

One channel to rule them all. The importance of **omni-channel** management in **retail**



Losing the battle, winning the war

Retailers: let's start with a hard truth. **You no longer control the path consumers take to purchase your products.** And with each successive generation coming of age, retailers lose a little more ground. For millennials and digital natives, the days of brick-and-mortar impulse buys as a result of clever product placement or day-long window shopping excursions are becoming less frequent. The path to purchase for most consumers is now a twisted, winding road encompassing multiple touchpoints across digital, mobile, and physical worlds.

No matter what path is leading consumers to you, providing the customer with a consistent shopping experience is essential. A recent Forrester study found that 71% of customers reacted negatively to inconsistencies, some to the point where they would never interact with a brand again. Further to this, in a world where actionable data can mean the difference between a business that succeeds and one that fails, the importance of providing end-to-end visibility through every stage of the buying journey cannot be overlooked.



“The ability for a retailer to truly understand their consumers - whether they shop in-store or online - is critical. The bigger challenge is in understanding this new convergence between the digital world and the physical world.” - Mitch Joel

What is omni-channel?

Omni-channel retail management, at its core, means breaking down both the walls between previously siloed touchpoints in the multi-channel experience that comprise modern retail shopping. This is necessary on two fronts—one, to provide the customer or end user a consistent retail experience whether visiting a brick and mortar location, website, or mobile application; and two, to provide the retailer with a number of highly actionable data points along the path to purchase to drive optimization of sale opportunities.

While the omni-channel comprises physical locations, mobile apps, mobile search, desktop websites, ecommerce platforms, and Point of Sale (POS) solutions, it's common for retailers to utilize completely disparate solutions to manage each of these touchpoints, rendering any 'omni-channel' management strategy meaningless. For modern retailers to truly leverage the opportunity omni-channel presents, let's look at some of the benefits a unified management system provides.

A hand with light skin and white nail polish is holding the black rope handles of a brown paper shopping bag. The bag is positioned in the center of the frame against a solid yellow background. The bag has a simple, rectangular shape with a horizontal fold line near the bottom. The text is printed in a bold, black, sans-serif font on the front of the bag.

**"Retail has always been
about the customer experience.
Omni-channel just takes this
to the next level."**

Petur Thor Sigurdsson

Consistency

The modern consumer now commonly incorporates multiple touchpoints into their decision process. Whether in messaging, data present, prices, discounts, or features, consumers no longer accept that less data is available on one touchpoint.

If product details are only available in an e-commerce platform but not a loyalty app, or if a discount is only available in stores but not found online, or customers experience different pricing per touchpoint, retailers run the risk of customers abandoning them in favor of competitors offering a more consistent and pleasing experience. This is particularly noticeable when retailers are utilizing disparate systems to manage multiple touchpoints (eg; a mobile loyalty app from one vendor, an e-commerce platform from another, a POS system from another). To ensure seamlessness regardless of touchpoint, retailers must utilize a solution that pushes consistent information to multiple touchpoints and provides a holistic omni-channel experience.

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Search Engine Optimization (SEO)

Retail used to be all about finding the best physical location for a storefront. Virtual 'location' on search engines has all but rendered this obsolete. How easy are you making it for consumers to find your store when they search for something related to your store, brand, or product?

81% of consumers research products online before buying, and 60% begin their research on a search engine (Amazon searches are gaining a remarkable amount of ground in the initial touchpoint as well—something for forward-facing retailers to consider). Highlighting the importance of local search, a recent study found that 50% of consumers will visit a brick-and-mortar location **within a day** of conducting a local search.

These shifts in consumer behavior are creating dramatic new realities in local retail: not only changing the mindset of customers, but also changing foot traffic patterns. According to some stores, holiday foot traffic in brick and mortar locations has decreased year over year, **yet in the same time, sales have risen**. This astonishing correlation can be attributed to the fact that the modern customer is more purposeful and driven than ever before; after identifying a product they desire, researching it online, reading about it on blogs, identifying local retailers that carry the product, and evaluating the retailer on consistency, customer experience, and price, the customer is arriving at the store already intent on completing the purchase. It is because of this dramatic shift from aimless to ad hoc shopping that omni-channel retailers are rising above the rest and winning the day.



Fulfillment flexibility

Today's consumers don't only want fulfillment choices, they also want those choices to be fast. Whether offering in-store pickup or same-day shipping, retailers need to be prepared to provide a means for their customers to receive their purchases in a timely fashion that works for them. In order to facilitate this 'click and collect' process, retailers need to employ fulfillment solutions that provide real-time inventory checks and on-hand stock validation for brick and mortar locations.

By utilizing an omni-channel management platform, retailers are able to control the buyer's journey across multiple touchpoints. For example, a potential customer completes a web search for a product and purchases it from a highly-rated ecommerce site. The omni-channel platform notes, in real-time, that a local store has inventory on hand and offers same-day pickup in lieu of delivery. While ecommerce has altered many behaviors, it hasn't changed the fact that the majority of consumers would prefer to have their purchases in hand as soon as possible—therefore, the customer completes the transaction, selecting the option for local pickup.

Upon purchase completion, sales associates at the brick and mortar location receive a notification via their plugged-in POS that an order needs to be picked; after picking the order, the customer receives an email or push notification on their mobile device, advising them that their order is ready for pickup. Thrilled, they head to the store, where they present a QR code that was delivered to them at time of order. The associate scans the QR code into the POS, which locates the order and adds it to the sale; the customer, while in the store, selects a few impulse items and completes the transaction.

Too good to be true? With omni-channel management, it isn't.





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would rather research the
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than get the responses
from an in-store associate.

Mobile optimization

Despite our increasingly connected world, few retailers are adjusting to the shift in consumer behavior that mobile devices have enabled as far as the in-store experience goes, presenting an incredible opportunity for leverage. An Ipsos study found that two-thirds of consumers were unable to find the details they needed in a store, with many turning to the retailer's own website or app to fill the information gap. One in three surveyed even responded they would rather research the item themselves on their smartphone than get the responses from an in-store associate.

Granted, when comparing the physical and the digital world, the digital has an obvious advantage in that it is not constrained by the physical space necessary to communicate item details in-store. And in-store associates, while helpful, will in all but extremely rare cases lack the encyclopedic knowledge about each and every on-hand item that a retail location carries (more often than not, they may end up Googling it themselves).

A forward-thinking solution that has presented itself in response to the in-store information gap is the loyalty application. By providing branded loyalty apps, retailers are providing a digital means for customers to collect points, save coupons, and research products in store and online. Many loyalty programs fail because customers sign up on purchase, throw a card in an already over-stuffed wallet or purse, and never use it again. By providing a mobile app, you're tying the benefits of a loyalty program to a device that most millennials always have on their person, and reaping the rewards (pun intended).

Loyalty apps offer ample opportunity for personalization based on buying behavior or consumer profile; personalized coupons, offers, or notifications will keep customers coming back to your store and spending money. Not linking your loyalty app to the entire omni-channel experience, however, means you're taking a shot in the dark and only capable of making educated decisions based on behavior in the app itself. A holistic omni-channel experience will include ecommerce visits and purchase history when generating offers and opportunities your customers will legitimately find engaging.

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Employee empowerment

Enough about the customers; most retailers might be asking ‘what’s in it for ME?’ A unified omni-channel management system will empower in-store employees to better serve customers and complete sales on the ground.

Examples of this are mobile POS systems—streamlined, mobile-optimized systems that allow in-store associates to access item information or complete purchases from the floor. Apple, a company that was ahead of the curve in implementing mobile POS, has consistently ranked as the highest seller per square foot of retail space in this decade. The reason? Empowered and knowledgeable employees armed with tablets ready to answer questions and process transactions immediately for an improved customer experience. A mobile POS system integrated with the omni-channel management system will be capable of live inventory lookups, accessing item information, loading customer loyalty data, and processing payments for customers—no long checkout lineups or searching for an associate to have a question answered; just providing the customer with what they need, when they need it.



Building an omni-channel experience for tomorrow, today

The final benefit of implementing a unified omni-channel management system lies in the opportunity to keep an eye to the future. The rate of technological advancement in mobile and digital frequently outpaces solution providers' ability to keep up; and the cost and time necessary to upgrade or replace a number of outdated, disconnected systems can ensure that the best intentions of retail technology are never realized. Location beacons, recommendation engines, and personalized in-store remarketing are examples of omni-channel advancements that have yet to reach mass market adoption—but rest assured, they're coming. It's just a question of how prepared you will be when they arrive.

Summary

The retail experience for shoppers and retailers alike has fundamentally changed within the past decade—and will continue to do so for many years to come. By utilizing a single end-to-end system such as LS Retail to encompass the entire omni-channel experience, forward-thinking retailers can ensure they're providing an experience their customers love, collecting the data they can use to thrive, and setting their operations up for success today and far into the future.

About LS Retail

LS Retail is the leading provider of end-to-end solutions for the retail and hospitality industry based on Microsoft Dynamics technology.

For over two decades, LS Retail has been developing market leading software solutions that are currently used by more than 55,000 stores and restaurants worldwide, with support that exceeds 220 certified Microsoft and LS Retail partners in over 70 countries.

LS Retail's scalable solutions are used daily to manage the complex operational requirements of organizations within such diverse industries as fashion, electronics, furniture, duty free, restaurants, coffee shops, forecourt, c-stores and many more.

LS Retail's high quality and cost-effective solutions help businesses around the world:

- increase revenue
- build loyalty
- provide better customer service
- reach new customers
- lower costs

For further information on the company and the products, visit www.LSRetail.com



LS Retail