

Start a commerce chain reaction

How to build a successful omni-channel strategy in the new era of retail



Change is difficult. People and process take time to adapt. Sometimes it can be hard to keep your eye on the ultimate goal. But one thing is certain: the retail universe has changed immeasurably. Staying relevant means taking a bold new stance and phasing out the old ways of doing retail.

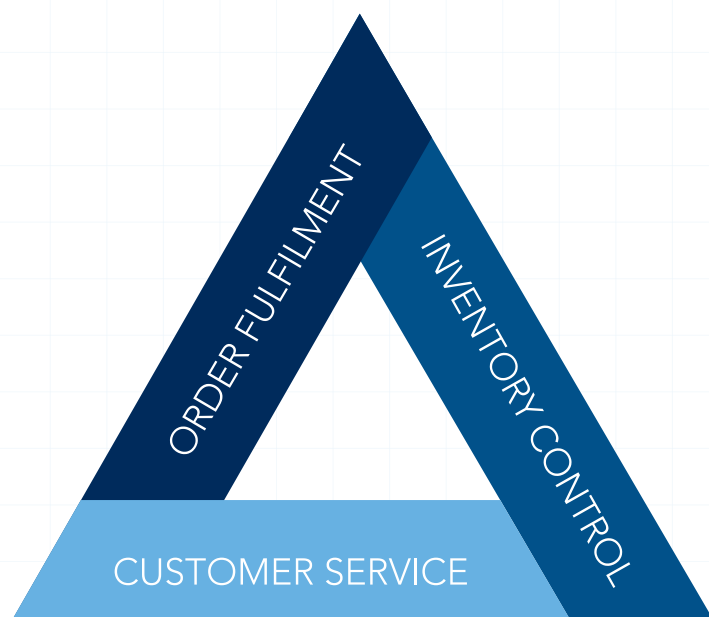
Seamless retail

Many retailers run a bricks-and-clicks model that looks, from the outside, to be smooth and seamless. But their fulfilment network and stores network exist as separate siloed elements, making order fulfilment unprofitable and inefficient. Creating a single pool of available inventory and bringing the store network into play helps create a truly flexible, seamless fulfilment machine.

Similar challenges face pure-play online retailers. The goal is to delight the customer while also finding the most profitable, low-friction fulfilment route.

So how do retailers start making orders more profitable while meeting and exceeding customer expectations and even adding personalised customer service? The answer lies in coordinating order fulfilment, inventory control and customer experience.

The challenge triangle: What you need to overcome



Order fulfilment

- Lack of visibility and control from purchase to delivery
- Inability to amend orders during fulfilment, while fulfilment locations cannot be changed
- Cross-channel inconsistency – in-store items are marked down but sell well online

Inventory control

- No real-time view of inventory across distribution centres, suppliers and stores
- A lack of detail on what's available to sell and where
- Few ways to give stores broader selling opportunities

Customer service

- Losing customers because the online channel is out of stock
- Difficult for customers from one channel to be serviced by a different channel
- A lack of consistent product availability and customer experience across channels

“Trying to execute a transformative omni-channel strategy without [an order management system] is like going into battle with a wooden stick.”¹

Forrester Research, Inc.

Sharpen your understanding of customer experience

The best retailers take a customer-centric view of their business. Analyst firm Forrester calls this approach ‘the age of the customer’² – a new retail epoch that puts the customer first, ahead of traditional business priorities.

You must ask yourself not what you can do for your customers, but what you should do. As a retailer, you need to look at your customer’s experience from a whole new perspective. But the disparate, departmentalised structure found in most retail organisations could be standing in your way.

The challenges to organisational change

Silos? Inflexible technology? What are the obstacles to omni-channel success? The Economist Intelligence Unit’s survey results make interesting reading for any retailer looking to improve customer service.³

What obstacles stand in the way of improving your organisation’s customer experience?

27%

Silos within the organisation

27%

Lack of integrated information systems

24%

Lack of senior management vision and leadership

24%

Inflexible technology and application infrastructure

19%

Lack of consolidated 360-degree view of the customer across touchpoints

16%

Lack of employee incentives for collaboration

Joining the dots between online and in-store

Offline stores have been left behind, as online stores have continued to innovate, offering increasingly intuitive and immersive experiences. Consequently, consumer expectations are rising by the year: 90% of consumers expect a consistent experience across every channel, a 17% rise over the previous year.⁴

And it doesn’t stop there. Nearly half of holiday shoppers have at some point been left frustrated by the inconsistencies between in-store and online, while 40% report inconsistencies between online and offline product information.

So what can you do to deliver a genuinely consistent, customer-centric retail experience?

The most important piece in the customer service puzzle is an order management system – the science and intelligence behind the order fulfilment process.

1 Announcing The Forrester Wave™: Omnichannel Order Management, Q3 2014, Forrester blogs, July 29, 2014

2 <https://www.forrester.com/age-of-the-customer/-/E-MPL291>

3 <http://www.economistinsights.com/technology-innovation/opinion/omnichannel-challenge-retail>

4 <http://loyalty360.org/resources/article/sdl-launches-customer-commitment-framework>

What an advanced, enterprise-grade order management system will give you:

Fulfilment success

Whether pure-play or omni-channel, online e-commerce or in-store associates, order management systems provide the right information at the right time: enabling instructions on picking and packing, relevant customer details and a complete picture of the individual order's lifecycle.

Retail inventory efficiency

Order management systems gather data from the warehouse management system, the point of sale system and the ERP system to provide a single view of inventory.

Customer service excellence

An advanced order management system enables any channel or touchpoint to provide great customer service. Want to modify an order at any stage in the fulfilment process, service online orders from in-store, or return online items in-store? An advanced order management system is the backbone of your fulfilment system.

Make it personal with smart clienteling

Data is the new currency, and retailers need to cash in. A study by RSR Research shows that 57% of successful retailers use customer information across all channels, compared to only 29% of less successful retailers.⁵ Access to data about customer behaviour, preferences, order history, location and more means that retailers can take straightforward steps to close the gap between online and in-store customer service.

The data supplied from an order management system makes personalisation possible: retailers are beginning to offer a personalised shopping experience in-store, echoing the online experience. Known as clienteling, these advanced forms of cross-channel personalised customer service capabilities live or die by the order management system running behind them. A task your ERP system can't handle.



The wrap up

From training up store associates to be part of the distribution network to integrating clienteling techniques that help you identify your customer before they reach the tills, retailers need to understand that time is running out.

New generations of consumers are growing up with tablets, smartphones and very high expectations. Retailers need to form a coherent, robust omni-channel strategy – a strategy that understands how an agile, integrated order management system forms the intelligent central hub of their entire retail operation.

Look to Manhattan Associates for business growth

In the age of high-speed commerce, leaving your company performance to guesswork and gut feeling alone won't cut it. The digital integration and big data challenges you face are simply too vast.

Having the right order management system in place has become as important as stocking the right products and hiring the right staff. Today, you need a scientific, data-led solution that can optimise almost every part of your company, from your supply chain and inventory to store associates on the shop floor.

At Manhattan Associates, we put data first, using the most advanced algorithms in our Order Management solutions. We call this approach the Science of Shopping, and it means we're the best partner you could have, helping you be the fast, cost-efficient organisation you need to be to face a constantly changing retail environment.

Contact us now to find out how you can lead your company into a new era of customer-centric success. **+31 (0)30 – 214 3049** or **ce@manh.com**

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