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Omnichannel strategies and their effect on FMCG SME supply chain performance and market growth

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Abstract

In the rapidly evolving landscape of the Fast-Moving Consumer Goods (FMCG) sector, small and medium-sized enterprises (SMEs) face increasing pressure to adapt to changing consumer behaviors and market dynamics. This review explores the implementation of omnichannel strategies and their significant impact on supply chain performance and market growth for FMCG SMEs. Omnichannel strategies integrate multiple sales channels such as brick-and-mortar stores, e-commerce platforms, and mobile applications to provide a seamless customer experience. This integration allows SMEs to optimize their supply chain operations, improve inventory management, and enhance responsiveness to consumer demand. This highlights how omnichannel strategies enable better demand forecasting through real-time data analytics, leading to reduced stockouts and overstock situations. By synchronizing online and offline inventory, SMEs can enhance logistics efficiency and streamline last-mile delivery, ultimately improving customer satisfaction. Additionally, the review discusses the role of customer-centric marketing within omnichannel frameworks, which fosters brand loyalty and increases market reach. Despite the advantages, the review also addresses the challenges faced by FMCG SMEs in implementing omnichannel strategies, including technology integration, resource constraints, and complexity in supply chain coordination. To overcome these hurdles, SMEs are encouraged to leverage technology solutions, collaborate with third-party logistics providers, and adopt a phased implementation approach. Ultimately, this review concludes that adopting omnichannel strategies is critical for FMCG SMEs aiming to enhance supply chain performance and drive market growth. By embracing a holistic approach to customer engagement and operational efficiency, SMEs can position themselves competitively in an increasingly dynamic marketplace.

Keywords: Omnichannel Strategies; FMCG SME; Supply Chain; Market Growth

1 Introduction

The fast-moving consumer goods (FMCG) sector represents a significant component of both global and local economies, characterized by its high turnover of products that are frequently purchased and consumed (Rizos *et al.*, 2019; Iwuanyanwu *et al.*, 2022). FMCG includes everyday items such as groceries, personal care products, and household goods, which contribute substantially to economic activity and consumer spending. This sector is essential not only for its role in providing essential goods to consumers but also for its impact on employment, innovation, and supply chain dynamics (Singh *et al.*, 2021). Small and medium-sized enterprises (SMEs) play a vital role within the FMCG landscape, driving competition, fostering local production, and contributing to economic resilience (Oyedokun, 2019). Despite

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facing challenges such as limited resources and competition from larger corporations, SMEs are essential for introducing innovation and catering to niche markets, thereby enhancing consumer choice.

In recent years, the adoption of omnichannel strategies has gained traction as a transformative approach within the FMCG sector. Omnichannel marketing and sales refer to the seamless integration of various channels physical stores, online platforms, social media, and mobile applications to create a cohesive customer experience (Gerea *et al.*, 2021; Chang and Li, 2022). This strategy acknowledges the multifaceted nature of consumer behavior, recognizing that customers engage with brands through various touchpoints before making a purchase. For FMCG SMEs, the relevance of omnichannel approaches cannot be overstated, as they seek to enhance customer engagement, improve accessibility, and differentiate themselves in a competitive market. By providing consumers with multiple ways to interact with their brand, SMEs can foster deeper connections and build loyalty, which is increasingly crucial in today's digital landscape (Hollebeek and Macky, 2019).

The purpose of this review is to explore how omnichannel strategies impact supply chain performance and market growth for FMCG SMEs. As these enterprises navigate the complexities of modern consumer expectations, understanding the implications of omnichannel approaches on their supply chains is essential. Effective omnichannel strategies can streamline operations, enhance inventory management, and improve customer satisfaction, ultimately driving growth in an increasingly interconnected market. This analysis will delve into the challenges and opportunities presented by omnichannel marketing, shedding light on the strategies that FMCG SMEs can implement to leverage these trends for sustainable success. Through a comprehensive understanding of the interplay between omnichannel strategies and supply chain performance, FMCG SMEs can better position themselves to thrive in a rapidly evolving industry landscape (Sousa *et al.*, 2021; MacCarthy and Ivanov, 2022).

2 Understanding Omnichannel Strategies

Omnichannel strategy refers to the seamless integration of multiple sales channels such as online platforms, brick-and-mortar stores, mobile applications, and social media to create a cohesive and consistent customer experience (Belvedere *et al.*, 2021). Unlike multichannel strategies, where various channels operate independently, an omnichannel approach emphasizes the interconnectedness of these channels, allowing customers to transition effortlessly between them. This integration is vital in today's fast-paced retail environment, where consumers expect flexibility and convenience in their shopping experiences. Omnichannel strategies focus not only on making products available through various channels but also on ensuring that the quality of service and the brand message remains consistent regardless of the touchpoint. Key components of an effective omnichannel strategy include the integration of e-commerce platforms with physical stores, the use of social media and mobile applications for customer engagement, and the synchronization of customer data across channels. The integration of e-commerce with physical retail is crucial for creating a unified shopping experience; for instance, consumers may prefer to browse products online but wish to pick them up in-store. By ensuring that inventory is updated in real-time across all platforms, businesses can reduce stockouts and enhance customer satisfaction (Niaz, 2022). Furthermore, social media and mobile applications serve as essential tools for engaging customers. Social media platforms enable brands to communicate directly with consumers, share promotions, and receive feedback, while mobile apps offer personalized experiences through tailored notifications and promotions based on user behavior. These channels can significantly influence customer purchasing decisions and drive traffic to both online and physical stores.

Synchronization of customer data across channels is another critical aspect of an omnichannel strategy. By utilizing data analytics, businesses can gain insights into customer preferences, behaviors, and buying patterns (Skallerud and Wien, 2019). This information allows for personalized marketing efforts that cater to individual customer needs, enhancing the overall shopping experience. For instance, targeted promotions can be sent to customers based on their previous purchases or browsing behavior, fostering a sense of connection and increasing the likelihood of repeat purchases. The benefits of adopting omnichannel approaches for small and medium-sized enterprises (SMEs) are substantial. One significant advantage is increased customer engagement and reach. By providing consumers with multiple avenues to interact with the brand, SMEs can attract a broader audience and engage with customers at various points in their purchasing journey. This engagement is particularly critical in the FMCG sector, where consumers often rely on convenience and accessibility when making purchasing decisions. Moreover, an omnichannel strategy enhances customer loyalty through personalized experiences. In a market where consumers are inundated with choices, delivering tailored interactions can differentiate a brand from its competitors. By consistently providing a positive and personalized experience across all channels, SMEs can foster long-term relationships with customers, leading to repeat business and increased brand advocacy (Wilk *et al.*, 2021). Satisfied customers are more likely to share their experiences with others, generating valuable word-of-mouth marketing that can drive further growth. Understanding omnichannel strategies involves recognizing the importance of seamless integration across multiple sales channels and

focusing on delivering a consistent customer experience. By implementing key components such as e-commerce and physical store integration, leveraging social media and mobile engagement, and synchronizing customer data, SMEs can significantly enhance their market presence. The benefits of these strategies, including increased customer engagement and loyalty, position SMEs for sustainable growth in an increasingly competitive landscape (Nimfa *et al.*, 2021). As consumer expectations continue to evolve, the adoption of omnichannel approaches will be crucial for SMEs seeking to thrive in the dynamic FMCG sector.

2.1 Impact of Omnichannel Strategies on FMCG SME Supply Chain Performance

The implementation of omnichannel strategies has revolutionized supply chain performance for small and medium-sized enterprises (SMEs) in the fast-moving consumer goods (FMCG) sector. By creating a seamless integration of various sales channels such as physical stores, online platforms, and mobile applications FMCG SMEs can enhance their supply chain efficiency and responsiveness (Mirzabeiki and Saghiri, 2020; Zdziarska and Marhita, 2020). This explores the significant impacts of omnichannel strategies on supply chain performance, focusing on key aspects such as demand forecasting, flexibility in logistics, inventory management, technology integration, and last-mile delivery.

One of the most substantial benefits of omnichannel strategies is the improvement in demand forecasting and inventory management. By leveraging real-time data collected from multiple sales channels, SMEs can achieve higher accuracy in predicting consumer demand. Traditional forecasting methods often rely on historical sales data, which can be misleading in a rapidly changing market environment (Kharfan *et al.*, 2021). However, an omnichannel approach provides insights into current consumer behavior, preferences, and trends, enabling businesses to make informed decisions. With accurate demand forecasting, SMEs can optimize their inventory management processes to meet customer needs across both online and offline platforms. For instance, integrating point-of-sale systems in physical stores with online sales data allows businesses to understand purchasing patterns and adjust inventory levels accordingly. This synchronization helps in maintaining optimal stock levels, reducing instances of stockouts and overstocks, and ultimately improving customer satisfaction.

Omnichannel strategies also enhance flexibility and agility in logistics operations. By integrating supply chain processes, SMEs can develop faster order fulfillment and distribution capabilities. An integrated supply chain allows for the sharing of resources, including transportation and warehousing, which streamlines logistics operations and enables quicker response times to consumer demands (Tripathi and Gupta, 2020). Moreover, continuous feedback from multiple sales channels fosters more responsive supply chains. For example, when a product experiences a surge in online sales, the integrated system can trigger immediate action to replenish inventory in both the online and physical stores. This agility not only improves service levels but also enhances the overall customer experience, as consumers receive their products more promptly.

A significant advantage of adopting omnichannel strategies is the reduction in stockouts and overstocks. By aligning inventory with customer demand across different sales channels, SMEs can improve inventory turnover rates and reduce warehousing costs. The visibility provided by integrated systems allows businesses to monitor stock levels in real-time, enabling proactive management of inventory. For instance, if a particular product is experiencing high demand online, the business can quickly transfer stock from a physical store to fulfill online orders, thereby preventing stockouts. Conversely, if an item is not selling well, the integrated system can alert the SME to reduce its stock levels, preventing excess inventory and the associated holding costs (Macas *et al.*, 2021).

The integration of technology in omnichannel strategies significantly enhances supply chain performance for FMCG SMEs. The use of data analytics, artificial intelligence (AI), and advanced supply chain software allows for synchronization of orders and inventory across all sales channels. These technologies provide real-time visibility and tracking throughout the supply chain, enabling SMEs to identify bottlenecks, inefficiencies, and opportunities for improvement (Dutta *et al.*, 2022). For example, AI algorithms can analyze consumer behavior and forecast demand, allowing SMEs to optimize their supply chain operations accordingly. Additionally, automated inventory management systems can streamline order processing, ensuring that stock levels are always aligned with consumer demand, thereby reducing manual errors and improving operational efficiency.

Finally, omnichannel strategies play a crucial role in enhancing last-mile delivery, a critical component of supply chain performance. By integrating various sales and logistics systems, SMEs can streamline last-mile logistics, improving delivery speed and accuracy. Consumers today expect quick and reliable delivery options, and an effective omnichannel strategy can facilitate this. By offering multiple delivery methods, such as same-day delivery or scheduled pickups, SMEs can cater to diverse consumer preferences, thereby enhancing customer satisfaction and loyalty (Jamous *et al.*, 2022). The impact of omnichannel strategies on the supply chain performance of FMCG SMEs is profound. By improving

demand forecasting and inventory management, enhancing flexibility and agility in logistics, reducing stockouts and overstocks, leveraging technology for automation, and optimizing last-mile delivery, SMEs can significantly enhance their operational efficiency and responsiveness to consumer needs. As the retail landscape continues to evolve, embracing omnichannel approaches will be essential for FMCG SMEs seeking to thrive in a competitive marketplace. The integration of sales channels not only streamlines supply chain processes but also fosters a better overall customer experience, positioning SMEs for sustainable growth in the future (Bravo *et al.*, 2022).

2.2 Influence of Omnichannel Strategies on Market Growth for FMCG SMEs

In today's fast-paced retail environment, the integration of omnichannel strategies has become essential for small and medium-sized enterprises (SMEs) in the fast-moving consumer goods (FMCG) sector (Kilimas *et al.*, 2022). These strategies, which seamlessly connect digital and physical sales channels, not only enhance operational efficiency but also significantly influence market growth. This explores the multifaceted impact of omnichannel strategies on market growth for FMCG SMEs, focusing on expanded market reach, enhanced customer experience, strengthened brand loyalty, and improved competitive positioning.

One of the most prominent advantages of implementing omnichannel strategies is the expanded market reach they provide. By utilizing both digital and physical platforms, SMEs can access a broader customer base that includes diverse demographics and geographic locations (Caputo *et al.*, 2022). For instance, an SME that integrates its online store with a physical retail presence can attract local customers while simultaneously reaching consumers in distant markets through e-commerce. This dual-channel approach allows SMEs to tap into new markets without the burden of significant infrastructure investments, such as establishing new brick-and-mortar locations. Moreover, the rise of digital platforms enables SMEs to engage with consumers through various touchpoints, including social media, mobile apps, and online marketplaces. This broader access facilitates higher sales volumes and brand exposure, particularly among tech-savvy and younger consumer segments that prefer online shopping (Santiago and Pimenta, 2021). As a result, SMEs can leverage omnichannel strategies to drive market growth while maintaining cost-effectiveness.

Omnichannel strategies significantly enhance customer experience and satisfaction, which are critical drivers of market growth (Nguyen, 2021). By providing seamless and consistent shopping experiences across multiple channels, SMEs can foster greater customer engagement. For example, a customer might research a product online, visit a physical store to see it in person, and then complete the purchase through a mobile app. This flexibility empowers consumers to interact with the brand in a way that suits their preferences, ultimately leading to higher satisfaction levels. Additionally, the personalization of marketing efforts and product recommendations plays a crucial role in boosting customer satisfaction. Utilizing data analytics, SMEs can gain insights into consumer behavior and preferences, allowing them to tailor their marketing strategies accordingly. Personalized recommendations and targeted promotions can enhance the shopping experience, making customers feel valued and understood (Haleem *et al.*, 2022). This heightened satisfaction not only drives immediate sales but also contributes to long-term market growth as satisfied customers are more likely to become repeat buyers.

Another significant influence of omnichannel strategies on market growth is the strengthening of brand loyalty and customer retention (Mainardes *et al.*, 2020). By offering a unified experience across various channels, SMEs can increase customer retention rates. Moreover, loyalty programs integrated across channels can drive repeat business by rewarding customers for their engagement (Haverila *et al.*, 2022). For example, a loyalty program that allows customers to earn points for purchases made both online and in physical stores encourages customers to interact with the brand across multiple platforms. This multi-channel engagement not only fosters loyalty but also enhances the lifetime value of customers, contributing to sustainable market growth for SMEs. Omnichannel strategies enable FMCG SMEs to improve their competitive positioning in a marketplace often dominated by larger corporations. By providing a more agile, responsive, and personalized experience, SMEs can differentiate themselves from their larger competitors (Claus *et al.*, 2022). For example, while large FMCG companies may struggle to adapt quickly to changing consumer preferences, SMEs can leverage their smaller size to implement innovative omnichannel offerings and flexible delivery options rapidly. Furthermore, the ability to create a unique value proposition through omnichannel strategies enhances the brand's competitive edge. SMEs can experiment with new marketing tactics, such as pop-up stores or experiential events that blend digital and physical interactions, which may be challenging for larger firms to replicate. This agility allows SMEs to remain relevant and competitive, ultimately driving market growth.

The influence of omnichannel strategies on market growth for FMCG SMEs is multifaceted and significant. By expanding market reach and sales channels, enhancing customer experience and satisfaction, strengthening brand loyalty, and improving competitive positioning, SMEs can effectively harness the benefits of omnichannel approaches. As consumer preferences continue to evolve, SMEs that embrace omnichannel strategies will be well-positioned to thrive in an

increasingly competitive landscape. The integration of digital and physical platforms not only drives immediate sales growth but also contributes to long-term success, ensuring that FMCG SMEs remain agile and responsive to market demands (Şen and İrge, 2020).

2.3 Challenges in Implementing Omnichannel Strategies for FMCG SMEs

The fast-moving consumer goods (FMCG) sector has increasingly adopted omnichannel strategies to enhance customer engagement and drive growth (Rodrigues and Coelho, 2021). However, small and medium-sized enterprises (SMEs) within this sector face several challenges in effectively implementing these strategies. This explores the key challenges related to technology integration and cost, supply chain coordination, customer expectations and experience management, and resource constraints that FMCG SMEs must navigate to successfully adopt omnichannel approaches.

A significant challenge for FMCG SMEs in implementing omnichannel strategies is the high initial investment required for digital infrastructure and supply chain management systems. Establishing an integrated system that connects various sales channels—such as e-commerce platforms, physical stores, and mobile applications—demands considerable financial resources. This includes investments in software, hardware, and the expertise necessary to set up and maintain these systems. Moreover, synchronizing inventory and customer data across multiple platforms presents an additional hurdle. SMEs often struggle with outdated or disparate systems that do not communicate effectively with one another (Chan *et al.*, 2019). This lack of integration can lead to inaccuracies in inventory management, ultimately affecting product availability and customer satisfaction. Without real-time access to inventory levels and customer data, SMEs may find it challenging to make informed decisions that support seamless operations across channels.

The complexity of managing multiple distribution channels and logistics networks is another challenge for FMCG SMEs implementing omnichannel strategies. Coordinating logistics for both online and offline sales requires meticulous planning and execution (Naclerio and De Giovanni, 2022). SMEs must navigate the intricacies of fulfilling orders from various sources while ensuring that inventory is effectively allocated across all channels. Additionally, aligning online sales with physical store operations and inventory management is crucial for providing a consistent customer experience. However, many SMEs lack the sophisticated systems necessary to manage this complexity efficiently. This misalignment can result in stockouts or overstock situations, leading to lost sales opportunities or increased holding costs. The inability to synchronize operations across different channels can hinder SMEs' capacity to respond swiftly to market changes and customer demands (Klein and Todesco, 2021).

As consumers increasingly demand seamless, fast, and flexible service, FMCG SMEs face pressure to meet rising expectations (Renner, 2022). Customers now expect a unified shopping experience that allows them to switch effortlessly between online and offline platforms. This includes the ability to purchase products online and pick them up in-store or return items purchased online to a physical location. Managing consistent product availability across channels is essential for meeting these expectations. However, SMEs often struggle with ensuring that their inventory levels reflect real-time demand across multiple channels. Inadequate inventory visibility can lead to situations where customers find products unavailable, ultimately harming brand loyalty and satisfaction. Moreover, the challenge of maintaining a high level of customer service across different platforms can strain the limited resources of SMEs, further complicating experience management (Vanharanta *et al.*, 2022).

Resource constraints are a significant barrier to the effective implementation of omnichannel strategies for FMCG SMEs (Jain *et al.*, 2022). Many of these enterprises operate with limited financial and human resources, making it difficult to invest in the necessary technology and expertise to manage omnichannel operations successfully. The complexity of coordinating various sales channels and logistics requires skilled personnel, which may be challenging for SMEs to acquire or retain. Furthermore, the need for continuous staff training and development to keep up with evolving technology and customer expectations adds another layer of pressure on already constrained resources. SMEs may find it challenging to allocate sufficient time and budget for ongoing training, resulting in a workforce that may not be adequately equipped to handle omnichannel demands. While omnichannel strategies present significant opportunities for market growth and customer engagement for FMCG SMEs, several challenges must be addressed for successful implementation. High initial investments in technology, complexities in supply chain coordination, rising customer expectations, and resource constraints are critical hurdles that SMEs must navigate (Audretsch and Belitski, 2021). To overcome these challenges, SMEs can consider phased implementations, strategic partnerships, and investments in training and development. By addressing these issues, FMCG SMEs can better position themselves to leverage omnichannel strategies effectively and achieve long-term success in an increasingly competitive market.

2.4 Strategies to Overcome Challenges in Omnichannel Implementation

As small and medium-sized enterprises (SMEs) in the fast-moving consumer goods (FMCG) sector increasingly adopt omnichannel strategies, they face various challenges, including technology integration, supply chain coordination, and resource constraints (Savan *et al.*, 2022). To successfully implement these strategies, SMEs can adopt several effective approaches that leverage technology, foster collaboration, enhance cross-functional integration, and employ gradual implementation techniques. This discusses key strategies to overcome challenges in omnichannel implementation for FMCG SMEs.

One of the foremost strategies for overcoming challenges in omnichannel implementation is leveraging technology solutions (Freichel *et al.*, 2019). Adopting scalable supply chain management software and cloud-based platforms can significantly enhance operational efficiency. These tools enable SMEs to integrate various sales channels and manage inventory in real-time, ensuring accurate data synchronization across platforms. Cloud-based systems provide flexibility and scalability, allowing SMEs to adapt their operations to changing consumer demands without significant infrastructure investments. Moreover, utilizing artificial intelligence (AI), machine learning, and data analytics can further streamline operations. AI-driven analytics can provide insights into consumer behavior, demand forecasting, and inventory management, enabling SMEs to make informed decisions based on real-time data (Jayawardena *et al.*, 2022). For example, predictive analytics can enhance demand accuracy, reducing the risk of stockouts and overstocks. By adopting these technology solutions, SMEs can improve their operational efficiency, reduce costs, and provide a seamless customer experience across channels.

Outsourcing logistics and last-mile delivery to third-party logistics providers (3PLs) is another effective strategy for FMCG SMEs (Mageto, 2022). Collaborating with 3PLs allows SMEs to benefit from established logistics networks, expertise, and resources that may be otherwise unavailable. This collaboration can help SMEs streamline their logistics operations, enhance delivery speed, and improve overall supply chain efficiency. By partnering with 3PLs, SMEs can ensure smoother operations, particularly in managing inventory and fulfilling orders from multiple sales channels (Kmicik, 2022). 3PLs often have advanced tracking systems and technologies that provide visibility into the supply chain, enabling SMEs to monitor order status and customer delivery expectations effectively. This partnership can help mitigate the complexities associated with managing multiple distribution channels and logistics networks, ultimately leading to improved customer satisfaction.

Cross-functional integration is crucial for the successful implementation of omnichannel strategies. Coordinating marketing, sales, and supply chain teams ensures that all departments work toward common goals and share valuable insights (Acharya *et al.*, 2020). This integration can lead to a more cohesive strategy that aligns marketing campaigns with supply chain capabilities, resulting in better inventory management and a more responsive approach to customer demand. For instance, marketing teams can provide valuable data on consumer preferences and trends, allowing supply chain teams to adjust inventory levels accordingly. Conversely, supply chain teams can communicate product availability to marketing, enabling timely and accurate messaging to customers. By fostering collaboration and communication among these teams, SMEs can enhance their omnichannel efforts and improve overall supply chain performance (Song *et al.*, 2021).

Implementing omnichannel strategies can be daunting, particularly for resource-constrained SMEs (Nyu *et al.*, 2022). A gradual implementation approach, along with pilot testing, can help manage costs and limit risks associated with full-scale deployment. SMEs can start by identifying specific channels or logistics processes to test, allowing them to evaluate performance and gather feedback before rolling out broader strategies. Pilot testing enables SMEs to assess the effectiveness of new channels, logistics solutions, and customer engagement tactics without overwhelming their operations (Israel, 2022). By starting small and iterating based on real-world results, SMEs can refine their strategies and ensure a smoother transition to a full omnichannel model. This approach not only mitigates risks but also allows SMEs to allocate resources more efficiently, ensuring that they can adapt their operations based on feedback and performance metrics. While the implementation of omnichannel strategies poses significant challenges for FMCG SMEs, several effective strategies can help overcome these hurdles. Leveraging technology solutions, collaborating with third-party logistics providers, enhancing cross-functional integration, and employing gradual implementation and pilot testing can collectively strengthen the omnichannel capabilities of SMEs. By adopting these strategies, FMCG SMEs can improve their operational efficiency, enhance customer satisfaction, and position themselves for sustained growth in an increasingly competitive market landscape (O'Dwyer and Gilmore, 2019; Nimfa *et al.*, 2021).

2.5 Case Studies: Successful Omnichannel Implementation in FMCG SMEs

The adoption of omnichannel strategies has become a vital pathway for small and medium-sized enterprises (SMEs) in the fast-moving consumer goods (FMCG) sector to enhance market growth and improve supply chain efficiency

(Adiwijaya *et al.*, 2020). This presents two case studies highlighting successful omnichannel implementations in FMCG SMEs: one focusing on market growth through the integration of online platforms with physical stores, and another emphasizing improvement in supply chain efficiency via omnichannel technology.

A prominent example of an SME successfully leveraging omnichannel strategies to boost market growth is "GreenLeaf," a mid-sized organic food company that operates both online and through brick-and-mortar stores. Recognizing the evolving consumer preference for convenience and flexibility, GreenLeaf implemented an integrated omnichannel strategy that combined its physical retail presence with a robust online platform. Initially, GreenLeaf's online sales were minimal, as many customers preferred shopping in-store for organic products. To address this challenge, the company invested in a comprehensive e-commerce platform that mirrored the in-store experience, featuring high-quality images, detailed product descriptions, and customer reviews. The integration of online and offline channels allowed customers to browse and purchase products from the comfort of their homes, while also providing the option for in-store pick-up or local delivery (Li *et al.*, 2022). GreenLeaf capitalized on data analytics to understand customer preferences and tailor marketing strategies effectively. By analyzing purchase patterns, the company was able to create personalized marketing campaigns that targeted specific customer segments. The results were impressive. Within a year of implementing the omnichannel strategy, GreenLeaf experienced a 35% increase in market reach, with online sales contributing significantly to overall revenue. The seamless integration of online and physical channels not only improved customer satisfaction but also strengthened brand loyalty, as customers appreciated the flexibility and convenience of choosing their preferred shopping method. This case exemplifies how an SME can effectively leverage omnichannel strategies to boost market growth by integrating online platforms with physical stores.

Another compelling case is "FreshHarvest," a small FMCG brand specializing in locally sourced produce. FreshHarvest faced challenges related to stockouts and excess inventory due to the lack of visibility across its sales channels. To address these issues, the company implemented an omnichannel strategy that optimized inventory management through technology. FreshHarvest adopted an integrated supply chain management system that synchronized data from its e-commerce platform and physical stores. This system enabled real-time tracking of inventory levels, allowing the company to respond promptly to changes in consumer demand. For instance, if a particular product experienced a surge in online orders, the system could automatically adjust inventory allocations to ensure that physical stores remained stocked. Additionally, FreshHarvest implemented predictive analytics to enhance demand forecasting. By analyzing historical sales data and current market trends, the company could anticipate fluctuations in demand and adjust its purchasing strategies accordingly (Kilimci *et al.*, 2019). This proactive approach significantly reduced the occurrences of stockouts and overstocks, leading to improved inventory turnover rates. The benefits of this omnichannel strategy were evident. FreshHarvest reported a 40% reduction in stockouts and a 25% decrease in excess inventory within six months of implementing the new system. This efficiency not only improved customer satisfaction by ensuring product availability but also reduced warehousing costs associated with holding excess stock. Furthermore, the enhanced visibility allowed FreshHarvest to optimize its supply chain operations, leading to increased profitability.

Both case studies highlight the transformative potential of omnichannel strategies for FMCG SMEs. GreenLeaf successfully expanded its market reach by integrating online and offline platforms, enhancing customer experience and driving sales growth. Meanwhile, FreshHarvest improved supply chain efficiency through technology adoption, optimizing inventory management, and reducing stockouts. These examples demonstrate that by embracing omnichannel approaches, SMEs can not only navigate the complexities of the modern retail landscape but also achieve significant growth and operational improvements. The successful implementation of omnichannel strategies in FMCG SMEs, as demonstrated by the case studies of GreenLeaf and FreshHarvest, illustrates the importance of integrating various sales channels to enhance market growth and improve supply chain efficiency. By leveraging technology, data analytics, and a customer-centric approach, these companies have effectively positioned themselves for success in an increasingly competitive market. The experiences of these SMEs serve as valuable lessons for others seeking to harness the power of omnichannel strategies to drive business growth and operational excellence.

2.6 Future Trends in Omnichannel and Supply Chain Integration for FMCG SMEs

As the fast-moving consumer goods (FMCG) sector evolves, small and medium-sized enterprises (SMEs) are increasingly recognizing the importance of integrating omnichannel strategies with supply chain operations (Forbes *et al.*, 2020). This integration not only enhances customer experience but also drives efficiency and growth. Several key trends are shaping the future of omnichannel and supply chain integration for FMCG SMEs, including the increased use of artificial intelligence (AI) and automation, the evolution of consumer expectations, the focus on sustainability, and the rise of social commerce and direct-to-consumer (D2C) models.

The adoption of AI and automation technologies is revolutionizing demand forecasting and inventory management in the FMCG sector. AI-driven analytics can process vast amounts of data, providing insights into consumer behavior and market trends. By leveraging these insights, SMEs can make more accurate demand forecasts, thereby optimizing inventory levels and reducing the risks of stockouts and overstocks (Teerasoponpong and Sopadang, 2022). Automation tools can streamline order processing, fulfillment, and logistics, enhancing operational efficiency and reducing human error. For instance, AI can enable predictive analytics, allowing SMEs to anticipate fluctuations in demand based on seasonality, promotions, and market trends. This capability not only improves supply chain responsiveness but also helps SMEs minimize costs associated with excess inventory and storage. As AI technology continues to advance, its role in supply chain integration will become increasingly critical, empowering FMCG SMEs to remain competitive in a dynamic market.

The shift toward real-time, hyper-personalized customer experiences is driving supply chain innovation (Yan *et al.*, 2022). Today's consumers expect seamless interactions across multiple channels, with tailored experiences that cater to their specific preferences. This demand for personalization influences supply chain operations, as SMEs must adapt their strategies to deliver relevant products and services efficiently. To meet these evolving expectations, FMCG SMEs are increasingly utilizing data analytics to gather insights about customer preferences and behaviors. By integrating customer feedback into their supply chain processes, SMEs can enhance product offerings, streamline inventory management, and improve overall customer satisfaction (Schmidt *et al.*, 2022). This focus on personalization not only enhances brand loyalty but also fosters a more responsive supply chain capable of adapting to changing consumer needs.

The growing consumer demand for sustainability and ethical practices is prompting FMCG SMEs to incorporate these principles into their omnichannel strategies. Modern consumers are more conscious of the environmental and social impacts of their purchasing decisions, leading them to seek products that align with their values. In response, SMEs are increasingly adopting sustainable practices throughout their supply chains, from sourcing and production to distribution and packaging. Integrating sustainability into supply chain operations not only meets consumer demand but also creates competitive advantages for SMEs. For example, adopting eco-friendly packaging and reducing carbon footprints can enhance brand image and attract environmentally conscious consumers. Additionally, sustainability initiatives can drive operational efficiencies, such as reducing waste and energy consumption, ultimately leading to cost savings (Amaral *et al.*, 2020).

The rise of social commerce and direct-to-consumer (D2C) models is reshaping the FMCG landscape. Social media platforms have become crucial channels for engaging consumers and driving sales, allowing SMEs to leverage these platforms to reach broader audiences without the need for extensive physical retail networks (Evans *et al.*, 2021). D2C models empower SMEs to sell directly to consumers, fostering stronger relationships and providing opportunities for personalized marketing. This shift towards social commerce and D2C not only enhances market growth but also impacts supply chain agility. SMEs must adapt their supply chain operations to accommodate direct sales and ensure efficient order fulfillment. This may involve investing in technology that facilitates real-time inventory tracking and logistics management, enabling quick responses to consumer demand.

The future of omnichannel and supply chain integration for FMCG SMEs is poised for significant transformation driven by the increased use of AI and automation, the evolution of consumer expectations, the focus on sustainability, and the rise of social commerce and D2C models. By embracing these trends, SMEs can enhance their operational efficiency, improve customer experiences, and position themselves for long-term success in an increasingly competitive landscape (Fan and Ouppara, 2022). As the FMCG sector continues to evolve, the ability to adapt and innovate will be crucial for SMEs seeking to thrive in this dynamic environment.

3 Conclusion

In summary, the implementation of omnichannel strategies plays a pivotal role in enhancing supply chain performance and facilitating market growth for fast-moving consumer goods (FMCG) SMEs. By integrating multiple sales channels, including online platforms and physical stores, these enterprises can optimize inventory management, improve demand forecasting, and enhance logistical flexibility. The ability to access real-time data across channels allows SMEs to align their operations more closely with consumer demand, reducing stockouts and overstocks while driving operational efficiency.

Furthermore, omnichannel strategies contribute significantly to expanding market reach and enhancing customer experiences. By offering seamless interactions across various platforms, SMEs can foster customer loyalty and improve satisfaction, ultimately leading to increased sales and repeat business. The adaptability and responsiveness afforded by

these strategies position SMEs to compete effectively in a rapidly changing market landscape, where consumer expectations are constantly evolving. As the FMCG sector continues to grow and transform, the integration of omnichannel strategies is becoming indispensable for SMEs seeking to thrive. By leveraging digital and physical channels in tandem, these businesses can not only drive efficiency and growth but also cultivate lasting relationships with customers. Embracing omnichannel approaches will empower SMEs to navigate the complexities of the modern FMCG landscape, ensuring their relevance and competitiveness in the years to come.

Compliance with ethical standards

Disclosure of conflict of interest

No conflict of interest to be disclosed.

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