Target group: Business decision-makers

A seamless shopping experience for sophisticated customers

The advantages of a customer-focused omnichannel strategy





Summary

Retailers have to offer customers a high-quality shopping experience and guide them to shopping success in order to turn them into loyal regular customers – ideally on all sales channels. This requires an organizational and technological focus on an attractive shopping experience as part of an omnichannel strategy.

In this regard, it is not only brick-and-mortar retailers that are establishing online channels to provide their customers with products and services outside of regular store hours. More and more companies that started as online companies would not want to do without their new brick-andmortar branches. They create brand awareness and allow their customers to interact with the products they want in the real world instead of merely contemplating them in the digital world.

In principle, an omnichannel strategy has many faces, from the items designated as "click&collect" for in-store pickup that toy retailer *My Toys* offers its customers, or the "endless aisle" that *Dänisches Bettenlager* is experimenting with. In all of these cases, a combination of digital competence and brick-and-mortar expertise makes buying easier and more enjoyable for customers.

Putting a successful omnichannel strategy into practice requires an adjustment to the organizational structure to allow for operating and expanding sales channels across departments and avoid information silos. The e-commerce platform used must also be designed so that it supports a wide variety of different frontends via standardized interfaces –from online stores to mobile applications to POS and devices from the "Internet of things" – and can be connected easily to third-party software. This way, retailers have the necessary flexibility to be able to present their customers with a seamless shopping experience on all channels.



Stages of evolution in retail

Customers are not what they used to be: In a networked world, they have access to a gigantic amount of information and enjoy a no less gigantic selection. They are oftentimes better informed than the on-site sales personnel. In addition, they increasingly perceive the buying process not as a task that needs to be completed, but as an entertaining and inspiring way to pass the time.

One retail channel

It was not always that way: if customers wanted to buy something in the days before the age of the Internet, they went to a store, received in-depth advice, and then took the product they wanted home with them. A **brick-and-mortar retailer** was the salesperson, source of inspiration, and service department all in one person, and the store counter the usual retail channel.

With the advent of cheaper computers and faster connections, by 1990 more and more customers started looking at websites and interest grew in shopping on the internet. Retailers took advantage of the opportunity offered by explosive growth to sell their products in their own online stores. As **online retailers** they benefited from low infrastructure costs and the opportunity to be in direct contact with their customers online.

Multichannel: Multiple retail channels

The competition from the Internet has had a noticeable impact on **brick-andmortar retailers:** After having the power for generations to act as a sort of gatekeeper for product information, they have increasingly had to welcome customers to their stores who were often better informed concerning the available product range and prices than they were themselves. Even worse, the visitors looked at the products in the store only to order them online at a significantly lower price.

For this reason, they started to open their own online stores as additional retail channels: If customers enjoyed shopping online so much, then they should do so in the digital branch of the brick-and-mortar stores. In practice, the new online channels were operated parallel to the previous business without any data exchange between them; this resulted in isolated solutions and information silos. The online store had no knowledge of the inventory data of the branch store, and the contact data for online customers was not accessible in the stores.

Online only retailers also go through this evolutionary step; they open successive new offline channels, but generally find out that the knowledge they have gained from the online world and the technologies used there can only be used in the real world to a limited extent. They are focused on gathering user and order data, linking them to create useful customer profiles, and advancing development of their business as a result. Information silos and isolated, parallel processes for individual channels are oftentimes a challenge here.





commercetools GmbH was founded in 2006 by Dirk Hörig and Denis Werner. The company runs offices in Germany in Munich and Berlin as well as in the United States in New York and Durham. commercetools is one of the world's leading providers of cloud-based e-commerce technology. On the basis of their highly available platform, complex retail models across all sales channels and for all devices can be implemented. By means of an extensive e-commerce API, existing corporate processes and technologies are connected flexibly. In addition, the platform enables sustainable solutions for B2C and B2B retail. Since 2014 commercetools is a subsidiary of REWE Group. Its customers include BRITA, Koffer24, Merkur, REWE, Wöhrl and ZEG.

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