

3 Tips to Simplify Omnichannel

A RETAIL PRO WHITEPAPER

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Omni-expectations: To be or not to be all things to all customers

Today's customers expect great service, excellent selection, and competitive pricing. And they not only do not care whether that's online or at a physical location — but they also expect to be able to “mix it up” a bit. Customers have come to expect that if they order an item online, they can return it in the store, for example.

Seems simple. But it's not easy.

Many retailers are still struggling to adapt to a retail reality in which shopping takes place 24/7 and may start in one channel and finish in another.



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Retailers want to embrace the omnichannel methodology but they realize they can't be all things to all customers. While it is true that today's shoppers, and in particular Millennials, want to purchase goods and services through different channels, many retailers are still struggling to adapt to the latest iteration of retail reality in which shopping takes place 24/7, and may start in one channel and finish in another.

Retailers that can provide a seamless experience by integrating different types of technology can reap the rewards of improved customer loyalty. Because those stores have overcome the hurdles involved in perfecting an omnichannel strategy, shoppers perceive them to be ahead of the pack and responsive to their needs.

And who wouldn't want to shop there?

What often plagues those efforts is a retailer's unrealistic self-expectation that it can be everyone's favorite company. Ironically, trying to please everyone leaves customers feeling ignored.

A more effective strategy is to learn who your target is and then increase that base. Those results will be more satisfying to everyone that matters.

Aberdeen Group reports:

% CUSTOMER RETENTION
by quality of omnichannel engagement strategy



GOOD OMNICHANNEL



WEAK OMNICHANNEL

At a crossroads between being everywhere at once and still maintaining a quality shopping experience, retailers can't afford for their omnichannel efforts to be seen as omni-failures.

According to Aberdeen Group via OneReach.com, companies with solid omnichannel customer engagement strategies manage to keep an average of 89% of their customers.

Those with weak omnichannel efforts? They retain a meager 33% of their customers.

Therefore, it's critical to create and maintain a consistent customer experience across all sales channels. The trick is to do it in a streamlined and efficient manner.



3 tips to simplify omnichannel

Here are 3 questions to ask when evaluating and implementing your strategy. These are the drivers for simplifying omnichannel.

1. WHAT DO MY CUSTOMERS WANT?

The savvy retailer understands that what shoppers want is nuanced. While they all may share an affinity for a particular store, they are not (obviously) all shopping for the same product.

As more data is gathered and analyzed, retailers are evolving their strategy to hone in on what their core customers expect and desire.

PERSONALIZED SUGGESTIONS

Learning what your shoppers are seeking and providing more of it (as well as complementary items) is key. That type of personalization is crucial to incorporate into the omnichannel plan. Think of how Amazon uses customization to suggest additional complementary purchases.

In a similar fashion, brick-and-mortar retailers can use the reams of data they've collected on shoppers to notify loyal customers of upcoming events or sales, and entice in-store shoppers with special deals via text messaging, e-mail or even beacon alerts.

LOW-TECH HUMAN MARKETING

Paradoxically, “low-tech” methods have an important role too, perhaps even more so in a world that is gravitating increasingly toward automated phone trees. After a significant purchase, a personal phone call (perhaps prompted by a high-tech customer relationship management software package) from the sales associate can be welcome. It shows interest, affirms their satisfaction with the purchasing decision, shows the retailer thinks of the shopper as a unique individual — and opens the door for subsequent sales.

However, those so-called “robo” customer service calls are counterproductive and may in fact leave the recipients with exactly the opposite reaction than is intended: Nothing says “we’re doing this because we have to” better than an automated customer service call.

As more data is gathered and analyzed, retailers are evolving their strategy to hone in on what their core customers expect and desire, rather than attempt to be everything to everyone. The “jack of all trades” strategy inevitably proves the company is “master of none,” and leaves customers unfulfilled at best and angry at worst.



2. IS MY TECHNOLOGY EFFECTIVE?

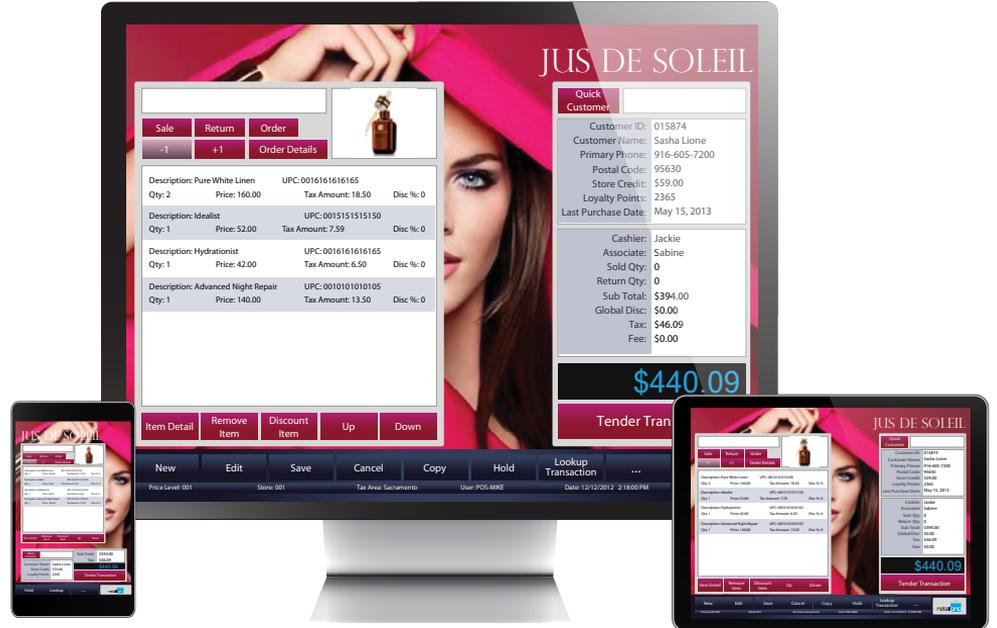
The sad reality among some in retail is that technology solutions are often added on top of, rather than replacing or being integrated into, existing systems.

Having fewer, more tightly integrated systems will simplify how processes are managed. Many retailers struggle with getting disparate systems to work together. Success with an omnichannel strategy often requires restructuring technology so there are fewer pieces, fewer points of failure.

Multifunctional POS

Consider the point of sale system. It's surely come a long way from its 1878 debut as the Incorruptible Cashier. Today, the POS handles many parts of the sales transaction, not just the payment. A POS can track inventory and sales trends as well as place orders to suppliers automatically. VIP customers can be identified at checkout and special offers can be applied.

Your retail software must be in sync to enable immediate use of reliable, accurate data. That ability is a competitive must.



To achieve those functions, all systems must be deeply connected so retailers can form an understanding of how shoppers react to products, what encourages them to purchase, and what turns them off completely.

All the systems must be in sync in order for reliable, accurate data analysis to occur in a timely manner. That ability is a competitive must, and it must be simple to use and simple for results to be collated and interpreted.

Integrated supply chain

The supply chain — the vendors and manufacturers that provide products — has to be a part of the simplification process as well.

By connecting the supply chain to all parts of the retail business, products can be ordered, allocated and merchandized properly. During the discovery phase of the simplification process, retailers need to inventory their current systems, and then identify the type of system they want to have. That will inform the decision regarding the types of network, software and hardware that will form the backbone of the system.



Actionable data

Finally, all the data collected will provide a streamlined outline of the omnichannel choices retailers should make. Such information should be analyzed with an eye toward answering specific questions that will determine the need for omnichannel offerings such as:

- Ship from store
- Buy online pickup in store (BOPIS)
- Satellite pickup locations

Once a retailer learns customers' fulfillment preferences, decisions about the type of technology systems to install are much easier to make.

In addition to being able to offer customers multiple channels to make purchases, having a complete, accurate accounting of inventory and status (e.g., age of product, markdowns, etc.) will determine which channel should fulfill which orders.

Remember, though, that any strategy depending on technology ultimately depends on a solid workforce to implement it.



3. IS MY STAFF READY?

Engaged employees are key to omnichannel success.

Workers benefit from using new technology, because it gives them more information to do their job well and boosts their efficiency. For instance, now, armed with information about what Ms. Jones bought online last week, the sales associate can approach her with potential complementary items.

That opening line is crucial to starting a dialogue with shoppers, and is a topic of many sales training meetings.

That may sound old-fashioned in a modern era of anonymous digital commerce. But study after study finds that customers want to feel welcome, have their questions answered, be respected, and be shown they matter.

Hiring the right employees

Step one is to have the right employees. A \$10-an-hour salesperson can cost \$3,000 to replace according to industry statistics, as Retail Touchpoints recently reported. But there are stellar examples of how to hire retail salespeople effectively.



Look at how Apple hires retail employees for its stores.

According to an article in Forbes, Apple isn't after exceptional intelligence or technical skills, but instead wants employees who are good "people persons." They excel at being appealing, friendly, and enthusiastic. They are genuinely happy doing their jobs.

Apple, it's been said, hires for smiles.

Training those right employees

Step two is training (which will be much easier if step one was done properly).

After upgrading technology within the retail location, associates must be trained on how to use it in every retail scenario.

A store that now offers live inventory look up and BOPIS must have associates who know how to handle the customer who now wants to return that item before even driving home with it. A smile, a great overall attitude, and knowledge of alternatives for the returned items, combined with knowledge of how to process the return will not only result in a happy customer, but also in a proud employee who shares the retailer's vision of success.

After upgrading technology within the retail location, associates must be trained on how to use it in every retail scenario.

Simplified omnichannel

Omnichannel at its best lets consumers buy products in the manner they choose.

They are no longer beholden to the hours of business a brick and mortar elects to be open. A simplified system helps customers and it provides a foundation upon which a retailer can build its authentic self: One that understands and caters to its customers, while making associates' business lives easier.

And that's a simplification everyone can be happy with.

Simplify omnichannel with Retail Pro®

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About Retail Pro

Retail Pro International (RPI) is a global leader in retail management software that is recognized world-wide 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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