

## Online-to-Offline Marketing (O2O: Strategies to Increase Sales Conversion

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<b>Keywords</b>	<b>Abstract.</b> The phenomenon of shifting consumer behavior from online to offline requires adjustments to marketing strategies for business people. This research will explore various O2O methods that can be used to integrate online and offline shopping experiences to increase consumer trust, expand market reach, and optimize sales conversion rates. So the aim of this research is to analyze and identify Online-to-Offline (O2O) marketing strategies that are effective in increasing sales conversions. This research uses a qualitative approach with descriptive methods. The research results show that implementing Online-to-Offline (O2O) marketing strategies can effectively increase sales conversions and customer engagement. By integrating online and offline shopping experiences, companies can provide added value to consumers, overcome online shopping barriers, and create closer relationships with customers. Integrated customer service support, promotion of events promoted online, and initiatives to encourage customers to share their experiences online are key factors in the success of an O2O strategy. Thus, this research emphasizes the importance of adapting to the dynamics of consumer shopping in the digital era to achieve sustainable marketing and sales success.
Marketing Strategy, Online-to-Offline (O2O), Sales Conversion	

### 1. INTRODUCTION

In an era dominated by technology and internet connectivity, people's tendency to shop online is increasing rapidly (Wirapraja & Ariwibowo, 2018). Factors such as ease of access, a wide choice of products, and the possibility of quick and efficient price comparisons make online shopping an attractive option for consumers. This phenomenon not only includes purchasing physical products, but also services, digital entertainment, and various other services that can be easily accessed via online platforms (Rumondang et al, 2020).

According to survey results in the second quarter of 2022, it appears that the main reason Indonesian people prefer to shop online is because of the financial benefits provided, especially in the form of cheaper prices and various discount/cashback promos offered by various e-commerce applications (Suhendra & Krisnadi, 2020). This phenomenon reflects that economic aspects are the dominant factor in consumers' decisions to switch to online platforms. Competitive prices and various promotions not only attract consumers' attention, but also strengthen their preference for the convenience and efficiency offered by online shopping, creating market dynamics that continue to change along with shifts in consumer behavior in this digital era (Setyarko, 2016).

Although many Indonesian consumers tend to choose to shop online because of financial benefits such as cheaper prices and various discount/cashback promotions from e-commerce applications, there are several obstacles that may be taken into consideration (Aisya & Urumsah, 2021). One of them is the delivery time which is relatively longer compared to direct purchases in physical stores. The delivery process which takes time is sometimes an obstacle, especially for consumers who want goods immediately (Febriani & Dewi, 2019). Apart from that, another drawback is the inability to see or try the items to be purchased directly. Consumers often feel less confident without direct experience, which can hinder purchasing decisions (Qomariah, 2016).

In addition, direct purchases in physical stores provide unique advantages, where consumers can immediately try and see the items they want before making a purchase. This is especially important when consumers want to ensure that the goods suit their needs or tastes (Hamzah et al, 2019). Then, the advantage of bringing goods home directly without waiting for delivery also provides instant satisfaction that cannot be obtained in online purchases (Nuraini & Evianah, 2019). Therefore, even though economic factors are the main attraction of online shopping, consumers still consider aspects of experience and instant gratification when shopping in physical stores (Semuel, 2007).

Online-to-Offline (O2O) strategies are an innovative choice in the world of marketing, inviting online consumers to experience direct shopping in physical stores. O2O creates a connection between digital platforms and physical reality, optimizing the advantages of each to increase overall consumer satisfaction (Choi et al, 2022). Through O2O, consumers can enjoy the convenience of online shopping, such as more affordable prices and various promotions, while still gaining direct experience in seeing, trying and taking home products (Sarkar et al, 2021). This strategy not only stimulates sales growth by expanding market share, but also responds to consumers' need for physical involvement in the purchasing process (Xu & Zhang, 2015).

With O2O, companies can create effective synergy between the digital and physical worlds (Sarkar & Dey, 2023). By providing an end-to-end shopping experience, O2O provides a competitive advantage by maximizing the potential of both. At the same time, this strategy creates opportunity for business people to build closer relationships with consumers and respond to the dynamics of changes in shopping behavior (Chen et al, 2023). By combining the convenience of online shopping and the advantages of direct experience from physical stores, O2O is a smart solution in responding to challenges and opportunities in this era of increasingly connected consumers (Ding & Jiang, 2014).

By implementing an Online-to-Offline (O2O) strategy, the hope is to achieve a significant increase in sales conversions. Through thoughtful integration between online and offline platforms, O2O allows companies to leverage the strengths of both and provide consumers with a more comprehensive shopping experience (Chiang et al., 2018). By drawing consumers from the digital world to physical stores, this strategy not only creates opportunities for interaction directly with the product, but also increase conversion opportunities by minimizing obstacles that may arise in the purchasing process (Savila et al, 2019).

This research aims to analyze various O2O methods that can be implemented by business people to optimally integrate online and offline shopping experiences, so as to overcome obstacles that consumers may face. The benefits of this research involve contributing new understanding regarding O2O strategies that can increase marketing efficiency, expand market reach, and optimize sales conversion rates in the digital era. Thus, it is hoped that this research can provide practical guidance for business people, marketers and researchers to implement effective O2O strategies to increase consumer satisfaction and overall sales results.

## 2. METHOD

This research adopts a qualitative approach to analyze socio-political phenomena in society. The choice of qualitative method was chosen with the consideration of gaining a deeper understanding of the relationship between variables, in line with the concept expressed by Anggitop & Setiawan (2018). The qualitative approach is often used to describe events chronologically, explain complex relationships between variables, and investigate meaning or value that arise in the context of society. The decision to use this method allows researchers to explore and collect information from informants without any restrictions, so that the data obtained reflects the true views and reality. By providing opportunities for respondents to freely express their views, this research ensures that the responses obtained are comprehensive and accurate, in accordance with the informant's language and perspective.

## 3. RESULTS AND DISCUSSION

Online-to-Offline (O2O) is a marketing strategy that aims to integrate online shopping experiences with offline interactions to increase sales conversions. The main focus of O2O is to invite customers who initially engage online to interact further in the real world, such as making direct purchases in physical stores or taking part in offline events (Yao et al., 2022). This strategy encourages synergy between the two platforms, exploiting the advantages of ease and convenience of online shopping while stimulating concrete actions that can increase sales directly (Ryu et al, 2020). By optimizing the potential of both, O2O creates a comprehensive and driven shopping experience,

bridging the gap between online and offline activities to provide added value for customers and effectively strengthen sales conversions. Here are some O2O marketing strategies:

### **Special Offer for Offline Purchases**

Creating special offers or exclusive discounts for direct purchases in physical stores is a marketing strategy aimed at stimulating active interaction between online customers and physical stores. These offers may take the form of additional discounts, special gifts, or value packages that can only be accessed through an in-person visit to a physical location. By presenting these exclusive incentives, the company not only creates additional encouragement for online customers to explore offline shopping experiences, but also increases the value and uniqueness that consumers gain through transactions in physical stores.

This strategy is effective in creating active engagement, because online customers feel they get additional benefits and exclusive experiences by shopping directly at physical stores. This special offer also gives companies the opportunity to create memorable shopping moments and experiences, build closer relationships with consumers, and increase customer loyalty. Therefore, exclusive offers for direct purchases in physical stores not only create incentives, but also open the door to long-term opportunities in building sustainable relationships with consumers.

In an era where business competition is increasingly fierce, this strategy can also be a strong differentiator. By highlighting the advantages and uniqueness obtained through direct purchases, companies can create a stronger brand image and win the hearts of increasingly discerning and selective consumers. Thus, special offers for direct purchases in physical stores are not just a marketing tactic, but also a strategic move that can establish a strong and sustainable customer base.

### **Reservation or Online Order for Store Pickup (Click and Collect)**

Enabling customers to order or make reservations online with the option of picking up at a physical store is a strategic innovation that embraces the potential of both: the convenience of online shopping and the immediate experience of offline transactions. By utilizing internet technology, companies can provide customers with convenience in the ordering and reservation process without having to sacrifice the desired offline experience. Consumers can easily browse and select products online, while retaining the option to pick up items at a physical store, taking advantage of the speed and efficiency of online shopping without losing the personal touch of shopping in person.

This strategy also opens up opportunities to increase customer engagement with them before in-person visits to physical stores. The online ordering or reservation process can be integrated with more in-depth interactions, such as sending notifications or recommendations for additional products that may be of interest to the customer. This creates a more active and personalized relationship between the company and the customer, strengthening the customer bond before they even arrive at the physical store.

In addition, the option to pick up at a physical store also gives customers flexibility in determining the time and place of pick-up that fits their schedule. This increases the likelihood of sales conversion, as customers feel they have more control over their shopping experience. By combining the convenience of online and the benefits of in-person experiences in physical stores, this strategy creates a harmonious bridge between the digital and physical worlds, creating an optimal shopping experience and meeting the expectations of modern consumers.

### **Use of QR Codes**

Integrating the use of QR codes in online marketing campaigns is an innovative step that can enrich the consumer experience and encourage further customer engagement. By embedding QR codes in online marketing materials such as digital ads, social media, or newsletters, companies give customers instant access to explore special offers or further information related to a product or service. QR codes create efficient shortcuts, directing customers quickly and directly to dedicated web pages or platforms that display exclusive offers or information relevant to a particular product.

Apart from making it easier to access information, QR codes are also an effective tool for moving customers from the online realm to physical stores. By directing a QR code to a special offer in a physical store, the company invites customers to make an in-person visit and take advantage of

the exclusive offer. The use of QR codes not only provides an interactive element to online campaigns, but also creates customer engagement in two complementary domains – online and offline.

The importance of tracking and data analysis cannot be ignored in the use of QR codes. Companies can monitor campaign effectiveness, measure customer engagement levels, and identify consumer preferences through data obtained from QR code use. Thus, this strategy not only provides immediate benefits in directing customers to special offers in physical stores, but also opens the door to the development of smarter and more targeted marketing strategies based on insights gained from customer interactions.

### **Offline Events and Promotions**

Holding special events or promotions in physical stores that are promoted online is an effective marketing tactic to increase visibility and attract customer attention. By utilizing online platforms such as social media, company websites, or email campaigns, companies can inform customers about events or promotions taking place in physical stores. This strategy creates buzz and anticipation among consumers, sparking interest and desire to attend an event or take advantage of a promoted special offer.

Apart from increasing awareness, online promotions also allow companies to convey detailed information regarding the event or promotion, such as the type of discount, featured products that will be displayed, or interesting activities that will be held in physical stores. This information creates additional appeal and gives customers a more concrete reason to visit the physical store. By using a variety of online media, companies can reach a wider audience, create positive expectations, and motivate customers to participate directly in the physical store experience.

The synergy effect between online promotions and events in physical stores also provides the opportunity to interact directly with customers. Activities such as Q&A sessions, product demonstrations or interactive quizzes can provide a more immersive experience and strengthen the emotional connection between brands and consumers. Thus, this strategy is not only about increasing the number of visits to physical stores, but also building closer relationships with customers and increasing the potential for long-term sales conversions.

### **Customer Service Integration**

Supporting customers as a whole through customer service both online and offline is a strategic step that can increase connectivity between the two platforms. By providing responsive communication channels on online platforms, such as live chat, email, or social media, companies make it easy for customers to get support without having to move to a physical space. Fast and efficient responses in the online environment create a comfortable and effective customer experience, providing answers to questions or solutions to problems quickly.

Customer service integration can also create a more holistic experience by aligning responses and assistance provided on offline platforms, such as in physical stores. Through staff training and the use of appropriate technology, companies can ensure that the quality of customer service provided in physical stores is in line with the standards applied online. Implementing an integrated customer management system also allows customer-related data and information to be easily accessed by staff on various platforms, ensuring continuity and consistency in providing support.

The success of this strategy lies not only in the ease of customer access to support, but also in the potential to build stronger and more trusted relationships. By providing responsive, platform-independent support, companies create close relationships with customers, which can increase loyalty and create a positive impression of the brand. Therefore, the integration of online and offline customer service becomes a powerful means of strengthening relationships with customers, creating a harmonious experience, and giving consumers confidence that the company is always ready to provide support without platform boundaries.

### **Testimonials and Reviews**

Encouraging customers who have made purchases offline to share their experiences online is a strategy that can bring great benefits in building trust and increasing sales conversions on online



platforms. Customers who share positive reviews or testimonials about their shopping experiences in physical stores can provide valuable information to potential consumers who are considering online purchases. Therefore, companies can encourage customers to tell their stories through various platforms, such as company websites, social media, or product review platforms. By promoting this participation, companies create a positive narrative that can shape consumers' perceptions of the brand and attract interest in trying the online shopping experience.

Sharing experiences online also opens up the opportunity to build an engaged community around the brand. Customers who interact with fellow consumers' testimonials or reviews can feel connected to each other and experience solidarity in their shopping experience. Companies can leverage online forums or dedicated social media groups to foster these communities, strengthen customer engagement and create deeper relationships between brands and consumers.

Apart from building trust and engagement, online customer testimonials or reviews also have great potential to increase sales conversions on online platforms. Positive experiences shared openly can persuade potential consumers to take the step of purchasing, remembering that consumer testimonials are often considered credible references. Thus, this strategy is not only a tool for building a positive image, but also a catalyst for increasing sales conversion rates in the digital environment, creating a mutually reinforcing positive circle between offline and online.

#### 4. CONCLUSION

Online-to-Offline (O2O) marketing strategy is an innovative approach that utilizes the advantages of both worlds, online and offline, to increase sales conversions and provide a holistic shopping experience for consumers. By embracing technology and creativity in O2O applications, companies can create parallel integrations, providing added value to customers transitioning between online platforms and physical stores. This approach includes a variety of strategies, from special offers, online reservations for in-store pickup, to the use of QR codes and event promotions promoted online. In the process, O2O not only addresses the drawbacks of online shopping, such as the lack of face-to-face interactions and physical experiences, but also responds to the needs of increasingly digitally connected consumers. Furthermore, O2O is not just about increasing sales conversions, but also building stronger connectivity between online and offline. By providing integrated and supportive customer service, and encouraging customers to share experiences online, O2O creates closer and more sustainable relationships. Thus, an O2O strategy not only yields benefits in increasing sales and customer engagement, but also opens up opportunities to build engaged communities and stimulate long-term business growth.

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