be processed in the AMOS for model fit test.

3.2 Structural Equation Modeling Results

Measurement model was made and presented in Figure 2 using the hypotheses discussed. A model fit test was done to see how well the sample data fit a distribution from a population.

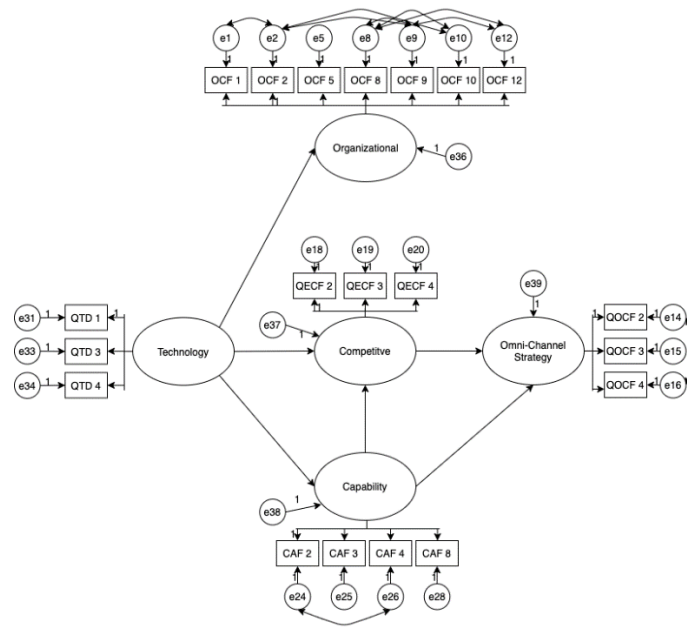


Figure 4. SEM output model

Table 2 presents the initial and the final parameter estimates, along with suggested cut-offs and the measure indices to analyze the data. The initial parameter estimates reveal that the initial model was not a good model fit. Thus, a revised model (Fig. 4) was derived by eliminating variables with a factor loading of less than 0.40 (Ertz, Karakas, & Sarigollu, 2016) but still considered the low factor loading of variables that the researchers think significant to the latent, also considered the low factor loading the researchers believe correlates with the latent, and covaried error variables in the same latent factor through modification indices, with 4 as the specified threshold. After the modification, there is still a non-significant hypothesis: Organizational Concept to Omni-Channel Strategy Adaptation (Hypothesis 4), therefore, it has been removed in the final model.

Table 2. Model Fit Test Result

Measure	Parameter Estimates (INITIAL)	Parameter Estimates (FINAL)	Suggested Cut-Off
Chi-squared χ^2/df	3.831	2.265	< 2 - 5
Incremental Fit Index (IFI)	0.0441	0.859	> 0.90
Tucker-Lewis Index (TLI)	0.431	0.822	> 0.80
Normed-Fit Index (NFI)	0.372	0.772	> 0.90
Comparative Fit Index (CFI)	0.473	0.855	> 0.90
Goodness of Fit (GFI)	0.626	0.882	> 0.80
Adjusted Goodness of Fit (AGFI)	0.572	0.840	> 0.80
Root Mean Square Residual (RMSR)	0.053	0.030	< 0.05
Root Mean Square Error of Approximation (RMSEA)	0.103	0.069	$\leq 0.05 - 0.08$

The final parameter estimates of each measure indices and its suggested cut-offs, which is used to evaluate the model fit. The final model fit test has shown an improvement compared to the previous calculation. Further discussion of the data and model fit indices were considered, as the chi-square estimate should rarely be used as a sole index of model fit (Brown & Moore, 2012). Wheaton, Muthen, Alwin, & Summers (1977) introduced relative chi-square (χ^2 / df) as an alternative index to assess model fit. Relative chi-square in the final model fit test is equal to 2.265, which is within the suggested cut-off indicating a reasonable fit. Tucker-Lewis Index (TLI) is introduced as an index that prefers simpler models, and the study's parameter for TLI is 0.822 and with an acceptable cut-off of 0.80 (Hooper et al., 2008), can pass as a good model fit. Comparative Fit Index (CFI), where even the small sample size is considered, has a cut-off of 0.90 is recommended (Hooper et al., 2008), but a previous study (Bollen, 1989) stated that a CFI value of 0.85 represents progress from lower value and with the CFI value of 0.855 in the final model fit test, therefore, the final model could pass the cut-off. Goodness-of-fit (GFI) statistic was introduced as an alternative to the Chi-square test. As the statistic reaches from 0 to 1, data with larger samples increases its value and a recommended cut-off point of 0.80 (Gefen, Straub & Boudreau, 2000), therefore a result of 0.882 in the model fit test indicates the model is good. The study's Root Mean Square Residual (RMSR) value is 0.030, which passes the suggested cut-off of 0.05 (Gefen, et al., 2000).

Overall, the final model fit test presents parameters along with the suggested cut-off, indicating that the final model can be accepted and used to analyze the direct, indirect, and total effects of each latent to each other.

3.3 Discussion

Table 3 presents the direct, indirect, and total effects of the different latent factors. SEM indicated that Technology Development (TD) had a significant direct and indirect effect on the Competitive Factors (ECF) (H1: $\beta:0.525$, $p=0.001$) and direct effects on the Capability Factors (CAF) (H2: $\beta:0.718$, $p=0.001$). As larger retail companies adapt Omni-Channel to enhance their businesses, small and medium-sized retailers are seeing the benefits of this opportunity and think that MSMEs have the capability of implementing an Omni-Channel Strategy that can be used as an advantage for their businesses (Rusanen, 2019). The results have also shown that technology affects the relationship between the company and the customer, rather than the company and its resources. Technology continuously presents itself to be beneficial and continues to advance, and the effect and customers' attitude towards retail businesses indicates that more customers are willing to use different multiple channels to browse or purchase (Chatterjee & Kumar, 2017).

Table 3. Direct, Indirect, and Total Effect

Variables	Direct	P-value	Indirect	P-value	Total Effect	P-value
TD → ECF	0.525	0.001	0.172	0.001	0.697	0.001
TD → CAF	0.718	0.001	-	-	0.718	0.001
TD → OCF	-0.195	0.030	-	-	-0.195	0.030
CAF → ECF	0.239	0.039	-	-	0.239	0.039
ECF → OCS	0.350	0.002	-	-	0.350	0.002
CAF → OCS	0.266	0.011	0.084	0.011	0.350	0.011
TD → OCS	-	-	0.435	0.001	0.435	0.001

Following the discussion of significant effects on Capability and Competitive Factors, Technology Development is noted to also have a negative direct effect on the Organizational Conceptual Factors (OCF), the for-profit Social Enterprises (H3: β :-0.195, p =0.030). The results have shown the variables that SE considered important for the business may be affected negatively by technology developments. The for-profit Social Enterprises believes that the partnership with local makers is an important part of the business, and the advancing technology may have a positive impact on Social Enterprises, but not significantly on how companies build their partnerships with locals and individuals to further business.

Capability Factor has shown to affect the Competitive Factors (H5: β : 0.239, p =0.039). Each factor shows how the capability of a company can be used as a competitive edge. The results of the survey showed that companies believe that their current business practices and products satisfy their current customers, but Priporas et al. (2017) discusses how the consumers expect smart retailing in the future, while Chatterjee & Kumar (2017) addressed consumers' willingness to use multiple channels to pay and choose products and services. This shows that companies must be capable and willing to adjust and be able to adapt to technological advancements while managing their current practices to gather and retain customers.

SEM showed that Capability Factors and Competitive Factors had both significant effects on the Omni-Channel Strategy adaptation of Retail Social Enterprises (OCS) (H6: β :0.266, p =0.011; H7: β :0.350, p =0.002). The companies believe that they are capable to manage if they are to adopt OC strategy, but the consumers' knowledge of the company's products and services and their willingness to use different ways to shop has an impact on the entire business, thus adapting the Omni-Channel strategy would require a thorough study and training before implementation and management.

Since the study is only focused on the analysis and creating an effective strategy for the SEs in the Philippines, the study used Elshamly's (2013) first two phases of the conceptual framework of strategy process phases: the environmental analysis and the strategy formulation. Considering the final model test done, the results are evaluated through environmental analysis, which includes the analysis of the external and internal environment. Latent factors discussed in the study can be considered as an internal or external factor, especially the capabilities and competitive factors, respectively.

Table 4. Environmental Analysis

	Organizational Concept Factors	Capability Factors	Competitive Factors	Technological Development	Omni-Channel Strategy Adaptation
Internal	<ul style="list-style-type: none"> Partnership with locals to promote (Kunday & Şengüler, 2015) Support local small businesses by providing jobs (Michael et al., 2016) 	<ul style="list-style-type: none"> Company capable of implementing OC retailing Enough unique assets to create and adopt OC strategy (Rusanen, 2019) 			<ul style="list-style-type: none"> Training employees before adapting Omni-Channel Company capable of managing on their own
External			<ul style="list-style-type: none"> Current service exceeds the customer expectations (Priporas et al., 2017) Customer is willing to switch from any channel to Omni-Channel (Chatterjee & Kumar, 2017) 	<ul style="list-style-type: none"> Beneficial to switch offline to online channels (Sim, 2018) Technological development helps cutting costs (Juneja, n.d) 	

Table 4 presents the environmental analysis to support the first phase of the conceptual framework that described the measured internal and external variables which have a great effect on the latent factors. Using the standard regression weights and the factor score weights, the researchers were able to identify the measured variables that would help in creating and determining the effective and suitable OC strategy for SEs in the Philippines.

Table 5. Activities by business functions

Functions	Activities
Strategic and General Management	<ul style="list-style-type: none"> Good initial strategic planning and auditing of effective and efficient initiatives without compromising the goal and objectives of Social Enterprises. Identifying the Social Enterprises specific market and select specific appropriate channel initiative. Prioritization will help identifying the limit of integration of Omni-Channel. Management and Training for employees from research and development to operations to marketing.
Marketing and Sales	<ul style="list-style-type: none"> Omni-Channel providing fully integrated shopping experience to customer. The existing Omni-Channel initiatives from bigger retailers can help the Social Enterprises identifying the proper Omni-Channel initiatives suited to the business: Pop-up retail, Click & Collect, Promotions and Discounts, Guideshops and Near-field communication.

Research and Development	<ul style="list-style-type: none"> • Technology as a means of communication between the company and the customer; also aims to improve societal conditions through innovations. • Omni-Channel is technological development for a business, and a consistent market research and testing will help the company lessen its long-term costs and increase its potential sales.
--------------------------	---

Table 5 presents the activities by the companies' business functions. SEs are expected to make a significant difference by being a company that emphasizes the design of innovative inventive products for local goods, services, promotions, and functionality that are distinct from competitors. It should also consider what is outstanding about their new product while manufacturing the goods and recognize and improve the SEs' business flow. SEs, therefore, need to incorporate effective and efficient initiatives into their operation, including good strategic planning and auditing, accounting and financial reporting, as well as the management of the operation, to support and encourage the growth of the SE sectors in the Philippines.

Technological development, considered as one of the most important components of the study, as it directly affects the capability, competitive, and organizational concepts of SEs. The companies' primary objective, products, and services are social and aimed to improve social conditions through a variety of innovative and creative initiatives; It is also believed that it helps the SEs in achieving their goals at a low cost (Prodanov, 2018). The researchers hypothesized the role of technology to SE and the results showed that switching offline to using both offline and online channels would be less beneficial for SEs. Although the study showed a result of negative effect to SE, there are still several studies that support and believe that technological innovation can still have a positive impact with SE concept and characteristics and increase the chance of survival of SE in the current dynamic market (Del Guidice et al, 2019), can be seen as a game-changer for business structures, strategies, process and capabilities, and connects people from within the company to customers, reduces barriers in between, and builds a relationship with each other (Galvanauskaitė, 2014), which also enables social entrepreneurs to achieve their objectives with less effort but with an increase in profits (Prodanov, 2018).

Almost all brick-and-mortar shops and services have increased their online presence, as this is the easiest way of letting more people know about their products and services. In this study, and supported by Sopadjieva et al., (2017), companies believed that their competitive advantage relies on their customers, and customers want a real-time business engagement or a platform that they can use whenever, thus, OC may help the company reach these customers with the technology through old ways and new ways. The OC adoption to retail businesses, despite the costs, will give them a competitive edge compared to one-channel retailers and have an economic value to be gained from it (Brynjolfsson, Hu, & Rahman, 2013). The researchers conclude that different OC initiatives appeal to different customers, and their business understanding and willingness to switch to different channels can be used as a competitive advantage.

A Retail Mix across channels, where a smooth integration and harmonization across different channels to reach and assist customers, can be used as the goal for a company that wants to adopt Omni-Channel. While choosing a channel that is comfortable to use and can cater to different customers is better, SEs should identify their specific market and select a specific channel initiative that is appropriate to the identified market's demographics will help decide how to proceed. Prioritizing these specific initiatives would be the first step that will help the SEs to identify the limit of integration or adoption of OC for the business, which can also be used as a strength of the company that will help improve the marketing and its services.

The omnichannel strategy provides customers with a fully integrated shopping experience by integrating consumer experiences from brick-and-mortar to online and all in between, and with this strategy, it can be a valuable tool for businesses seeking to provide enhanced customer experience. Bigger firms have used or are still using OC initiatives, which could help SEs to check and identify the right strategy to adopt for their business. *Pop-up retail* is a store that is temporarily open to utilizing the trend and seasonal demands, while designed as a means to raise awareness and buzz about new products or brands within the store vicinity, some current businesses are now relying on digital ways to disseminate information to customers about the pop-up store and to further promote products (Niehm et al., 2006; Marciniak & Budnarowska, 2009). Through this kind of retail strategy, it will help the MSMEs to reach a broader market, and at the same time, offer a discovery-driven retail experience to customers and an exposure to new and unique products made in the market (Kim et al., 2010), which gives more opportunities for the company. While

some customers prefer to shop online then made the item to be delivered to their houses, there are local supermarkets and stores that have been using online-to-offline (O2O) also known by "*Click & Collect*", by taking the orders via online/apps where customers can choose and reserve the items they want, then the customer can pick up their order from the nearby store, an affiliated store, or pick-up points assigned near the store (Francia, 2019). Through this way, customers can still search and check reviews about the product they want to buy and still be able to personally check the item in full before purchasing them. In-store promotions, discounts, coupons, and vouchers are used to attract and retain loyal customers to remain profitable, especially during the off-season, and these marketing strategies also encourage customers to buy even unadvertised products in the store (Shamout, 2016). Digital coupons, vouchers, and discounts (e.g. free delivery and buy 1 take 1 promo) would be a good retail marketing initiative to promote items or products on various social media platforms, where new customers can be attracted (Dias, et al., 2015).

As most customers still want to experience the goods they want to purchase, several brands use *Guideshops* where customers can choose, customize, and try the products, but the items will not be sold in the shop and instead, the items would be tracked through apps and delivered to your home (Khan, 2016). This would be a good strategy to use by MSMEs for customers who shop for experience and who customize their products. *Near-field communication technology* is a program that is responsible for the data transfer tools and has been used in some retail stores by providing shoppers with a tablet that includes information needed about the products and is placed against items and signages across the store. SEs that produce customized products for customers can use this initiative as a communication tool to communicate with customers regarding their orders. Some retail stores also use a mobile application as a primary tool for brand communications where the customers can search for a specific product and check the product details on the mobile app and can add it to their cart or wishlist. Prodanov (2018) identified the main challenges that social entrepreneurs may face, and one of them is that SEs may not afford the high price of developing some digital innovations, hence, it would not be easy for SEs, particularly micro and small retailers, to produce an application that can be used for the business, so it may be practical and sufficient to adapt using text messages and e-mail subscriptions to reach their customers and notify them if new products are being introduced or items have been replenished. Given that these OC initiatives are being used in other countries, technology such as tablets, smartphones, mobile apps, and online payments (e.g., Paymaya, GCash, or bank transfer), was seen to be an advantage that SEs can take advantage of.

5. Conclusion

In the previous chapter, measured variables were discussed and used to assess the latent factors. The researchers were able to analyze the relationship of the factors, with the help of the measured external and internal variables and propose a recommendation on what to consider and how Social Enterprises will be able to adopt Omni-Channel Strategy for their business. Table 5 presents the business functions that are needed in the initial planning of an appropriate and suited strategy for a business. The latter part of the strategy process, the implementation, and evaluation of the process can be conducted as future research to further test whether the OC can be adapted and continuously used by the SEs in the Philippines.

An effective OC strategy must fulfill the following: first, it should have a strong, firm, and appropriate business strategy and a distinctive concept to have a competitive advantage from the competitors for any channels to succeed that the company adopts. The slowing down of the adoption of OC to business and thoroughly studying the process and the response of customers to channels will help the company decide how they will proceed, and a one-at-a-time approach OC to business would help them cope with changes and give them time to evaluate. To develop its unique infrastructure of OC experience, you will need to work closely with several departments to develop a strong strategy and concept to meet the requirements of today's empowered customers. Finally, the organizations and retailers must reassess their strategies and concept to provide them the most attractive, seamless, reliable, and contextual OC experience through all the platforms, without compromising their objectives and goals.

References

- Beck, N., & Rygl, D. (2015). Categorization of multiple channel retailing in Multi-, Cross-, and Omni - Channel Retailing for retailers and retailing. *Journal of Retailing and Consumer Services*, 27, 170–178. <https://doi.org/10.1016/j.jretconser.2015.08.001>
- Bollen, K. A. (1989). Structural equations with latent variables Wiley. New York.
- Borzaga, C., & Solari, L. (2001). 19 Management challenges for social enterprises. *The emergence of social enterprise*, 4, 333.

- Bouwman, H., Nikou, S., & Reuver, M. D. (2019). Digitalization, business models, and SMEs: How do business model innovation practices improve performance of digitalizing SMEs? *Telecommunications Policy*, 43(9), 101828. doi: 10.1016/j.telpol.2019.101828
- Brown, T. A., & Moore, M. T. (2012). Confirmatory factor analysis. *Handbook of structural equation modeling*, 361-379.
- Brynjolfsson, E., Hu, Y. J., & Rahman, M. S. (2013, May 21). Competing in the Age of Omnichannel Retailing. Available: <https://sloanreview.mit.edu/article/competing-in-the-age-of-omnichannel-retailing/>
- Carson, J., & Griffith, S. (2009). What is the for-profit social enterprise. *Yale Insights*. Retrieved on March, 14, 2020.
- Chatterjee, P., & Kumar, A. (2017). Consumer willingness to pay across retail channels. *Journal of Retailing and Consumer Services*, 34, 264–270. <https://doi.org/10.1016/j.jretconser.2016.01.008>
- Darko, E., & Quijano, T. (2015). *A Review of Social Enterprises in the Philippines*
- Del Giudice, M., Garcia-Perez, A., Scuotto, V., & Orlando, B. (2019). Are social enterprises technological innovative? A quantitative analysis on social entrepreneurs in emerging countries. *Technological Forecasting and Social Change*, 148(February), 119704. <https://doi.org/10.1016/j.techfore.2019.07.010>
- Dias, G. P., Gomes, H., Gonçalves, J., Magueta, D., Marques, F., Martins, C., ... Araújo, J. (2015). Discount Coupons Dematerialization: a Comprehensive Literature Review. EKNOW 2015, *The Seventh International Conference on Information, Process, and Knowledge Management*, (April), 92–98. Retrieved from http://www.thinkmind.org/index.php?view=article&articleid=eknow_2015_4_40_60134%0Ahttp://www.thinkmind.org/download.php?articleid=eknow_2015_4_40_60134
- Domenico, MariaLaura & Haugh, Helen. (2010). Social Bricolage: Theorizing Social Value Creation in Social Enterprises. *Entrepreneurship: Theory and Practice*. 34. 10.1111/j.1540-6520.2010.00370.x.
- Elshamly, A. B. M. (2013). Developing a strategic framework in small and medium sized enterprises (SMEs). 50.
- Ertz, M., Karakas, F., & Sarigöllü, E. (2016). Exploring pro-environmental behaviors of consumers: An analysis of contextual factors, attitude, and behaviors. *Journal of Business Research*, 69(10), 3971–3980. <https://doi.org/10.1016/j.jbusres.2016.06.010>
- Ferdousi, F. (2017). Understanding Consumer Behavior toward Social Enterprise Products. *Consumer Behavior - Practice Oriented Perspectives*. <https://doi.org/10.5772/intechopen.68743>
- Francia, A. B. (2019, July 22). Future-proofing retail stores against the threat of online shopping. Retrieved September 01, 2020, from <https://www.bworldonline.com/future-proofing-retail-stores-against-the-threat-of-online-shopping/>
- Galvanuskaite, I. (2014). Exploring technology's role in social entrepreneurship. *Exploring technology's role in social entrepreneurship*, 5–7.
- Gefen, D., Straub, D., & Boudreau, M. (2000). Structural Equation Modeling and Regression: Guidelines for Research Practice. *Communications of the Association for Information Systems*, 4, pp-pp. <https://doi.org/10.17705/1CAIS.00407>
- Hooper, Daire & Coughlan, Joseph & Mullen, Michael. (2007). Structural Equation Modeling: Guidelines for Determining Model Fit. *The Electronic Journal of Business Research Methods*. 6. <https://www.researchgate.net/publication/254742561>
- Jilenga, M. T. (2017). Social Enterprise and Economic Growth: A Theoretical Approach and Policy Recommendations. *International Journal of Academic Research in Accounting, Finance and Management Sciences*, 7(1), 41–49. <https://doi.org/10.6007/ijarafms/v7-i1/2538>
- Juneja, P. (n.d.). The Role of Technology in Social Entrepreneurship. Retrieved February 13, 2020, from <https://www.managementstudyguide.com/role-of-technology-in-social-entrepreneurship.htm>
- Khan, H. (2016, May 10). Why the Top Ecommerce Brands Are Moving Into Physical Retail (And What You Can Learn From Them. Retrieved September 01, 2020, from <https://www.shopify.com.ph/retail/why-the-top-ecommerce-brands-are-moving-into-physical-retail-and-what-you-can-learn-from-them>
- Kim, H., Fiore, A. M., Niehm, L. S., & Jeong, M. (2010). Psychographic characteristics affecting behavioral intentions towards pop-up retail. *International Journal of Retail and Distribution Management*, 38(2), 133–154. <https://doi.org/10.1108/09590551011020138>
- Kunday, Ö., & Şengüler, E. P. (2015). A Study on Factors Affecting the Internationalization Process of Small and Medium Enterprises (SMEs). *Procedia - Social and Behavioral Sciences*, 195, 972–981. doi: 10.1016/j.sbspro.2015.06.363
- Marciniak, R., & Budnarowska, C. (2009). Marketing Approaches to Pop Up Stores: An Exploration of Social Networking.

- Michael, M. S., Saban, G., & Abdurahman, A. Z. A. (2016). Factors Affecting Non-exporting Small and Medium Enterprises' Intention to Export: Resource Based Approach. *Procedia - Social and Behavioral Sciences*, 224, 199–206. doi: 10.1016/j.sbspro.2016.05.441
- Niehm, L. S., Fiore, A. M., Jeong, M., & Kim, H.-J. (2006). Pop-up Retail's Acceptability as an Innovative Business Strategy and Enhancer of the Consumer Shopping Experience. Retrieved from http://lib.dr.iastate.edu/aeshm_pubs/1
- Pleska, J. (2018). 6 Benefits of Choosing an Omnichannel Strategy. Retrieved from <https://blog.monkeydata.com/6-benefits-of-choosing-an-omnichannel-strategy-e8a019506857>
- Priporas, C.-V., Stylos, N., & Fotiadis, A. K. (2017). Generation Z consumers' expectations of interactions in smart retailing: A future agenda. *Computers in Human Behavior*, 77, 374–381. <https://doi.org/10.1016/j.chb.2017.01.058>
- Prodanov, H. (2018). Social Entrepreneurship And Digital Technologies. *Economic Alternatives*, (1), 123–138.
- Rasoolimanesh, S. M., Jaafar, M., Kock, N., & Ramayah, T. (2015). A revised framework of social exchange theory to investigate the factors influencing residents' perceptions. *Tourism Management Perspectives*, 16, 335-345.
- Ringle, C. M., Sarstedt, M., & Straub, D. W. (2012). Editor's Comments: A Critical Look at the Use of PLS-SEM in "MIS Quarterly". *MIS quarterly*, iii-xiv.
- Rusanen, O. (2019). Crafting an Omnichannel Strategy: Identifying Sources of Competitive Advantage and Implementation Barriers. *In Exploring Omnichannel Retailing*. https://doi.org/10.1007/978-3-319-98273-1_2
- Satar, M. S., John, S., & Ahmed, A. (2016). A conceptual model of critical success factors for Indian social enterprises. *World Journal of Entrepreneurship, Management and Sustainable Development*.
- Shamout, M. D. (2016). The Impact of Promotional Tools on Consumer Buying Behavior in Retail Market. *International Journal of Business and Social Science*, 7(1), 75–85. <https://doi.org/10.1108/eb023449>
- Sim, J. (2018, September 21). How social entrepreneurs are using tech-based solutions to tackle global poverty. Retrieved from <https://www.theguardian.com/business-call-to-action-partnerzone/2018/sep/21/how-social-entrepreneurs-are-using-tech-based-solutions-to-tackle-global-poverty>
- Simone, A., & Sabbadin, E. (2017). The New Paradigm of the Omnichannel Retailing: Key Drivers, New Challenges and Potential Outcomes Resulting from the Adoption of an Omnichannel Approach. *International Journal of Business and Management*, 13(1), 85. <https://doi.org/10.5539/ijbm.v13n1p85>
- Sopadjieva, E., Dholakia, U., & Benjamin, B. (2017, January 03). A Study of 46,000 Shoppers Shows That Omnichannel Retailing Works. Retrieved September 01, 2020, from <https://hbr.org/2017/01/a-study-of-46000-shoppers-shows-that-omnichannel-retailing-works>
- Varis, M., & Littunen, H. (2010). Types of innovation, sources of information and performance in entrepreneurial SMEs. *European Journal of Innovation Management*, 13(2), 128–154. <https://doi.org/10.1108/14601061011040221>
- 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.2015.02.005>
- Wheaton, B., Muthen, B., Alwin, D., F., and Summers, G. (1977), "Assessing Reliability and Stability in Panel Models," *Sociological Methodology*, 8 (1), 84-136
- Xu, X., & Jackson, J. E. (2019). Examining customer channel selection intention in the omni-channel retail environment. *International Journal of Production Economics*, 208(December 2018), 434–445. <https://doi.org/10.1016/j.ijpe.2018.12.009>
- Yrjölä, M., Spence, M. T., & Saarijärvi, H. (2018). Omni-channel retailing: propositions, examples and solutions. *International Review of Retail, Distribution and Consumer Research*, 28(3), 259–276. <https://doi.org/10.1080/09593969.2018.144565>
- Zhou, H., Tan, S. Y. G. L., & Uhlaner, L. (2007). Knowledge management and innovation: an empirical study of Dutch SMEs. *SCientific AnaLysis of Entrepreneurship and SMEs*.

Biographies

Noroña, Marvin I. is a professor of Industrial Engineering and Service and Engineering Management at Mapua University in Manila, Philippines, in the School of Industrial Engineering & Engineering Management and School of Graduate Studies. He holds a Bachelor of Science degree in Industrial Engineering and a Master degree in Business Administration at University of the Philippines, and also to earn a Doctor degree in Business Administration at the De

La Salle University in Manila, finishing his thesis in Lean and Green Manufacturing. He is a Professional Industrial Engineer certified by Philippine Institute of Industrial Engineers, was also a member of the Board of the Production & Operations Management Association of the Philippines (PROMAP). He is also recognized as a professional management consultant in the areas of Operations and Quality Improvement, Manufacturing, and Strategic Management. His interests and expertise are in the areas of Sustainability and Technopreneurship, Smart Retailing, Strategic Planning and Management, Supply Chain and Logistics, Product Design and Development, Production & Operations Management, Lean and Green Manufacturing, and Quality Management.

Tabar, Janine Paula M. is a graduate of Mapúa University with a degree in Bachelor of Science Service Engineering and Management. She joined organizations such as Mapúa Engineering Management Organization (MEMO) and the Industrial Engineering and Service Engineering and Management (IE-EMG) Student Council. She is also a Lean Six Sigma Yellow Belt certified. Her research interests include Systems Engineering, Strategic Planning and Management, Production & Operations Management, and Project and Business Management.

Eugenio, Ma. Theresa Angelie P. is a graduate of Mapúa University with a Bachelor of Science degree in Service Engineering and Management. She joined organizations such as Production & Operations Management Association of the Philippines (PROMAP) and the Industrial Engineering and Service Engineering and Management (IE-EMG) Student Council.