OMNI-CHANNEL RETAIL TRANSFORMATION: IMPACTS ON CONSUMER SWITCHING, MARKET BALANCE, AND AGGREGATE DEMAND IN INDONESIA

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Abstact: *This study analyzes the impact of retail transformation from traditional models to* Omni-channel *on consumer switching behavior, market equilibrium, and aggregate demand in Indonesia. The research uses a descriptive qualitative approach with data collected through in-depth interviews with 10 retail actors and 15 consumers. The results show that convenience, service integration, and consistent consumer experience encourage switching behavior. This transformation reshapes market structure, affects demand patterns, and increases aggregate demand. Continuous innovation is essential for retailers to stay competitive in the face of digital disruption.*
Keywords*:* Omni-channel*, consumer switching, market equilibrium, aggregate demand, retail transformation*

Abstrak: Penelitian ini menganalisis dampak transformasi ritel tradisional ke omni-channel terhadap perilaku switching konsumen, keseimbangan pasar, dan permintaan agregat di Indonesia. Metode yang digunakan adalah kualitatif deskriptif dengan wawancara mendalam terhadap 10 pelaku ritel dan 11 konsumen. Hasil menunjukkan bahwa kemudahan akses, integrasi layanan, dan konsistensi pengalaman mendorong perilaku switching. Transformasi ini mengubah struktur pasar, memengaruhi pola permintaan, dan meningkatkan permintaan agregat. Inovasi berkelanjutan menjadi kunci bagi pelaku ritel untuk tetap kompetitif dalam menghadapi disrupsi digital.
Kata Kunci: Omni-Channel, Switching Konsumen, Keseimbangan Pasar, Permintaan Agregat, Transformasi Ritel

INTRODUCTION

Digital transformation has fundamentally changed the landscape of the retail industry, including in Indonesia. Increasing internet penetration, mobile device use, and changing consumer lifestyles are fueling a shift from traditional retail models to omni-channel. Omni-channel is a strategic approach that is evolving in the retail industry in response to changing consumer behavior that now tends to choose one main channel in shopping, compared to the previous one that switched alternately between physical stores and online channels. Literature review of retail strategy, Omni-channel as a development of multichannel retail strategy. In the retail industry, there are challenges in the form of infrastructure constraints, technical constraints, culture and consumer shopping behavior patterns. However, in practice, the successful implementation of the strategy Omni-channel is influenced by several key factors, namely brand familiarity, customization services, perceived value, and technological readiness (Bahri & Istiharini, 2020). When these factors are met, the omni-channel strategy can create a more personalized and efficient shopping experience.

To stay competitive and relevant, retailers are starting to integrate multiple service channels to create a comprehensive and consistent shopping experience. This approach is reinforced by the increasing use of digital devices such as smartphones and tablets, which encourages retailers to build service systems that are integrated and responsive to digital consumer expectations (Hickman et al., 2020).

This increasingly complex pattern of consumer behavior is what drives the formation of business structures Omni-channel in response to the ever-evolving market expectations (Normawati et al., 2023). The three main channels commonly used in the Omni-channel approach are a physical store, an online platform, and mobile apps. Transformation to a business model Omni-channel is not only technical, but it also has a direct impact on market dynamics and consumer behavior. One of the phenomena that has emerged is the increase in behavior switching consumers, namely the tendency to move from traditional channels to digital channels due to the encouragement of various factors such as ease of access, convenience, availability of information, and personalization of services (Handayani, 2020). Consumers often move from one platform to another, for example, ordering on a regular basis. Online and pick up goods in physical stores, or check prices in person while in the store (Wibisono, 2024). Therefore, traditional retailers need to pay attention to changes in consumer behavior and use technology wisely to expand market reach (Nurfitri et al., 2024).

The transformation of business models to omni-channel has implications not only at the micro level, namely the consumer shopping experience and the company's operational strategy, but also at the macro level through its influence on aggregate demand. Transform to omnichannel, creating more flexible and personalized consumption patterns, which in turn influence purchasing behavior, demand distribution, and pricing strategies in the market. This shift led to changes in the balance of the market and aggregate demand, as businesses had to adjust to more complex consumption dynamics. In this context, the Keynesian approach becomes relevant, as it views aggregate demand as the result of various components such as consumption, investment, government spending, and net exports. In other words, changes in consumption behavior due to the adoption of the model Omni-channel can contribute to changes in aggregate demand, so this business model analysis needs to be understood not only as a business response, but also as part of broader economic dynamics (Rohman et al., 2024).

Studies on Omni-channel in Indonesia are currently still relatively limited, although the development of digital technology and changes in consumer behavior show a strong trend towards the integration of sales channels. Previous researchers have proven that the Omni-channel effective in responding to changing consumer behavior (Hendrawan, 2025). Later, a literature review found that the main challenges in the implementation of Omni-channel marketing namely the readiness and availability of resources, readiness and mastery of technology, and inventory management of products (Suriansha, 2021).

This research differs from previous researchers in that it not only highlights the implementation aspects and challenges of omnichannel strategies, but also analyzes the impact of the transformation of traditional retail business models to omnichannel more comprehensively on market dynamics. The main focus of this study lies in how these transformations affect consumer switching behavior, market balance, and aggregate demand in the context of retail in Indonesia. Using a dynamic analysis approach, this study aims to provide a deeper understanding of the strategic implications of omnichannel adoption, so that it can be a reference for industry players and policymakers in responding to changes in the business ecosystem due to digital disruption. Based on these problems, this study aims to (1) analyze the impact of the transformation of traditional retail business models to Omni-channel on consumer *switching* behavior in Indonesia; (2) analyze the impact of the implementation of omnichannel strategies on the dynamism of market balance in the retail sector; and (3) analyze the impact of omnichannel business model transformation on the dynamism of aggregate demand in the context of macroeconomic approaches.

THEORETICAL REVIEW

Retail Business

Retail, which comes from the word "*Ritellier*" (French) and "*retail*" (English), means to break or cut something into smaller pieces. Retail business encompasses all the activities of selling goods to the end consumer, both traditional and modern. Economically, a retail business is defined as an activity that sells daily necessities in retail form. This retail business is influenced by culture, economy, and social environment (Chaniago, 2021).

The type of retail based on the area includes Hypermarket > 5000 square m; supermarkets, land area > 1000 m to < 5000 square m; minimarket, land area between 100 m to 1000 square m; and nanostore, a land area < 50 square m. In terms of technology and service to consumers, it can be divided into two, namely traditional retail (a more flexible but less planned approach) and modern retail (the use of technology, the application of operational standards, and more structured business planning and management) (Chaniago, 2021).

Omni-channel

Concept Omni-channel following the evolution of retailers' strategies and their transition from operating on a single channel to integrating multiple channels and touchpoints. The term "Omni-channel" itself reflects this development, as it comes from its predecessor, "*Multichannel*" and "*Cross-channel*" (Salvietti et al., 2022) Retail Omni-channel is a type of retail in which the different channels and stages experienced by consumers during the purchasing process are synergistically integrated to create a brand or shopping experience for consumers (Clara, 2023).

Omni-channel is an approach designed to create a consistent and integrated consumer experience across marketing channels, both *Online* And *offline*. This approach allows companies to reach consumers at various points of interaction, both physical and digital, in a more relevant and timely way. This not only improves customer satisfaction, but also strengthens the long-term relationship between the company and consumers, which in turn boosts operational efficiency and overall business performance (Wibisono, 2024).

Consumer Switching Behavior

Consumer behavior is the actions of individuals or groups in purchasing and using a product or service, which involves the decision-making process of obtaining what they want (Nugraha et al., 2021). Consumer behavior includes all actions that are directly related to the process of obtaining, using, and evaluating products or services, including the stages of decision-making, preparation, and implementation of consumption activities (Hendrawan, 2025). In particular, the behavior of switching Consumers can be interpreted as a tendency to move from traditional channels to digital channels. This is triggered by various factors, such as ease of access, convenience, availability of information, and personalization of services offered by digital platforms (Handayani, 2020). Consumers now often move between platforms, such as ordering products online and picking them up in physical stores, or checking prices online while in physical stores (Wibisono, 2024). This move reflects a significant shift in consumer behavior that is increasingly flexible and influenced by technological developments, so companies need to adopt an omnichannel strategy to create a seamless and integrated shopping experience across marketing channels

Market Balance

Market balance is a condition in an economic system in which the quantity of goods or services demanded by consumers is in equilibrium with the quantity offered by the producer at a certain price level. Theoretically, this equilibrium point occurs when the demand curve and the supply curve intersect, reflecting the achievement of a price agreement that can accommodate consumer preferences while also considering the cost structure of producers (Mursyid & Lamtama, 2020). In this state, the market operates efficiently because there is no pressure for price changes due to surplus (oversupply) or shortage (overdemand). Therefore, market equilibrium plays a fundamental role in determining price stability and optimal resource allocation in the economy.

Aggregate Demand

Aggregate demand, also known as AD, is the total amount of goods and services demanded by all sectors in an economy at a given price level over a given period (Erdanova & Mirzayeva, 2023). The Keynesian approach views aggregate demand as the total demand for goods and services in the economy, which includes consumption, investment, government spending, and net exports. This perspective aims to understand how various factors, such as income levels, as well as monetary and fiscal policies, affect the total demand (Mimoun et al., 2024). Within this framework, changes in those factors can lead to a shift in aggregate demand, which in turn affects the balance of the market and the economy as a whole (Rohman et al., 2024).

RESEARCH METHOD

This study uses a descriptive qualitative method with the aim of in-depth describing the transformation process of traditional retail business models to Omni-channel and its impact on consumer switching behavior, market balance, and aggregate demand. Primary data sources were obtained through in-depth interviews with retail business actors, both those who are still adopting traditional systems and those who have switched to an Omni-channel mode*l*, as well as with consumers who have experience shopping on both types of channels. Direct observation of retail activities in the field was also carried out to capture the dynamics of interaction and adaptation strategies that occurred in real life. Meanwhile, secondary data was obtained from various documents such as industry reports, market studies, academic publications, and government policies related to digital transformation in the retail sector. This combination of primary and secondary data allows researchers to obtain a comprehensive and contextual picture of the changes in the retail ecosystem in Indonesia in the face of the challenges of the digital era.

Qualitative data analysis in this study was carried out using the Miles and Huberman interactive model which includes three main stages: data reduction, data presentation, and conclusion drawing or verification. Data reduction is carried out by filtering the results of in-depth interviews and field observations to identify relevant information related to consumer motivation in switching *channels*, adaptation strategies of retail players, and changes in demand patterns. Furthermore, data is presented in the form of thematic matrices and analytical narratives to uncover the relationship between business model transformations and market dynamics that occur. The process of concluding is carried out continuously which allows researchers to revise or confirm findings based on new data that emerges. This interactive approach helps build a deep and contextual understanding of the complexities of the transition from traditional retail to omni-channel, as well as its impact on market balance and aggregate demand. Interviews were conducted with 10 retail players and 15 consumers who were selected using purposive sampling. The research instrument is in the form of a semi-structured interview guide. The validity of the data was obtained through triangulation and *member checking.*

RESULTS AND DISCUSSION

Successful Implementation of Transformation of Traditional Retail Business Model to Omni-channel

The findings of this study, based on interviews, indicate that the successful implementation of the transformation of traditional retail business models to Omni-channel is highly dependent on the ability of business actors to build strong integration between physical and digital channels. The informant stated that the success was characterized by the consistency of the customer experience at all points of interaction, from product search to the payment process and after-sales service. They also emphasized the importance of technology support, such as *real-time* inventory management systems and responsive digital platforms, as the key foundation for effectively executing *an* Omni-channel strategy.

In addition, the informant highlighted that another key factor of success is the readiness of human resources to adopt change, as well as visionary leadership in designing long-term strategies. Employee training, strengthening digital culture, and cross-divisional collaboration are important aspects to ensure a smooth transition. Based on their experience, the successful implementation of this not only increases customer satisfaction and operational efficiency but also expands market reach and creates new growth opportunities in the digital age.

The strategy implementation of successful omni-channel ones shows some important similarities. In Portugal's retail sector, business transformation through the integration of IT, organizational change, and the utilization of customer feedback has succeeded in improving sales and customer experience. In Japan, Seven & I Holdings successfully transitioned from multichannel to omnichannel by integrating physical and online channels, as well as optimizing its infrastructure and brand management. The fashion industry in Spain has also been successful by combining online and offline channels, which increases customer satisfaction and engagement, while highlighting the importance of understanding consumer behavior. Meanwhile, in Brazil, the banking sector is using an omnichannel strategy to increase customer loyalty, with integrated interaction quality and a seamless customer experience (Wibisono, 2024). Overall, successful omnichannel implementations rely on technology integration, organizational change, and a focus on a consistent customer experience, which ultimately increases customer loyalty and satisfaction.

Transformation of traditional retail business models to Omni-channel in Indonesia, one of which is implemented by PT. Matahari Putra Prima Tbk is a clear example of an adaptive response to changes in consumer behavior that increasingly prioritizes convenience, flexibility, and accessibility in shopping. Through a strategic collaboration with the e-commerce platform Tokopedia, the company presents virtual stores such as Hypermart, Foodmart, Primo, and Hyfresh to reach consumers more widely through digital channels. This initiative not only strengthens the brand's presence in the digital space but also represents the integration between physical and online channels in creating a seamless and consistent shopping experience. The implementation of the omnichannel strategy by PT. Matahari Putra Prima Tbk is a form of innovation in the face of digital disruption as well as a competitive strategy to meet increasingly high consumer expectations for service speed, convenience, and product availability (Suriansha, 2021).

The Impact of Transforming Traditional Retail Business Models to Omni-channel on Consumer Switching Behavior

The results of interviews with retail and consumer business actors found that the transformation of business models from traditional retail to Omni-channel has significantly changed consumer shopping preferences and behaviors. The majority of consumers state that the ease of access through various channels, such as *e-commerce*, mobile apps, and integrated physical stores, encourages them to switch between channels in the purchase decision-making process. This is reinforced by findings from observations in several retail outlets and digital platforms, which show an increasing trend of consumers starting their product search online but completing purchases offline, or vice versa.

The findings of the documentation show that marketing activities and transaction data from retail companies show that there are fluctuations in consumer traffic between channels, which have intensified since the implementation of the Omni-channel strategy. The consistency of experience and service quality between channels is the main challenge faced by retailers, because price mismatches, promotions, or stock between channels are often the reason consumers turn to competitors. These findings indicate that consumer *switching* behavior is not only a result of increased accessibility but also of expectations for integration and uniformity of experiences. Therefore, the transformation to Omni-channel requires companies to build systems that not only support multiple channels but are also capable of creating a holistic customer experience to reduce switching and maintain consumer loyalty.

Based on the results of interviews, observations and documents, it can be analyzed that the transformation of retail business models from traditional to Omni-channel has resulted in profound changes in consumer interaction with brands and their purchasing patterns. These changes are not only influenced by convenience and ease of access factors, but also by increasingly fierce market competition, which spurs consumers to leverage various channels to get the best value. Therefore, understanding the impact of these transformations on consumer switching behavior is essential, as it can provide valuable insights into how retail strategies need to be tailored to maintain customer loyalty and ensure the sustainability of long-term relationships in the face of the challenges and opportunities that arise in the digital age.

First, the impact on increasing accessibility and ease of shopping. The transformation from a traditional retail business model to *an* Omni-channel allows consumers to shop more flexibly, whether through online platforms, mobile apps, or physical in-store experiences. These changes significantly improve consumer accessibility to products and services, which were previously limited to specific times and locations. Consumers can now choose the channel that best suits their preferences, whether it's shopping from home through e-commerce, utilizing pickup at physical stores, or searching for products through mobile apps. Thus, omnichannel presents the convenience of shopping that encourages consumers to switch between channels more often, a phenomenon that accelerates consumer switching behavior.

Second, the impact on improving customer satisfaction and experience. One of the biggest impacts of this transformation is the change in consumer perception of the shopping experience. Omni-channel models give consumers complete control over their experience, which increases satisfaction by giving them the freedom to choose the channel that suits their needs at any point in time. Consumers who previously felt limited in physical shopping now have the freedom to leverage technology to search for product information, compare prices, or even take advantage of augmented reality features to try products virtually. The satisfaction gained from this convenience can trigger consumers to switch between channels more frequently, reinforcing their switching behavior to channels that are perceived to provide a more satisfying experience.

Third, the impact on consumer purchasing decisions. The technologies used in Omni-channel models, such as integrated information systems and big data-driven platforms, allow sellers to better understand consumer preferences and provide more personalized and relevant offers. The ease of searching for products, comparing prices, and getting personalized recommendations improves consumer purchasing decisions. In addition, technologies such as mobile apps that facilitate fast payment features and flexible delivery also increase the likelihood of consumers switching between channels. Consumers are increasingly able to switch between channels based on their convenience and desired transaction speed, accelerating the shift of consumer behavior to an Omni-channel model.

Fourth, the impact on consumer loyalty is lower. While Omni-channel models have the potential to increase satisfaction and convenience, this transformation also presents challenges in maintaining consumer loyalty. High switching behavior, while encouraging flexibility, can also lower long-term loyalty levels. Consumers may find it easier to switch to competitors that offer a better shopping experience or more competitive prices. Issues such as price inconsistencies between channels, uneven quality of service between physical and online stores, or complicated return processes can lead to dissatisfaction that encourages consumers to switch to other channels or brands. Therefore, while the transformation to Omni-channel brings many benefits, it is important for retailers to manage the customer experience consistently across all channels to avoid a decline in loyalty and create long-term relationships with consumers.

Taking these impacts into account, the transformation to omni-channel can be a very effective strategy to increase flexibility and consumer satisfaction, but it also requires attention to the factors that affect consumer switching behavior, including (1) the ease of access and convenience offered by various channels, which allows consumers to choose the channel that best suits their needs, (2) integration and consistency between channels, which ensures a seamless shopping experience and minimizes frustration related to information or price mismatches between physical and digital channels, (3) personalized offers based on consumer data, which increase the relevance of promotions and product recommendations, and (4) brand loyalty, which can be influenced by positive and negative shopping experiences and the influence of competitors who offer more attractive alternative channels or auspicious. All of these factors play an important role in determining the extent to which consumers will be likely to switch between channels and how retailers can leverage Omni-channel transformation to create long-term relationships with customers.

In summary, the impact of the transformation to Omni-channel triggers consumer switching behavior from traditional to digital channels. Interview findings show consumers prefer a channel that provides convenience, speed, and a consistent experience.

Table 1. Summary of Consumer Switching Quotes

Informant	Important Quotes
Consumer 1	"The ease of access through e-commerce makes me prefer online shopping."

Consumer 2	"I often compare prices online first, then buy in stores."
Consumer 3	"Scalability in choosing goods online is wider, not fixated on just 1 store."

The Impact of the Implementation of Omni-channel *Strategy* on the Dynamism of Market Balance in the Retail Sector

The findings of this study are based on the results of interviews with retail business actors and market analysts that the implementation of *an* Omni-channel strategy has been proven to bring significant changes in the dynamics of market balance. Businesses state that by integrating various sales channels, they are able to reach consumers more widely and responsively, which ultimately drives a fluctuating increase in demand across various channels. Field observations in several shopping malls and *e-commerce* platforms show that consumers tend to move between channels based on convenience, price, and product availability, resulting in more dynamic demand patterns. In addition, business actors also face challenges in maintaining price and stock consistency, which if not managed properly, can lead to an imbalance between supply and demand on each channel.

Internal reports from retail leaders show that the success of an Omni-channel *strategy* relies heavily on the efficiency of data integration between channels, as well as the system's ability to monitor stock movements and consumer preferences in *real-time*. The mismatch between product information on online and offline channels is recorded as the main cause of consumer dissatisfaction which has an impact on temporary market imbalances. This suggests that while Omni-channel has the potential to create a more flexible and efficient market, without good supply chain and information management, this strategy can trigger market instability. Therefore, companies need to build adaptive distribution systems and implement data-driven managerial approaches to be able to maintain a balance between changing demand and available supply

Market behavior in the context of equilibrium is strongly influenced by the interaction between supply and demand (Trinh, 2022), which has become increasingly dynamic due to the implementation of an omni-channel strategy in the retail sector. The integration of physical and digital channels allows consumers to access products more quickly and efficiently, thereby increasing market demand in a more volatile manner. On the other hand, sellers are required to adjust supply in real-time to meet demand spread across multiple channels, which often requires complex logistics and inventory management systems. As a result, the market balance has become less static and constantly shifting, reflecting market behavior that is increasingly responsive to changing consumer preferences as well as the capacity of retailers to adapt to competitive market pressures

The transformation of traditional retail business models to Omni-channel reflects a major shift in the retail ecosystem driven by technological advancements, especially in the digitalization and integration of online and offline channels. Traditional retail, which previously relied on direct transactions in physical stores, now has to adapt to the demands of a market that wants the convenience of shopping through various digital channels, such as *e-commerce* and mobile applications. These changes have a significant impact on the balance of the market, as they change the way consumers interact with products and services, and affect the structure of competition between business actors.

One of the main impacts of *the implementation of* Omni-channel is increased flexibility and convenience for consumers in shopping. Consumers now have the freedom to choose the channel that best suits their preferences and needs, whether it's physically shopping in-store or using an online platform. This change has the potential to increase the volume of demand, as consumers can access products more easily and quickly, and compare prices and product choices more efficiently. In this case, Omni-channel creates more dynamic demand, which has the potential to change the balance between supply and demand in the market. Retail businesses that can leverage technology to integrate these channels well will be better able to adapt to rapid changes in demand, creating opportunities for competitive advantages.

However, the increase in demand that occurred also brought challenges in maintaining market balance. One of the main challenges is how to maintain consistency in price and product quality across multiple channels. With so many options available to consumers, the mismatch between the prices offered in physical and online stores can create dissatisfaction and undermine consumer trust. Therefore, it is important for retail companies to adopt an efficient management system, which allows them to maintain consistency in prices and product stock across all channels. Discrepancies in price and product quality can disrupt the balance of the market, ultimately impacting consumer loyalty and market relationship stability.

On the supply side, retailers that adopt *an* Omni-channel model need to adapt to more complex inventory management and distribution. The integration between *online* and physical channels requires companies to have sophisticated management systems in place, so they can respond to demand fluctuations in real-time. Failure to properly manage product supply can lead to shortages of goods in certain channels, creating a detrimental imbalance for both consumers and business actors. Therefore, efficient and responsive supply chain management to changing demand is essential to maintain market stability and ensure products are available at competitive prices across all channels.

Overall, the transformation from traditional retail to Omni-channel has the potential to create a more dynamic market, but it also requires special attention to the challenges presented by these changes. Retail players must consider the impact of technology on changing consumer behavior, as well as how strategies applied in product channel and stock management may affect the market balance. With the right approach, omni-channel can be a highly effective strategy to strengthen its competitive position in the market, but only if companies can manage these changes wisely and responsively to evolving consumer needs.

In summary, the integration of *online* and *offline* channels is changing the dynamics of market balance. Retailers face challenges in maintaining price consistency and product availability.

Table 2. Summary of Quotes Related to Market Balance

Informant	Important Quotes
Retail Actor 1	"It's difficult to keep stocks and prices balanced across all channels because of the increasingly fierce competition."
Retail Players 2	"Online and offline have different demand patterns."

The Impact of Omni-channel Business Model Transformation on Aggregate Demand Dynamics in the Context of Macroeconomic Approaches

Based on interviews with retail business actors, economic analysts, and consumers, the transformation of business models to Omni-channel has an impact on increasing household consumption as one of the main components of aggregate demand. Consumers state that the ease of access and flexibility in shopping through various digital and physical channels encourage them to make purchases more often and in larger quantities. The business also acknowledged an increase in transaction volume since adopting *an* Omni-channel strategy, especially during the promotional period that is integrated between online platforms and physical stores. Observations in the field support this finding, where there has been a surge in shopping activity on digital channels at certain times, suggesting a shift in consumption behavior that is more responsive to marketing and technological stimuli

Documentation from financial statements and sales data of several retail companies shows increased investment in technology infrastructure, inventory management systems, and the development of digital platforms in an effort to support the integration of omni-channel channels. This investment reflects the private sector's contribution to the investment component in aggregate demand, which is in line with the Keynesian theory-based approach to macroeconomics. However, interviews with economic analysts also underscore the importance of fiscal policy support, such as tax incentives and digitalization subsidies, to strengthen the impact of this transformation on broader economic growth. Thus, the aggregate demand dynamics due to omni-channel adoption are not only influenced by private sector consumption and investment, but also highly dependent on strategic coordination between market participants and government policies that support the digital transformation of the retail sector.

The findings of this study suggest that the transformation of business models Omni-channel, encourages increased consumption and investment in the retail sector, and macroprudential policy has a strategic role in maintaining macroeconomic stability (Teixeia & Venter, 2023). By providing easy cross-channel access and expanding market reach, omni-channel has the potential to increase household consumption as a key component of aggregate demand. However, this surge in consumption can pose credit risks and financial imbalances if not accompanied by strict macroprudential supervision, such as regulating debt-to-income ratios or controlling the growth of consumptive credit. Therefore, the synergy between adaptive macroprudential and expansionary policies is crucial in ensuring that the increase in aggregate demand sustainably takes place without compromising financial sector stability.

The transformation of traditional retail business models to omni-channel has a significant impact on economic dynamics, particularly in the context of aggregate demand, which is the total demand for goods and services in an economy at any given time. In a macroeconomic perspective, aggregate demand is influenced by factors such as consumption, investment, government spending, and export-import. Omni-channel implementations, which integrate various physical and digital channels to meet consumer needs, can impact the consumption component of the economy. Through *interconnected online* and *offline* channels, consumers can access goods and services faster, more efficiently, and more flexibly. This has the potential to increase household consumption, which in turn could stimulate an increase in aggregate demand.

In a Keynesian perspective, household consumption is one of the main drivers of aggregate demand (Soelistyo, 2022). Changes in consumer behavior driven by the ease of shopping through various channels in the model Omni-channel potentially enlarge this component of consumption. Consumers who were previously limited to a choice of physical channels can now opt for more convenient and efficient channels, such as online shopping, which increases the volume of purchases of goods and services. Lower transaction costs and increased shopping convenience lead to increased consumer purchasing power, which can directly drive aggregate demand growth in the economy. Therefore, the transformation to Omni-channel acts as a driver in increasing consumption and, in turn, can influence the dynamics of aggregate demand within the macroeconomic framework.

On the other hand, in Keynesian theory, increased consumption is not always directly proportional to an increase in aggregate demand if it is not offset by adequate investment (Suhartoko et al., 2022). In this context, retailers adopting the model Omni-channel often face the need to invest in more advanced technological infrastructure, more efficient inventory management systems, and distribution systems that are more responsive to demand fluctuations. Investments made by retail companies to strengthen the omni-channel model have a direct impact on the investment component in the economy. This increase in investment by the private sector can stimulate economic growth, strengthen the aggregate demand base, and create new jobs that contribute to increased household incomes. (Okviyanti & Kabib, 2023).

However, in Keynesian economic analysis, the impact of this increase in consumption and investment can be influenced by the level of government spending and fiscal policies implemented. Governments can play an important role in stimulating aggregate demand by providing incentives or subsidies to the retail sector that is transforming to Omni-channel, such as tax reductions or technology assistance for small and medium-sized businesses. In addition, fiscal policies that support the retail sector and facilitate the digital transition can accelerate the adoption of Omni-channel business models, which in turn can strengthen aggregate demand dynamics in the economy. Conversely, if fiscal policy is not supportive, or in the event of economic uncertainty, the transformation to Omni-channel may not be enough to stimulate a significant increase in aggregate demand.

Overall, the impact of omni-channel business model transformation on aggregate demand dynamics in the context of macroeconomic approaches, particularly in a Keynesian perspective, can be seen as two intertwined sides. On the one hand, increased consumption and investment may drive aggregate demand growth, but the impact depends on supportive fiscal policies and the response of the retail sector to economic changes. Therefore, to maximize the potential positive impact of Omni-channel transformation on the economy, synergies between the private sector and appropriate government policies are needed, which can ensure that these changes in business models can sustainably strengthen aggregate demand.

In summary, Omni-channel transformation contributes to increased household consumption. The ease of shopping and cross-channel promotions drive the frequency of purchases.

Table 3. Summary of Aggregate Request Quotes

Informant	Important Quotes
Economic Analyst 1	"Omni-channel drives higher consumption, especially during promotions."
Consumer 4	"I'm buying online more often because of the many options and it's more practical."

CONCLUSION

Based on the above discussion, it can be concluded that the transformation from traditional retail business models to omni-channel has had an impact on market dynamics, especially in terms of increased flexibility and consumer satisfaction. By providing easier access through multiple channels, omni-channel drives higher consumer switching behavior, which in turn provides convenience in shopping. However, despite the increased convenience, the main challenge that arises is the decline in consumer loyalty due to high switching behavior and inconsistency in the experience that occurs between channels. The implementation of *an* Omni-channel strategy also creates a more dynamic market, providing flexibility and convenience for consumers, but at the same time adds complexity in maintaining a balance between demand and supply. To maintain market stability, retail businesses need to efficiently manage price consistency, product quality, and supply chains in order to respond to rapid changes in demand. The transformation of omni-channel business models also has the potential to increase household consumption and investment, which could drive aggregate demand growth within the macroeconomic framework. However, the impact is highly dependent on supportive fiscal policies and the retail sector's response to emerging economic changes, which can strengthen or slow the pace of aggregate demand.

The theoretical implications of the transformation of Omni-channel business models demonstrate the importance of a deeper understanding of consumer behavior, especially in the context of increasingly flexible distribution channels. This shift also has an impact on aggregate demand dynamics in the macroeconomy, where household consumption and private sector investment are the main factors in economic growth. Therefore, consumer behavior theories and aggregate demand models need to be updated to reflect the influence of integration between digital and physical channels. In practical terms, retail businesses need to manage challenges arising from consumer switching behaviors, such as experience inconsistencies and decreased loyalty, by ensuring consistency of prices, product quality, and service across existing distribution channels. In addition, to take advantage of aggregate demand growth opportunities, retail companies need to invest in technology infrastructure and efficient management systems and adapt to fiscal policies that support digital transformation to maintain market stability and increase competitiveness in the digital economy era. This research has a limited scale and sample. Follow-up studies with a quantitative approach are recommended to strengthen the research results.

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