



Digitization in Retail - Making Your Omni-Channel Strategy a Reality

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*Authors: Michal Swiatek
Edyta Kosowska
Elena Szolgayova*

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Introduction

Retailers across Europe face a range of challenges from various vectors: competition from top brands, pure online players' expansion, pressure for cost optimization, and foremost, growing customer expectations. All these factors force retailers to look for new ways of market expansion. Traditional non-food retailers are under the strongest pressure. They must chase ever-changing consumer needs, combat the challenge from ecommerce vendors, and constantly adjust their offers in all channels in which they operate. The implementation of an omni-channel strategy is, at present, the most effective means of reducing storage and logistics costs, increasing customer spending and loyalty, and outpacing competitors.

Customers' shopping needs and expectations have grown significantly over recent years. Access to new technologies has given customers tools to compare offers, to choose different methods of purchase, delivery, or payment, and to express their opinions about brands and customer service immediately and directly. Customers want to have a choice where, when, and how they buy, and they expect their customer experience to be consistent across all sales channels: bricks-and-mortar stores, online shops, or mobile applications. They want personal treatment, personal offers, and personal interactions.

Retailers seldom find it simple and straightforward to accommodate such changes in purchasing behavior and customer expectations. This process requires adding new layers of complexity to company business processes, including order management, customer experience management, dynamic offering and pricing, inventory levels, product information, and fulfillment data. Furthermore, all IT systems in the retail process should be integrated on one platform, and the data should sit in one database. They should include advanced cross-channel functionality to enable retailers to manage the complexity of customer orders. In addition, they must provide insight into customer and product data to help retailers make smarter business decisions regarding merchandising, returns, inventory, and marketing.

Omni-channel strategy implementation is therefore a complex procedure from both business-process and technology perspectives. It requires key decision-makers' engagement, as well as employees' acceptance, at every level of operations. Quite often, it also involves changing the rules of cooperation with business partners or looking for new partnerships. For these reasons, the general level of omni-channel maturity among European retailers is rather low.

In this White Paper, we will show how retailers can start their omni-channel journey, with a particular focus on the practical aspects of retailing. We will present processes and

capabilities that every retailer should address to become a full-scale omni-channel retailer that can provide seamless customer experience across channels, simultaneously optimizing operations and gaining a competitive advantage.

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Omni-Channel Revolution in Retail

New Technologies = New Retail Channels

The ecommerce revolution has changed the face of retail over the last 20 years. Online sales have gone from being essentially negligible to a customer base of some 2 billion and a global market value of approximately €1.7 trillion in 2016, a figure that is forecast to grow to around €2.1 trillion in 2018. Currently, more than one-quarter of this market is generated by eshoppers from the European Union (EU). In 2016, the total ecommerce market in the EU was worth €510 billion, which was an increase of approximately 12% from €455 billion in 2015. As of 2015, there were almost 300 million online shoppers in the EU (approximately 43% of the EU population), each one spending an average of €1,540 online every year. eCommerce still makes up less than 10% of total retail sales worldwide. However, its annual growth rate is still above 20%, and its share in total commerce market is continuously increasing.

The next step of the revolution came with proliferation of mobile devices and applications. In a hyper-connected, high-speed world, mobile plays a key role. One-fifth of online shoppers in the EU used their mobile phones to shop in 2015. Retail mcommerce in Europe was valued at around €58.3 billion, and its growth is significantly outpacing the ecommerce growth rate. Consequently, many European retailers are seeking to increase their mobile presence by investing in customer-facing applications (as of 2016, 50% of EU retailers had invested in native mobile applications for customers) as well as mobile applications for merchants, including mobile point-of-sale (POS) apps that, when integrated with central enterprise resource planning (ERP) systems, enable sales staff to quickly provide product information to customers and to close transactions. Such applications allow merchants to focus on customers and their transactions, without worrying about other processes that are conducted in the background.

Along with mobile expansion, the retail market has faced the proliferation of social networks, which has given consumers unique tools to share information, ask questions, download content, and engage in discussions. Moreover, social networks have become an additional retail channel that is gradually gaining importance. They are also getting an important customer support channel. According to IDC, by 2018, 50% of customer support interactions will be digitalized and occur in online communities.

Increasing popularity of purchases in new channels does not mean that consumers totally abandon traditional purchasing methods. Consumers want to be able to choose the most convenient channel, and switch between channels during the purchasing process if needed — giving rise to the omni-channel concept. Omni-channel retailing is a customer-centric approach that gives consumers the ability to buy, receive, and return items seamlessly across all touch points (the store, online, the call center, collection/drop points). It is the practice by which a variety of channels are integrated and leveraged to give the best customer experience, increase loyalty, and maximize revenues.

The Omni-Channel Shopper

We live in an era of unlimited access to information. This leads to a plethora of choices when it comes to shopping. Web, mobile, and social technologies have empowered consumers with instant access to information and purchasing options from anywhere in the world, at any time. This transformation has had a significant impact on how we shop and what is expected of a retailer or a brand. Today's digitally connected consumers are more empowered and well-informed than ever before, creating a new class of "omni-channel shoppers", meaning shoppers "without limits or boundaries." The modern omni-channel shopper is always connected via mobile or the internet. This person is well informed about their choices, finds the best deals, and expects to receive each purchase at their preferred time and place. IDC also refers to this type of consumer as the omni-channel consumer (see figure below).

FIGURE 1

Omni-channel shopper



Source: IDC, 2017

Nowadays, shoppers require a different approach in interaction with retailers and service providers, and this is revolutionizing those industries. This phenomenon is putting pressure on companies to rethink how they engage with customers, both in person and through technological platforms. Omni-channel consumers, who evolved from traditional customers, want to interact with a retailer by using, simultaneously and seamlessly, multiple touch points. Ultimately, modern consumers simply want access to what they want — how, when, and where they want it. Shoppers have never cared about the technology used to ensure a seamless shopping experience, as long as it fulfills their needs. Likewise, channels, which are something that retailers created to build and manage their business, have had little significance for the average shopper.

Retailers must bear in mind that shoppers are no longer interacting with brands in a sequentially linear, per-channel style. On the contrary, the new shopping journey is based on multiple omni-channel moments of customer participation. This consumer-driven change requires retailers to reconsider not only their business models, but also how IT solutions and services must be deployed to support an omni-channel retail operations model. To address the changing consumer expectations, it is crucial for retailers to switch from a product-centric view to a customer-centric view. The core of an omni-channel transformation is providing retailers with consumer engagement models that enhance customer awareness, consideration, conversion, and loyalty across the new consumer journey, driven by the attributes of the omni-channel shopper.

Omni-channel retail essentials:

- Mobile commerce. About 40% of consumers want to purchase via mobile channels
- Store pickup of online orders. In Europe, more than one-quarter of retail firms use stores as fulfillment centers for online purchases.
- Product purchase in store, then shipment to customer from a distribution center or another store. More than 80% of retailers plan to use bricks-and-mortar stores as showrooms to create endless-aisle commerce, whereby a whole range of products can be offered to the customer without carrying stock in the store.
- Showing accurate in-store inventory online. One in four EU consumers prefer to search online and buy in store.
- Product purchase online, then shipping from store to customer. To shorten delivery time, as nearly one in three EU consumers want next-day delivery for online orders.

Retailers are transforming their business strategies due to consumers' pursuit of greater convenience, ease, and a compelling shopping experience. With the rise of ecommerce, the number of ways of interaction between customers and retailers has risen significantly. Features such as "buy online, pick up in store" (BOPIS) are quickly becoming a competitive advantage for companies, no matter how challenging this is for retailers to fulfill. With digital transformation, the retailer develops its operations with more flexibility, while also equipping the organization with opportunities to develop new products and services better and faster.

Omni-channel shopper expectations:

- Information: Be fully informed on each step of the process
- Selection: Have broad access to assortment, purchasing, and delivery options
- Flexibility: Start purchasing in one channel and finish, fulfill, or return an item in another
- Price: Find the lowest price possible, access flexible pricing and price comparisons
- Convenience: Purchase whenever and wherever
- Experience: Get personalized and seamless treatment

Omni-Channel Benefits

Omni-channel brings exceptional benefits for both retailers and customers. Omni-channel retailers use advanced customer intelligence solutions to gain a full view of the customer and their transactions in all channels, integrated in one database. Such customer profiles enable the retailer to segment clients, predict their behaviors, recommend products, and target specific audiences with personalized messages and offers, which has a huge impact on client loyalty. Omni-channel retailers also can benefit from a single view of inventory, which leads to more efficient operations. Customers, on the other hand, gain opportunities to access more relevant information about products and more convenient access to products, which saves their time and facilitates purchasing process. Additionally, customers are treated more individually when it comes to product offering and customer service, which considerably enhances the customer experience.

Omni-channel benefits for customers:

- Access to more information such as stock availability across channels and product and services reviews, which simplifies purchasing decisions
- Quicker and more convenient access to products
- A more personalized service that is consistent across channels

Omni-channel benefits for retailers:

- Increase stock sell through at full margin by making stock available across the channels
- Drive store footfall, increasing average order value and sell through
- Upsell to customers based on purchase history information
- Develop engagement and loyalty with customers through personalization

Omni-channel retailing has also proved to be successful in increasing sales performance. IDC's research indicates that while multi-channel shoppers spend, on average, 15% to 30% more with a retailer than consumers who use only one channel, omni-channel shoppers will spend an additional 15% to 30% more than multi-channel consumers, and demonstrate more intense brand loyalty. Furthermore, they advertise such brands to other people. A seamless experience across multiple channels encourages customers to shop more often within wider product categories.

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Omni-channel has one more benefit strongly valued by customers who look for new experiences: It is a gateway to introducing technological innovations that bring all channels closer to each other and make the sales process more attractive for a client. Integration of systems and data fosters the implementation of technologies such as virtual reality, Internet of Things, and artificial intelligence. For example, fashion retailers, wanting to provide similar experience to the one customers have in traditional fitting rooms, are launching virtual dressing rooms that can be used in multiple channels — web, kiosks, events, or as support in bricks-and-mortar stores. Another example is intelligent virtual shopping assistants, which use natural language to guide customers in online shops, answer their questions, and give recommendations. They also can be used in multiple channels, but are designed to give the customer a substitute for the in-store experience. Retailers also try to bring online capabilities to traditional shops, by using (for example) beacons — small devices (transmitters) that can communicate with smartphones — that can send information, coupons, special offers to mobile devices or attract customers to a shop. Beacons can also be used for in-store navigation, call for service, ordering, making payments, and more.

Omni-channel retail predictions:

- Intelligent assistants will become a must-have app in 2018 and support shoppers' "jobs to be done" in context-aware omni-channel conversations by 2019.
- By 2019, robotics and IoT technologies will increase in-store, in-warehouse, and in-distribution center productivity by 1.5x for early adopting retailers and by 3x for later adopters.
- By 2019, 20% of major retailers will use augmented reality to enrich the product selection experience and convert shoppers to buyers 3x faster.

By 2019, artificial intelligence will change how 25% of merchants, marketers, planners, and operators work, improving productivity by 30% and KPIs by 10–20%

The benefits of omni-channel retailing are clear. However, implementation of an omni-channel strategy is a difficult process, with many pitfalls and challenges. It is especially complicated for large, established companies that have a siloed organization and a complex IT environment consisting of many different systems from different vendors. Providing seamless commerce with orchestrated orders and automated fulfillment often requires replacing many individual systems with a single integrated solution, which makes the whole process expensive and time consuming. It also requires a clear strategy that ensures a return on investment and the full engagement of top management. Such a revolution can be facilitated by cooperating with a partner that has broad knowledge about omni-channel retailing and has experience in transforming both business and IT areas.

Omni-Channel Enablers

Setting up omni-channel retailing is almost impossible without implementation of certain technologies such as process automation and business intelligence. These technologies are used in most omni-channel processes, including attracting the customer, processing the order, and delivering goods. They are crucial to providing a seamless experience to customers, and play an important role in cost optimization. However, the first step to omni-channel transformation is the integration of all retail systems to form a single source of customer and inventory data. This is probably the most challenging step on the omni-channel journey, but an essential one.

FIGURE 2

Omni-channel attributes



Source: IDC, 2017

Business Analytics

The integration of systems and data facilitates meaningful analysis, thus enabling retailers to take appropriate actions. If the retailer is to remain competitive, executives, managers, and business users must have access to the most complete information — with full insight into results and critical issues, and the ability to quickly analyze, present, and report these results to support decisions and adapt to the changing market. On a daily basis, retailers must choose the right products to sell, select appropriate suppliers and shipping options, manage customer expectations, set appropriate pricing, forecast stock and inventory needs, and manage seasonal shifts in demand. In the omni-channel environment, making the right choices is becoming much more challenging. Retailers have many more options to consider in each dimension and need to serve a new type of consumer, who is more demanding and impatient.

Data analytics helps retailers adapt to this new breed of consumers in the following ways:

- » Analyzing clients' behavior, purchasing patterns, and sentiment, and responding to shoppers' personal needs
- » Correctly predicting demand to optimize product assortment and increase margins and profits
- » Delivering tailored promotions for the right items at the right time and in the customer's favored way, to stimulate purchases
- » Identifying top customers and learning how to retain and foster them, as well as how to acquire additional customers
- » Identifying and analyzing influencers of customers and understanding what impact they have on customers' buying decisions

The integration of inventory, sales, and customer data into a single database forms the bedrock of all operations efficiency analytics in the organization. This capability gives the retailers the ability to assess the efficiency of particular channels and stores, measure stock rotation ratios, and evaluate the efficiency of marketing campaigns and the profitability of particular items. Usually, business analytics systems allow for data monitoring on different levels of detail (channel, region, timeframe, item category, etc.), so retailers can understand their performance and make informed decisions based on a wide range of reports showing sales and stock efficiency trends.

Process Automation

Systems integration also allows the automation of individual processes that require the engagement of different departments and systems, such as discounts management, inventory allocation, order fulfillment, and claims management. For example, when a shopper purchases an item online, an order is automatically transferred from an ecommerce platform to an order management system. It then goes to a warehouse management system, and triggers the logistics process, including picking and packing, transportation, and document generation. Automated processes also can be triggered based on data from business analytics systems. The system can initiate a particular sequence of activities depending on a current or predicted situation. For instance, analyzed data could indicate that sales of a particular type of dress in shop A were steadily decreasing and that the sales forecast is not optimistic. The system can automatically send an alert to management and suggest ready-made options that require a single click to take action, such as “transfer stock from shop A to shop B” or “discount the price of the item by 20%.”

Cloud

Impatient consumers, with access to the internet whenever and wherever, often puts pressure on retailers to impose changes immediately. Merchants wanting to reduce the time taken to implement omni-channel retailing and increase the flexibility of their IT environments increasingly often invest in cloud solutions. The scalable software-as-a-service (SaaS) model plays a fundamental role in reaching omni-channel goals, as it supports streaming analytics as well as real-time decision making and execution. Deployment of SaaS will deliver great agility to any retailer's IT system; it offers easy integration, greater scalability in cases such as seasonal peaks, and reduction of time spent on managing infrastructure. Moreover, the elasticity of the cloud makes it possible for organizations to scale up to access the computational power needed for data analysis projects, for example, without investing heavily in on-premises infrastructure that may not be needed beyond that project. Cloud implementation also leads to cost and time savings. Cloud-based platforms are faster to implement, are quicker to change, and allow for collaboration anywhere, anytime. Additionally, they cost less because no hardware is required, and they are always up to date and therefore also highly secure.

In 2018, at least 30% of new retail applications purchased will be deployed in the cloud to speed and secure business objectives.

Omni-Channel in Europe

According to IDC research, the Western European retail industry's digital transformation will be, compared with the worldwide situation, characterized by slower implementation of omni-channel capabilities. Nonetheless, except for some major multinational companies, investments will also be more cautious and distributed over a longer time span. Despite this delay, IDC predicts that Western European retailers will be able to achieve the same level of performance (above all, omni-channel profitability) as worldwide companies, thanks to the broad availability of innovation best practices and greater affordability of solutions.

The results of a recent IDC survey, conducted among Western Europe's decision makers in 200 retail companies with more than 250 employees, indicate that the majority of surveyed companies plan to implement a retail omni-channel commerce platform within the next 24 months. Only a small share of surveyed decision makers stated that they are already implementing omni-channel solutions. Nearly two-fifths of companies plan to implement omni-channel solutions within a year. More than one-half of surveyed companies are in the process of evaluating and planning implementation of such solutions, which should result in omni-channel launches within two years.

IDC predicts that, by 2018, 30% of major worldwide retailers will adopt an omni-channel digital B2B2C commerce platform, improving customer experience, process efficiency, and inventory management.

Worldwide, retailers are already at an advanced point in the development of a single commerce platform and omni-channel order fulfillment capabilities. They are also working on the improvement of customer experience and content optimization. In Europe, the short-term investment focus for the majority of retailers is on logistics and fulfillment management, with one-quarter of retailers investing in order management/omni-channel fulfillment. Furthermore, at a sub-regional view, maturity levels vary between northern, central, and southern European countries. In Central European countries, such as Poland, omni-channel is in its initial stage: only about half of retailers keep up-to-date inventory statuses of bricks-and-mortar stores for online purchases, and two out of five have consistent loyalty programs both for online and in-store purchases.

Larger companies are more keen on adopting advanced solutions, while smaller retailers treat each of the channels as an independent source of revenues rather than complementary solutions to improve customer satisfaction. This will lead to a slight delay in the development of a complete omni-channel commerce platform in Europe compared with the U.S., but the opportunity to improve profitability will converge European retailers' efforts on leveraging the platform approach.

Omni Channel in Practice – Retailer Perspective

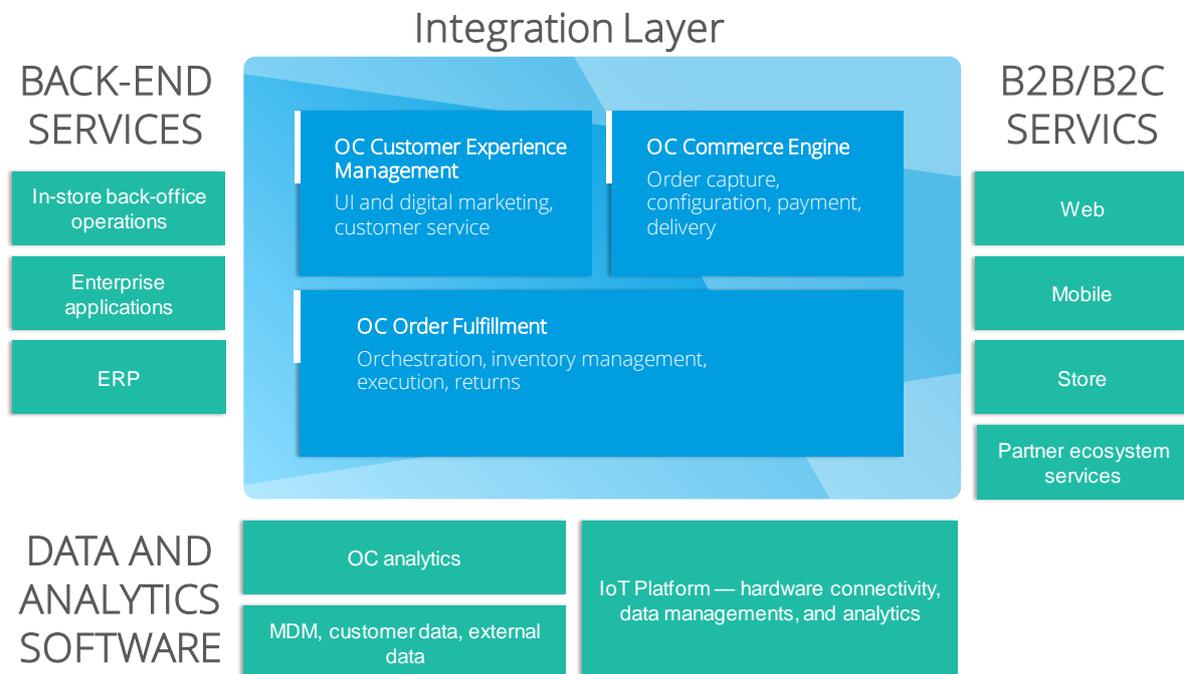
The digital transformation of the retail industry is connected to the development of an omni-channel commerce platform that embeds all the core capabilities that will enable retailers to operate and grow in the next decade:

- » Omni-channel customer experience management, giving an exceptional and seamless experience to consumers while interacting with the retailer across channels
- » Omni-channel order fulfilment, enabling efficient inventory, delivery, and return management operations

In this chapter, we will focus on presenting which areas retailers should focus on in order to become full-scale omni-channel retailers.

FIGURE 3

High-Level Architecture of Omni-Channel B2B2C Digital Commerce Platform



Source: IDC, 2017

Omni-Channel Strategy in Customer Experience Management

A customer-centric strategy is the answer to keeping pace with rapidly changing business environments and increasingly demanding clients. Omni-channel retailers make customer satisfaction their top priority and use new technology to provide a seamless customer experience across channels. Companies can now predict customer behavior based on their past experiences and purchases, and use that information to create unified communications, marketing campaigns, and offers tailored to individual customers. Thanks to business analytics, retailers can segment their customers to ensure each customer gets an experience that he or she will appreciate. Millennials, for example, often conduct purchases differently from many Baby Boomers or Generation X buyers, switching between devices, requiring real-time contact, and relying much more on information from social networks to support their decisions. By applying customer analysis, segmentation, and visualization, retailers can better understand a range of key facts along the customer journey. Purchasing behavior can be analyzed to determine what products and categories are performing well. Analytics can be applied to compare different channels and categories, making it possible to recognize new customer trends and segments. To conduct useful analytics, retailers need to have consistent, up-to-date data about their customers. In the omni-channel environment, it is not enough to have partial information about customers' online transactions or sporadic feedback from in-store clients; retailers must have access to all data about the whole customer journey — across the e-commerce platform, POS systems, mobile commerce systems, call centers, and more.

Example: The modern customer shops using various devices, requiring real-time support and seamless transitions between the touchpoints. Mr. Adams is browsing through an online store on his PC during a work break because he needs a pair of new jeans. He does not feel like going to a bricks-and-mortar store. He adds some items to his online shopping cart. He is unsure about the sizing of some of the pieces. Luckily, a live online chat option is offered by the retailer. Later in the evening, he uses his tablet at home. Easy access to the retailer's tablet-optimized website, combined with an alert about the unfinished purchase, will remind him that he actually needs jeans, motivating him to make the purchase. Ultimately, Mr. Adams may still want to try on the items, in which case an option to deliver the goods to his most convenient store will increase the likelihood of a purchase.

360-Degree Customer View

Creating 360-degree customer view is essential in an omni-channel world. Retailers now use an expanded range of tools to develop this 360-degree view, including social media monitoring tools to gather customers' preferences and feedback on social networks, predictive analytics tools to find out what customers may research or purchase in the future, customer relationship management suites, marketing automation software, and more. In an omni-channel marketplace, it has become crucial for this software to be integrated into one platform that also integrates data from other sources, such as order management systems, inventory management systems, and ecommerce systems, and enable data sharing and a cohesive, up-to-date, accurate view of customers.

Example: Integrating customer data across all the touchpoints makes the customer journey more smooth. Mrs. Adams wants to buy her favorite facial creme online. However, she discovers that it has been discontinued. She reads the reviews of other facial products on the online shop. The shop has an option to create a more detailed personal profile, with most of the reviewers sharing their skin type and age. This makes it easier for her to see which reviews are relevant to her. Mrs. Adams is, however, still undecided, so she contacts customer service. The employee can see Mrs. Adams's profile, including her latest purchases, and has access to the product database; she can thus easily advise Mrs. Adams on products that would be suitable for her.

Knowing how consumers make decisions and make their journey across different channels is crucial, and this understanding can only be gathered when analytics are applied to a basis of integrated data. Retailers then can focus strategies and resources on the most influential touchpoints. They can predict future customer behaviors based on historical cross-channel searches and purchases to ensure they are targeting the right person, through the right channel, and with the right message. They also can identify the most profitable customers, and focus their efforts on providing the best customer experience.

Example: Analytics should be able to reflect the possible predictable changes in a customer's situation. For example, Mr. Adams buys diapers for his two-month-old baby. He uses his loyalty card; thus, the purchase is noted in his customer record and, a month later, he receives a personalized voucher for the exact sort of diapers he purchased. However, the baby has grown since, and the diapers would be too small. Instead of improving Mr. Adams' shopping experience, he is left disappointed.

Omni-Channel Marketing

To provide an exceptional customer experience, the work must start early — at the pre-purchase stage, when a consumer is looking for a particular product. Omni-channel retailers increasingly often use marketing automation platforms to communicate with potential clients. Such platforms use all customer behavior data gathered across various channels. For example, they can trigger a relevant message at the right time with content that relates to the products already browsed. The automation system can cooperate with the intelligent recommendation engines. By analyzing the behavior of similar shoppers, the system can provide relevant, valued content, appropriate to the customer's progression on their journey. Omni-channel marketing platforms are also used in the purchase phase, when retailers have an opportunity to cross-sell or up-sell other recommended products during the checkout process. The first step to utilize this opportunity should be sending automated follow-up messages that, for example, thank customers for their purchase or offer a discount on a future purchase. Omni-channel retailers take a more predictive approach based on data and aim to offer customers truly individualized content through whatever channel or device they are currently using.

Personalized Communication and Content

Business analytics is also essential in the process of providing a personalized shopping experience. Nowadays, customers increasingly want to be treated individually, with communications about the organization and offered products adjusted to their needs and preferences. Consumers appreciate when retailers communicate with them directly, in a personalized manner that demonstrates knowledge of their retail relationship history. To address this requirement, retailers need to gather and analyze customer data across all touchpoints:

- » **eCommerce:** Besides collecting data on purchase records and browsing history, retailers aim to gather as much information as they can about their current customers, including personal data such as gender, date of birth, telephone number, home address, email address, preferences, and favorite products or wish lists to build a detailed customer profile. Very often, retailers encourage consumers to register on their online platform and complete detailed forms (e.g., skincare brands ask about skin type, while booksellers ask customers to rate books or pick favorite genres). In exchange for customer data, special prices are offered only to registered customers. This is possible due to business analytics that recognize registered users and automatically quote discounted prices or special offers. Business analytics also helps to identify “abandoned shopping carts.” When “spotting” such a situation, the system automatically sends a reminder to the client and offers special discounts when needed.
- » **In-Store:** Gathering data is also important in traditional bricks-and-mortar stores. Usually, customers are identified only when they join loyalty programs, which allow retailers to track all purchases in bricks-and-mortar stores as well, thus providing a full picture of shoppers' habits and preferences. More often, retailers are able to identify customers that did not join their loyalty program, by tracking their debit and credit card payment data (for example). This is possible through the integration of all transactional data from all channels in a single database. Therefore, it is highly probable that a retailer may know that Mrs. Anonymous who has just purchased a dishwasher in a store is the same person as Mrs. Adams, who bought a fridge, an oven, and a cooker last week via an ecommerce platform, and so may infer that she is having her kitchen arranged or refurbished. So, to prompt her to continue purchases with the same retailer, an associated shop assistant may offer Mrs. Adams a special discount on a microwave oven or other kitchen accessories.
- » **Beacons:** Another way to collect customer data in store is the installation of beacon devices that enable the collection of customer information on a more general level, such as average time spent in the store or customer's movement through the store, which helps optimize store layout planning. Beacons can be also used to interact with shoppers during their visits to the store, for example by sending special discounts and offers using SMS or the retailer's app. Discounts should be personalized based on data the retailer already has about this particular shopper or other shoppers with similar profiles.
- » **mCommerce:** The mobile channel offers the highest level of personalization that retailers can achieve. Leveraging huge amounts of data about the omni-channel purchase history, customer profile, browsing behavior, and contextual data such

as location, weather, and time of day allows retailers to deliver custom-made content and recommendations. Such personalized communication creates a unique shopping experience for an individual shopper, allowing them to quickly search for the products they are interested in and increasing customer loyalty and spending.

- » **Contact Centers:** Consumers also require personalization in the post-sales stage. Therefore, the database that includes all the customer transactional and profile data should be integrated with the customer service applications as well. When a shopper contacts a customer support team, employees have access to all the shopper's details, including a list of steps that were already taken to deal with the current issue. This has a significant impact on speeding up the resolution process and improving the customer experience.
- » **Social Media:** By exploring social mining techniques, retailers can get additional information about their customers and potential clients. Social mining also provides possibilities to quickly gather insights about customer opinions on company products and brand perception.

Example: Knowing the customer helps creating personalized marketing offers. Mrs. Adams is running out of drug store products she buys periodically, such as toothpaste, or cleaning agents. Since she always shops at the same store and has a loyalty membership card, she will receive a personalized coupon for the goods she usually purchases. Adding a discount voucher for mascara (sent to all female customers) might encourage her to make a bigger purchase. The personalized offer will motivate her to shop at the same retailer again.

Omni-Channel Collection Management

The customer experience can be seriously harmed if products offered on the ecommerce platform are not actually available. This also includes information about different product sizes and colors. It is therefore essential for omni-channel retailers to make sure that not only is information about the assortment always up to date, but that it is also easy to get information on the stores in which the particular item can be purchased, or when exactly it can be delivered to the customer. To achieve that, retailers need to have one integrated inventory database that reflects changes and product transfers in near-real time. This is especially challenging in the fashion industry, where collections change very often and retailers need to define and allocate products to channels and stores almost constantly. The item has very short life cycle in the primary channels and is transferred to outlet stores after a few weeks. Fashion retailers in every season need to generate a large number of item records in a short time. Therefore, omni-channel retailers increasingly use systems that allow them to quickly create and categorize comprehensive item records based on the rules applied. Such categorization should also include assigning particular assortments to particular channels. At this stage, retailers can define — either manually or based on business analytics — items that are related or complementary to the defined item, so they can be up-sold to the client during the purchasing process.

Omni-Channel Payments

Implementing an omni-channel payments strategy is crucial in providing a seamless experience for clients. In addition to an individual shopping experience, the payment process must be easy and quick. Moreover, consumers like to choose various payment methods across channels. There are a lot of technologies that can help optimize the payment process and the customer experience, including mobile payments based on near-field communications, internet, mobile app, QR codes, or Bluetooth. Mobile payments are becoming increasingly popular, especially among Millennials, which is a result of the proliferation of global payment solutions such as Apple Pay and Android Pay. Until recently, the lack of global standards on mobile payments inhibited its dynamic development. However, the launch of the two aforementioned solutions is likely to change this situation. Payments with Android Pay, for example, are extremely simple. The user only needs to download the application from Google Play and connect it with a credit or debit card. To make a payment, the user simply waves the mobile phone over the terminal and, for higher-value purchases, enter a PIN.

The next step in omni-channel payments are payments that use Internet of Things (IoT) technology. For example, stores will be able to access a customer's information as they enter the store, as they will carry chips embedded in wearables. This would allow consumers to simply walk into a store, pick up an item, and walk out — with their cards charged automatically. At the same time, a connected screen on a mobile phone, wearable, or in-store TV will be able to act as a pop-up retail showroom, and through these screens, retailers will offer and sell the goods from the ecommerce platform.

Omni-Channel Strategy in the Fulfillment Process

Customers' expectations to browse, purchase, collect, and return goods across multiple channels puts tough demands on retailers, especially in the order fulfillment process. To provide seamless omni-channel experiences, retailers should be able to ship from all available stocks, across all channels, to anywhere, anytime. This means that they not only need to transform their current supply chain operations and constantly work on reducing speed of delivery, but also set up completely new processes such as "ship from store," "click and collect," or "buy online, return to store." To implement a successful omni-channel fulfillment strategy, the first and most critical step is setting up real-time, channel-agnostic visibility of inventory across the supply chain and a unified view of the consumer with a path to purchase. Such a single view of data in one database allows for smooth fulfillment processes across channels, from receiving and allocating inventory, through order processing, delivery management, to potential returns.

Successful omni-channel fulfillment model includes:

- Inventory Management: Single stock at all levels (distribution centers, warehouses, and stores) with full visibility and real-time allocation
- Warehousing: Optimized, efficient, and automated warehousing.
- Order Processing: Flexible, real-time order management with a full view of the customer journey
- Delivery Management: Adjusted to give the best customer experience, dynamic delivery operations, and IT-enabled cost and service optimization
- Transportation and Logistics: Appropriate providers, optimized by time and cost

Returns: Returns management optimized by cost, speed, and profit management

Inventory Management

Achieving inventory visibility can be a real challenge for merchants, especially those with legacy inventory systems that are siloed and serve individual channels. Within most enterprises, the warehouse management system (WMS) manages distribution center inventory, the POS manages in-store inventory, and the ERP system manages supply chain inventory. Moreover, retailers often split WMS operations for serving online and offline channels. Fortunately, many inventory management solutions now offer multi-channel inventory visibility, creating centralized databases that maintain accurate stock counts and can be used by employees across the organization. Such a database, backed by analytical mechanisms, is already an invaluable tool in the process of receiving goods from manufacturers and suppliers. It allows for central inventory management planning that considers the needs of all supply chain entities such as distribution centers, warehouses, and stores. Based on historical stock fluctuations data and further predictions, individual stores can receive products selected, collected, and packed for them directly from suppliers. In this case, retailers can reduce their shipping costs considerably, as in this process all intermediaries are omitted.

A centralized inventory database should be used as the basis for all consumer-facing applications, in order to give the customer full information about product availability across channels. Armed with that data, any sales associate, call center operator, or ecommerce fulfillment engine can tell the customer exactly what is in stock and when they can expect to receive it. A centralized inventory database is also a necessary element of building “endless-aisle” capabilities, if a retailer wants to allow customers to use in-store kiosks to order products that are no longer in stock or not sold in the store. In this case, retailers should be able to look up inventory for an out-of-stock item at all other locations, and fulfill an order from any location or store for delivery to the customer’s home or in-store pick up.

Unified end-to-end inventory visibility, supported by automation technology, also gives retailers the ability to make rapid and agile replenishment and product transfers. The successful replenishment strategy assumes maintaining a high level of service to satisfy customers, but, at the same time, not overspending on inventory. Therefore, it requires precise forecasting. To provide it, retailers need to know what is in a store, what is selling at what time, and at what location so they can react to the needs of customers within a very short time. One more important factor is full visibility of the current price of products and discounts. Retailers want to avoid unnecessary price reductions. Therefore, if they see that a product can be sold at full price in one location but only at a discount in another, they should transfer the goods to the more value-generating outlet. For example, if a product is close to the date at which it will be marked down in a traditional bricks-and-mortar store, it can be promoted in the ecommerce channel to customers who are likely to purchase it at full price, such as shoppers who had purchased similar products in the past.

In omni-channel retailing, an individual store can be replenished from the warehouse, distribution center, manufacturer, or another store, depending what will be quickest and most efficient; this would not be possible without integration of all retail systems and a single inventory database. Workflow automation leads to even more agile replenishment processes; for example, systems that provide low-stock alerts and automatically order goods for a particular location. They can also usually automatically accept the delivery of goods in the warehouse, and issue all necessary documents for further settlement between units.

An invaluable tool in the inventory management process is predictive analytics. Implementation of this technology can significantly improve demand forecast accuracy, and suggest better allocation and replenishment strategies. Moreover, analytics-based alerts in the case of low inventory levels can help avoid stock shortages, and make the customer journey more seamless. Predictive analytics allow retailers to get ahead of demand, responding not only to sales that have already taken place, but also to customer interest in a product. It takes into account seasonal fluctuations, relevant stock, and sales data of each channel and location. The system can be fed a range of data from various sources, including external ones, such as demographic trends, wages, price sensitivity, and online behavior. Monitoring online searches of the retailer’s ecommerce website or social media chatter can provide an indication of consumer interest in a product or category in a certain geographic area, or in a particular customer segment. Consequently, retailers can maximize inventory margins, sell more products at full price, and reduce inventory imbalance, delivery delays, and unnecessary price reductions.

Predictive analytics help retailers to answer the following questions:

- What goods should you invest in for each week, month or season?
- How should you allocate inventory to stores and other locations while considering factors such as geo-demographic variety, store capacity, consumer demand, local promotions, and unusual events?
- How much additional inventory should be allocated for planned promotions?
- What is the ideal pricing/discount strategy to sell off stock by the end of the season?
- When is the best time to refill stock from the vendor, and how much should you order?
- How do you price and allocate new products with no history?

Warehouse Management System

The first step to omni-channel retailing in warehousing is integrating all facilities under one warehouse management system (WMS) that serves all channels. Recently, leading European sports retailer Decathlon remodeled all of its warehouses so they can be used to fulfill both the bricks-and-mortar and online retail operations. The warehouses work together to ensure that customers receive their orders within a target delivery time. The previous warehousing structure included one store warehouse per region, and one warehouse, located in the Lille area, for ecommerce stock. Nowadays, store and ecommerce stock can be collected from all Decathlon warehouses and sent to any store or home to fulfill a request, which has had a positive impact on company performance. In omni-channel retailing, warehouses are not only transformed to combine inventory for online and offline shops, but they are also given completely new functions. Increasingly, warehouses are used as showrooms or for customer-facing activities in addition to delivering goods to stores and customers' homes.

WMS unification and integration with ERP and other retail systems facilitates inventory visibility, traceability, and accuracy. Whether the goods are entering, being transferred around, or exiting the warehouse, it is important to have accurate and timely inventory information to keep the operations on track and satisfy customers. Increased visibility can lead to increased efficiencies in all processing activities. There are various methods of obtaining high-quality stock data in warehouses, such as barcode scanners connected to enterprise systems that show the precise quantity and position of goods alongside current operations. This allows for a unified view of inventory and traceability, so that staff know where things are and where they should be transferred. Furthermore, it enables tracing back to where, when, and (ideally) why something went wrong. In terms of customer service, the effects of increased visibility and accuracy are increased on-time deliveries, fewer expedited orders, and reduced reverse logistics. From a business perspective, having more visible inventory obviously reduces search times and increases productivity. This is especially important, as picking labor is often the single biggest warehousing cost. Inefficient picking can adversely affect the operation's overall costs. The process can be facilitated, and bottlenecks reduced, by automating and streamlining operations. Productivity of resources may be increased by storing more efficiently, allowing for automated information exchanges and directed tasks, reducing the number of handling steps needed in activities, getting rid of paper-based tasks, and implementing multiple order processing. In omni-channel retailing, the order can be automatically transferred from the central order management system, through WMS, to the picking employee's device. Therefore, it is practically "unseen" even by the warehouse management — the employee can start working on it immediately. The intelligent system would show the most efficient way to pick and pack the order, print necessary documents, and suggest logistics.

Order Capture and Processing

The most crucial element of omni-channel retailing in order processing is the ability to capture and manage all orders across channels in one system — including an order that may start in one channel and close in another. The order management system (OMS) should be able to process both website and mobile orders; store associates should be able to process in-store transactions as well as place online orders for customers on premises; call center and live chat representatives should be able to complete or adjust customer orders. While the above may seem like basic capabilities, in order to accomplish complete visibility, the OMS must be tightly integrated with all other systems in the retail infrastructure to enable data to be shared across all channels. The integration of OMS with ERP, WMS, ecommerce, and POS systems give a complete view of a client's order. Such a capability is extremely important for enhancing the customer experience. It gives customers the most accurate delivery dates early, at the purchasing stage. It also allows for end-to-end order tracking, so customers can get precise information on the order's status whenever they need it. Since the OMS has visibility into the entire life cycle of an order, it offers the possibility of flexible order modification at all stages. The system can apply rules around if, when, and how an order can be modified. Therefore, it facilitates the addition or removal of products from the order, price adjustments and additional payments, refunds, and more through the whole order life cycle.

Integration of OMS with all other retail systems allows for:

- Gaining a complete view of a customer's order
- Giving customers accurate delivery dates and ensuring they are met
- Giving customers accurate information on order status
- Flexible order modification through the life cycle

Applying comprehensive rules to ensure orders are fulfilled efficiently

Delivery Management

Managing the delivery process in the omni-channel environment brings both challenges and opportunities for retailers. On one hand, they need to meet customer requirements by providing the most convenient and seamless experience, which requires setting up new processes and changing the IT environment. On the other hand, the innovative delivery models create new ways of generating additional sales, strengthening customer loyalty, and optimizing costs.

The integration of the centralized inventory database with all other retail systems gives retailers the ability to create business rules and algorithms to route orders to various inventory distribution locations. With a centralized inventory and OMS, retailers can facilitate and optimize cross-channel order routing. Orders can be optimized based on fixed and variable costs, such as transportation mode, carrier, and service level. Omni-channel retailers are increasingly fulfilling orders using all their facilities inventory (including distribution centers, warehouses, and stores) to reduce out-of-stock situations, provide quicker product delivery, and ensure the most cost-effective shipping expenses.

New ways of delivery:

- In-store pickup of online orders (click and collect)
- Shipping online orders from the nearest store
- Bricks-and-mortar stores that provide home delivery services
- Online-only retailers with their own delivery fleet that offer scheduled delivery services, even on weekends
- Delivery to automated locker systems
- Uber-ization of last-mile delivery
- Innovative technologies such as robot- or drone-based delivery

Until recently, traditional stores have rarely played an active role in the fulfillment process. As the last step of the supply chain, they were focused on selling. Omni-channel retailing is changing this situation. Stores are gaining importance in the omni-channel fulfillment process by becoming mini fulfillment centers. The most dynamically developing models in which stores play a new role are "click and collect" and "ship from store".

Click and Collect

The click-and-collect option encompasses capabilities whereby customers can buy or reserve an item online, and pick it up in store. It is a great option for enhancing the customer experience. It delivers convenience and choice for customers, eliminates shipping charges, and increases customer loyalty. To facilitate click and collect, the OMS must be able to process the order from the online channel, ensure that the product is available at the retail location or order transportation from a warehouse or supplier, and provide the necessary information to the retail staff so they can prepare the order for customer collection. This option requires real-time updates of inventory levels to ensure that the product will be available at the store location at the required time. It also requires timely and accurate communication of the order flow from the ecommerce system to retail associates, to ensure that the order is ready when the customer arrives. Communication with clients is equally important: The system should allow for automatically sending information to clients through a mobile app, SMS, or an email informing that the order is awaiting collection.

An added value that this feature offers is an increase in in-store footfall, along with the improved upselling and cross-selling opportunities that provides. To facilitate this, the OMS should enable store associates to access and adjust the original online order.

Ship from Store

In the ship-from-store model, shops become mini distribution centers for fulfilling online orders. By shipping from a store that is, usually, much closer to the customer than any warehouse, retailers can significantly increase the speed of delivery, including introducing next-day delivery. This option can be also used to "save the sale" when the item is out of stock in the eshop, but still available in bricks-and-mortar stores. It is often used also for delivering goods that are inconvenient for customers to carry home themselves, such as furniture or household goods. By implementing such an option, retailers can decrease shipping times and expenses, extend the online product assortment, optimize in-store inventory, and increase customer satisfaction.

The decision to use retail stores as distribution centers can also have a major impact on operations and systems. It requires complete inventory visibility, and involves a complex set of rules governed by questions such as: Where and how to allocate inventory? Which stores to enable as fulfillment centers? How to split orders between the stores and the distribution centers? How to pick, pack, and ship orders from stores while maintaining a consistent brand experience? Applying such rules will enable retailers to optimize shipping routes, reduce shipping costs, and increase customer satisfaction. It is also a prerequisite for inventory distribution planning based on historical sales, inventory transfers, and predicted customer demand.

The automation of the fulfillment process, orchestrated across different channels and links of the supply chain, is also a key trend in omni-channel inventory management. The

fulfillment process is very often conducted without any interaction from the company headquarters. In fact, omni-channel retailers are able to sell online without ever taking physical possession of the product. eCommerce and order management systems are synced up in such a way that the online shopping cart order triggers a purchase order with the vendor directly, and the order is fulfilled by outsourced or in-house parties within the retailer's supply chain.

Transport and Logistics

The imperative of omni-channel logistics is selecting the right shipping method for the right customer situation and preferences. In the omni-channel environment, which is extremely complex, calculating the most efficient way to transport the goods is very challenging. Planning of transportation must take into account a huge number of factors such as supply network design, replenishment and warehousing strategies, third-party cooperation rules, and ad-hoc transfers between stores — not to mention the click-and-collect and ship-from-store strategies, next-day delivery, and preferred delivery windows, all of which make the planning and organization of transport streams even more complex.

The main aim of transportation planning is to minimize distances while maximizing the load of vehicles. To do so in such multi-factor environment, retailers should apply business intelligence tools to optimize and predict transportation routes and costs. The first step should be integration of data from different sources including data related to customer demand, available transportation modes, and network facilities to create highly relevant analytical cost optimization models. It is crucial to synchronize data across the multiple systems that play a role in the orchestration of omni-channel commerce, such as OMS, WMS, and transportation management systems, which handle inbound and outbound transportation operations and route modeling. Coordination among systems drives a “single version of the truth” for data, and gives management complete visibility into the flows of transportation, stock, and fulfillment. It also allows for more informed decisions in terms of route and vehicle-load optimization, so a company can choose the most suitable transportation method and path for the chosen delivery model.

The omni-channel logistics process also increases efficiency, thanks to workflow automation. Integration of internal systems, along with synchronization with external delivery companies' systems, offers an opportunity to conduct inbound and outbound transport smoothly. The system automatically sets up the process internally, triggers activities at the third-party or in-house transportation system, suggests next steps, and prints all necessary documents, including shipment letters.

Returns

Increasingly demanding omni-channel customers expect to be able to return an item wherever they like, regardless of the sourcing channel. They expect generous return policies, including longer free return periods for products, especially for products bought online. Consequently, convenient returns, often at no cost, are becoming a crucial element of an excellent omni-channel customer experience strategy and a key competitive advantage.

On one hand, a generous return policy drives sales; on the other, it is also a significant cost multiplier. It creates additional transportation and inventory handling costs, as well

as opportunity costs, as the returned item is not available for sale for some time. Some of these costs can be avoided or mitigated by decreasing the amount of goods that are returned due to poor information or pictures of the products online, not meeting delivery criteria, defective items, delivery of wrong items, or other quality issues. However, in today's omni-channel environment, an effective returns strategy needs to incorporate not only customer experience, product information, and quality issues, but also inventory management across channels.

Developing an inventory management strategy that defines how to dispose of returned items is critical. The strategy needs to be product specific and include specific sets of rules such as: If an item purchased online is returned to a store, should it be placed for purchase there or transferred to a warehouse or another store or outlet? If an item purchased in store is shipped back directly to the warehouse, should it stay there or be transferred to the store or outlet? No matter what rules are put in place, the goal is to minimize the amount of time a product is not available for purchase. To help make these decisions, retailers need a clear picture of both inventory availability and demand.

To do this effectively, retailers need to create an omni-channel infrastructure that integrates all customer touch points into a single system. An integrated order management system connects all channel and inventory data together and provides real-time, accurate data about the item, its actual purchase price, and its full history. It must be able to effectively track items throughout the entire return process and help to automate the return of items to stock. Visibility into complete transaction history data, as well as analytical tools, are required functions of the OMS. The system should allow the acceptance of returns at any location, offer partial or full returns, and get the item back into inventory as soon as possible.

Analytical mechanisms embedded in the order and return management system allow not only the effective management of transfers of returned items, but also the gaining of intelligence into return trends and identification of fraudulent activities. Analytics can help to segment returned products by purpose-of-return categories such as incorrect product or size, product not matching the description on the website, product no longer needed, product damaged in transport, compulsive buying during holiday season, incorrect gift, deliberate fraud, and so on. Such segmentation can help retailers to apply the most relevant actions to reduce the number of items returned.

An effective omni-channel returns policy should include:

- Allowing customers to return a product in the most convenient way
- Giving store employees the ability to easily look up an order and process returns from any retail location
- Gaining insights into return-of-items trends
- Identifying fraudulent returners in the system
- Returning items back into inventory as quickly as possible and identifying which warehouses or stores now stock that product
- Using the opportunity to upsell while the customer is in the store returning items

Conclusion

Omni-channel shopping is becoming a new norm for customers across Europe. Modern consumers are informed, interconnected, and impatient — and they use new technologies to look for convenient and seamless shopping experiences. They are also increasingly demanding, expecting complete flexibility across channels, and are ready to reward retailers that can provide such an experience with their loyalty.

Omni-channel retailing brings a lot of benefits for retailers, an increase of customer loyalty being just one of them, albeit a priceless one in today's world. It also creates opportunities for generating additional sales, and allows for significant optimization of internal operations. Nonetheless, the adoption of omni-channel strategies by European retailers remains low in comparison with other regions. One of the reasons is possession of inflexible, siloed, legacy IT systems, which are difficult to use for creating omni-channel capabilities.

The first and most important step to omni-channel retailing involves removing the silos that separate channels operate in, and integrating disparate systems, databases, and processes. That is why retailers should aim at integrating all retail systems on one omni-channel platform that can facilitate data exchange and allow for workflow automation between different channels and smooth omni-channel processes. Such integration, backed by analytics, will also give an opportunity to create a full view of the customer journey and provide complete visibility of inventory across channels, which in turn offers the ability to enhance the customer experience and optimize fulfillment operations. An environment created in such a way will enable retailers to provide personalized communication, offers, and interaction with consumers, as well as seamless purchases across channels, anytime and anywhere, with convenient item returns. It will enhance consistent product information, proper inventory allocation, and a cross-channel fulfillment strategy. It will also facilitate the implementation of innovations that will make the buying process more attractive and exciting for consumers.

Although the road towards omni-channel retailing seems challenging, all European retailers should consider this transformation process, as it will be one of the most efficient ways to succeed in the ever-changing market. Below are a few steps to consider:

- » **Vision:** Implementing omni-channel retailing requires a clear vision for switching to a customer-centric approach, as well as full management support to conduct change and engage employees at every stage of the transformation.
- » **Technology:** It is crucial to invest in technology that enables integration, process automation, and business analytics.
- » **Partner:** Retailers also should look for the right partner to guide them through the omni-channel journey. The best technology partner should have relevant experience, offer modern, complex solutions, and provide an innovative approach to further development. Partnering with one technology vendor that provides a comprehensive omni-channel platform with all complementary systems is usually more cost effective and convenient, as system upgrades or extensions are quicker and cheaper in most cases.

Nine steps to omni-channel retailing:

1

Customer-Centric Strategy: Placing customers and their needs at the center of your business strategy is crucial for market success. Retailers should aim at gaining a 360-degree view of their customers to be able to provide personalized communication, offers, and services. Enabling a seamless customer experience across all channels should be a top priority. Omni-channel retailing should facilitate giving consumers consistent product information, increased product availability, and reduced delivery times.

2

Clear Vision and Management Support: Omni-channel retailing requires a vision supported by the entire organization and all people. Very often, an overall change of company culture and the roles of particular departments is crucial, which makes the implementation very difficult and unwanted by employees.

3

Complete Inventory Visibility and Proper Allocation: Implementation of technology that enables systems and databases integration allows for a single, real-time view of inventory at all nodes, at any time. It makes it possible to allocate a specific assortment for each channel based on the channel characteristics. It also enables effective transfer of inventory based on consumer requirements at all entities fast, cheaply, and seamlessly

4

Data Analytics That Provide Useful Insights: Customer data analytics give unique opportunities for personalizing targeting and communication, which leads to increased customer loyalty and creates upselling possibilities. Advanced supply chain and inventory analytics provide insight into efficiency optimization and profitability, which supports informed decision making.

5

Changing Role of the Shop/Warehouse: Omni-channel retailing requires reconsidering the roles of all sites operated by the retailer. Traditional stores should become showrooms, collection points, and mini fulfillment and return centers. Warehouses and distribution centers should gain the ability to present the inventory in showrooms and offer direct purchases.

6

Omni-Channel Fulfillment: Omni-channel retailers should be able to apply a cross-channel fulfillment strategy, which has a significant impact on both enhancing customer experience and optimizing operational costs.

7

Efficient Return Logistics: Omni-channel logistics of returns should be integrated across all channels, so the consumer can choose the channel by which to return the item. Return logistics should be organized in such way as to provide high-quality service for as little cost as possible.

8

Cloud Applications: Retailers' IT environments must be more agile, constantly reevaluating business needs and shifting focus when necessary, and more innovative, facilitating the rapid development and deployment of new services. Easy-to-implement cloud applications are helping retailers to achieve the flexibility needed in an omni-channel world while keeping costs down.

9

Looking to the Future: Growing customer expectations and more fierce competition is forcing retailers to implement new technologies to make the purchasing process even more convenient and attractive. The technologies that are most valuable in omni-channel retail are: mobility (mobile apps, mobile marketing, mobile alerts), IoT (automated warehouses, in-store beacons), artificial intelligence and machine learning (virtual assistants, chatbots, recommendation engines), virtual and augmented reality (virtual dressing rooms, virtual make up, virtual home design), and drones (quick delivery).

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Comarch has over 20 years of experience in designing, implementing and integrating state-of-the art IT solutions for the retail and services sector. Currently, our projects are implemented in 41 countries on 5 continents, mainly for large companies operating in industries including retail, FMCG, oil and gas, transport and travel (e.g. airlines, airports), logistics, automotive, and manufacturing. Our clients include companies such as BP Global, Carlsberg, Heathrow Airport, Metro Group, Diageo (producer of brands such as Johnnie Walker, Smirnoff, and Baileys), Red Bull, and Tesco.

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IDC Poland

ul. Gotarda 9
02-683 Warszawa
Poland
+48 225 484 050

Twitter: @IDC
<https://idc-community.com/>
www.idc.com

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