

not

another omnichannel customer experience whitepaper

data convergence paves the way



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not another customer experience whitepaper

Omnichannel. Circa 2010, it emerged in the retail industry as a theoretical apex. Thought leaders and journalists have written paper after paper and article after article on every aspect of omnichannel, and the vast majority of written material on the concept revolves around the customer's experience:

- What it should be
- Why every retailer should do it
- Omnichannel shopping
- Omnichannel marketing
- Omnichannel fulfillment
- Omnichannel successes and failures
- Return on omnichannel
- Variations on omnichannel
- Retailer investment into omnichannel

Omnichannel ultimately means your customer has the flexibility to view your product, buy it, receive it, and return it from whatever combination of channels is most convenient for them, from what you choose to offer.

But this is not another whitepaper about what omnichannel can do for the customer.

This is about the retailer's omnichannel experience, written purely from the operational perspective. It's a foundational look at what it actually takes to make omnichannel a reality – the labyrinth behind the scenes.

Every retailer's business model, goals, and offerings are different, and that will be reflected in how they structure their omnichannel efforts.

So if you're a little tired of all the scope creep as retail theorists and marketers build up higher and higher expectations among consumers, read this whitepaper on what it actually takes to build the omnichannel experience and what's in it for your business.

omnichannel = ?

[bringing all the data together for a unified view]

Omnichannel as a concept seeks to solve a particular, prevalent problem in retail that affects both the consumer and retailer experience. What consumers experience of omnichannel is just the tip of the iceberg; what you actually have to do to make it happen is the hidden mass of processes beneath the surface. So what does it take to go omnichannel? Consumer and retailer perspectives differ on this point, and both must be considered.



omnichannel = customer convenience

From the consumer's point of view, omnichannel equals their convenience: they expect you to be one cohesive brand with which they can interact across every channel without any roadblocks.

- If they buy from your brand online or from a catalog, they expect that they can return products in brick-and-mortar stores that bear the same logo.
- If they buy from your store in New York, they expect that their loyalty points will apply in your store in Los Angeles or London or Dubai.

Because retail is a customer-centric industry, it is your responsibility – and prerogative – to make these conveniences possible.

Given the [return on omnichannel](#), retailers are investing heavily in omnichannel initiatives, and retail management software companies like [Retail Pro International](#) are at the forefront of helping you turn possibility into reality.



omnichannel = data visibility

Essentially, omnichannel boils down simply to data visibility. Data drives the operations in your store. It shows you what's going on in your business and helps you fill in operational gaps. Retailers gather data on two critical components: inventory and customers.

inventory data

- What products you carry: SKUs for product categories, brands, flavors, colors and styles, price points, size variations
- How much of each product you carry: Quantities on hand at every location and in warehouses
- Where each product is: at a particular location or warehouse, on the sales floor, in the back, in transit

customer data

- Who is shopping with you: big spenders, loyal customers, one-time shoppers
- What they are buying: products they love, avoid, or buy only occasionally
- Where they are buying: one consistent location, multiple locations across town, online only, online and in stores

The goal in omnichannel is to see all of this for every location and channel – as if they are all just one location. It's centralized insight into the granular details of your store operations.

But this simplicity tends to get lost when applied to a business at scale because most retail management software keeps your data is siloed, fragmented pieces, so you are forced to keep track of separate inventories and other data for each channel and location. This can cause the following, along with other consequences you might have already discovered:

- Unnecessary inventory duplication
- Lost sales due to out of stock situations
- Decreased margins due to increased markdowns

Furthermore, each subsequent layer added to your strategy convolutes the data visibility.

Adding mobile POS for better in-store engagement, or e-commerce for example, can require you to build a non-native link to your POS, triggering unintended consequences like these:

- Increased complexity in IT management of multiple unsynchronized software and siloed data
- Delayed data updates as m-POS and e-commerce data must now be transmitted through an additional API layer
- Increased margin of error for sales across channels due to these delayed updates
- Increased difficulty in analytics and reporting when comparing fragmented sources of data

So how can you get the simple, synced data visibility you need for omnichannel?

omnichannel = data convergence

If the problem is disparate data streaming in from the multiple software, then the solution is to unify the data sources in one comprehensive software.

Using a single software that can operate across every device gives you the following benefits, among many more:

- Streamlined IT management: keep all of your data in one database
- Consistent user interface: reinforce your brand and simplify training for new employees
- Centralized insight: get a holistic picture of the operational reality in your stores
- Access to pertinent data: increase flexibility in where and how you serve your customers

data convergence - - - >

1 Access to pertinent data: increase flexibility in where and how you serve your customers

2 Consistent user interface: reinforce your brand and simplify training for new employees

3 Centralized insight: get a holistic picture of the operational reality in your stores

4 Streamlined IT management: keep all of your data in one database

Cross-platform retail software like Retail Pro® does just that. It converges the data from all of your channels – mobile, fixed POS, and e-commerce – because it is the single solution running your whole operation.

Retail Pro can be run from any device in your brick-and-mortar stores – from iPods and iPads, Windows and Android mobile devices to kiosks and desktop POS. This gives you:

- Options in choosing devices that make the most sense for your business
- Freedom to engage your customers anywhere in the store, at the point of decision
- Ability to ramp up and scale down with the number of devices as needed for seasonality
- Flexibility to use mobile devices for line busting or clienteling or back-office operational work

Running your e-commerce on the Retail Pro platform as well will give you ultimate convergence between all of your channels – so all your data is in one place and speaks the same language.

“

The Retail Pro® platform gives you ultimate convergence between all of your channels - so all your data is in one place and speaks the same language.

”

Ram Nair

Director of Strategic Accounts | Retail Pro International



www.retailpro.com

4 benefits of convergence

[less is more]

Data convergence is the foundation of omnichannel. It decreases the number of software your IT group must manage and increases financial, operational, and customer engagement benefits.

1. better customers

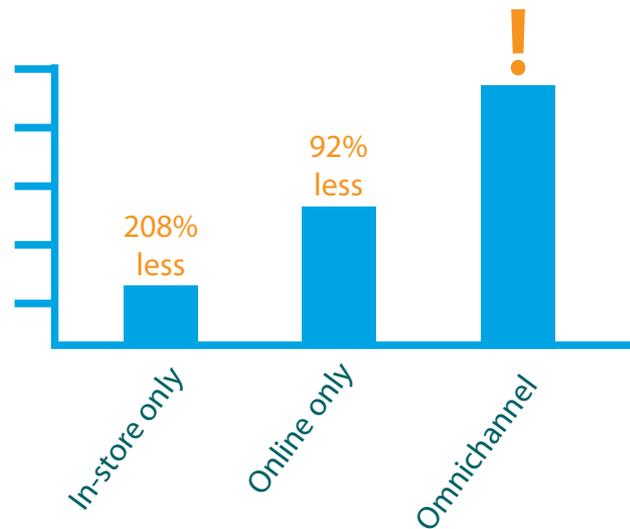
According to Accenture, 88% of consumers use at least one digital channel today when prospecting for products. Total convergence of digital and physical channels, then, gives retailers a greater opportunity for increasing loyalty and revenue, as shoppers can always access the brands they love and get precise product availability.

This data-driven precision sets clear expectations among consumers, decreasing disappointment and thereby increasing their inclination toward making a repeat purchase with you.

In addition, omnichannel can lead to significant revenue increases, as omnichannel customers spend 93% more per transaction compared to online-only customers, according to a Deloitte study.

Compared to in-store-only customers, the same study found that omnichannel shoppers spend **208% more per transaction**. Data convergence makes omnichannel possible, and omnichannel makes this kind of financial growth possible.

Consumer Spending by Channel



2. better communications

Consolidating all of your servers, applications, and operating systems in a single platform enables more efficient data communications. It lets you centrally update every application across every device. Centralized reporting across brands, franchises, locations, and channels gives you a better picture of the state of your business both as a whole and in each individual sector.

The benefits of such consolidation bleed into the customer experience. REI, a US recreational equipment retailer, has built better data communications across channels. The company gives their customers up-to-date, accurate product information at every touchpoint with converged data. Whether shopping at a store, online, on their app, or any other channel, customers can see exactly what's available and where – because converged data communicates across channels – so they get the product they want and REI makes the sale every time.

3. better operational effectiveness

Because converged data gives you centralized insight into all of your inventory, you can increase merchandising effectiveness on your sales floor and offer your customers all the products they want without having to carry all of it in your store.

On your website, you can display each product's availability across various stores in your customer's location to ensure a sale every time and save customers the frustration of driving to a store only to find that the product they want is out of stock.

Having complete insight into all of your inventory across the supply network also enables you to implement Click and Collect services, like the department store John Lewis does.

With about **25% of their online orders** being fulfilled in stores through this service, the retailer is increasing inventory turnover, decreasing the opportunity cost of over and understocking, and driving down fulfillment costs by fulfilling online orders from the nearest store instead of a distribution center.

4. better service

Having all of your customer details on a mobile device lets your sales staff be better informed when making cross-sell and upsell suggestions, and empowers them to give a more personalized experience in your stores.

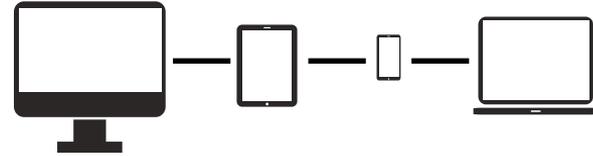
Online, omnichannel data transparency lets you pull transactional data from the same source to use on your e-commerce site, so every “Things You Might Like” suggestion is tailored to the customer’s preferences and purchase history.

The U.K. fashion retailer Oasis leads the way in offering better service with omnichannel connectivity. [Hubspot marketing platform reports](#) this on Oasis’ in-store experience:

If you walk into one of their stores, you’ll find sales associates armed with iPads that are available to give you on-the-spot, accurate, and up-to-date product information. The iPad also acts as a cash register, making it easy for associates to ring you up from anywhere in the store. And the cherry on top? If it appears that something is out of stock, the staff can instantly place an online order for you to have the item shipped directly to your home.



convergence paves the way for omnichannel



Data convergence is paving the way for omnichannel, and is made simple with retail management platforms like Retail Pro. Beyond even the consumer benefits gained, omnichannel first and foremost benefits you as a retailer by giving you centralized insight into the granular aspects of your business, and the operational flexibility to run your business more efficiently and simply.



www.retailpro.com

Want to see what Retail Pro® can do for *your* store?

REQUEST A FREE CONSULTATION

About Retail Pro

Retail Pro International (RPI) is a global leader in retail management software that is recognized worldwide for rich functionality, multi-national capabilities, and unparalleled flexibility. For over 25 years, RPI has innovated retail software solutions to help retailers optimize business operations and have more time to focus on what really matters - cultivating customer engagement and capitalizing on retail's trends. Retail Pro is the chosen software platform for omni-channel strategy by serious retailers everywhere.



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