

# Grow your Business to Survive: How to Compete in an Omni-Channel World

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Omni-channel retail strategy brings the store to wherever the customer wants it, when they want it. It's about more than merely providing the means to buy something through their channel of choice - it means allowing the brand to be channel agnostic. No matter how the customer browses, transacts, collects or returns their purchases, their experience of the brand is the same.

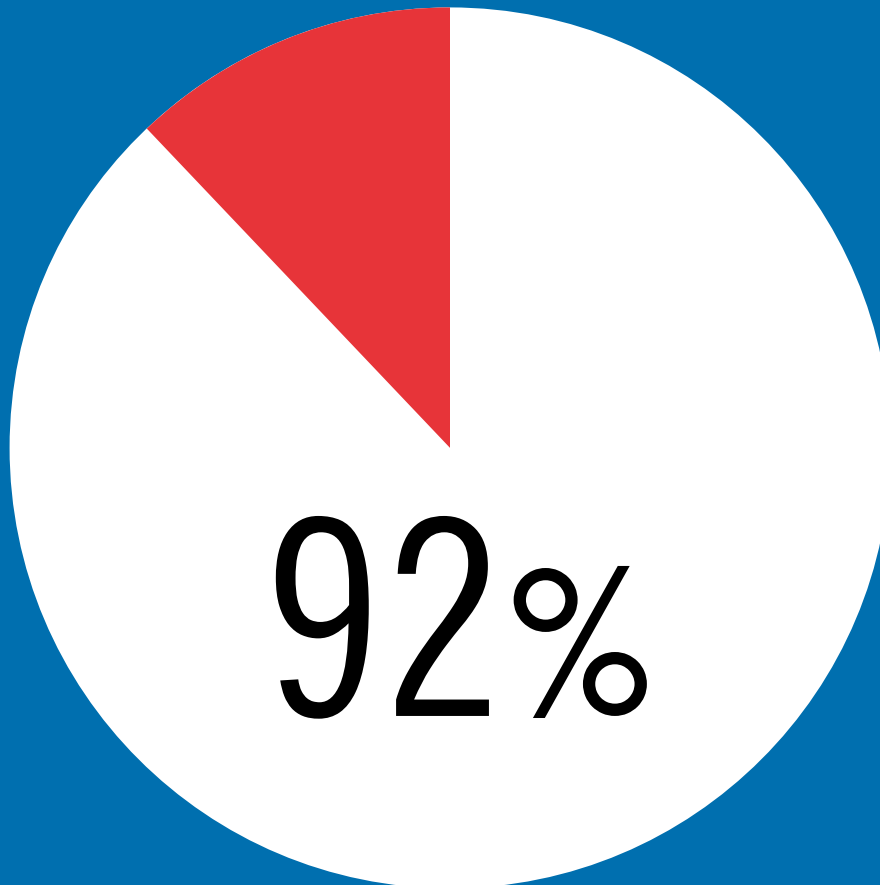
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“ According to IDC Retail Insights, retailers from across Europe are in the process of determining how digital impacts them and what their digital transformation approach and strategy should be. IDC Retail Insights is witnessing among European retailers, at varying degrees of maturity, a race to digitize because of the potential new revenue streams and retail operational efficiencies that can be derived. ”

[IDC Retail Insights \(2016\)](#)

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Essentially, the very best retailers are the ones that are now obsessively customer-centric and that have used technology to power personal customer experiences.



92% of retail businesses said that digital innovation was either vital or very important for their business with nearly three quarters chasing additional revenue from it.

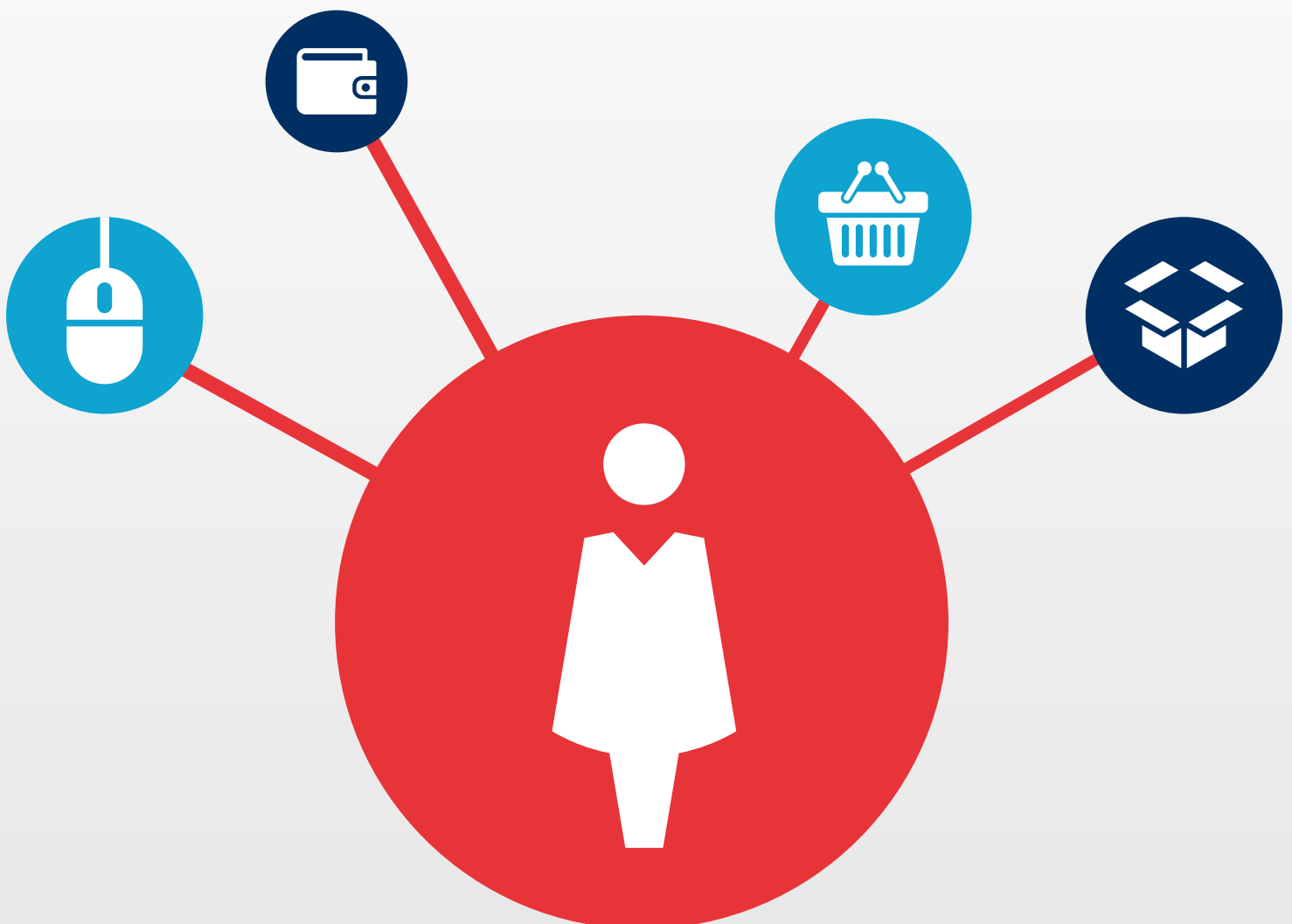
(Internet Retailing Report 2015).

## Holistic service

Retailers know that customers expect exemplary service levels and the ability to browse, buy and receive deliveries at their convenience. But amidst all the talk of omni-channel, the importance of the actual physical store sometimes gets forgotten. However, physical stores are essential to the true omni-channel retailer, enabling customers to:

- View, touch and try products
- Access expert product advice provided by store employees
- Buy directly with products available immediately
- Gain reassurance about the suitability of products

And whilst customers browse and research online, for many the preferred method of purchase will always be in-store. On the other hand, some customers may treat the store as a showroom and then complete the purchase online. Ultimately, the physical store provides the showcase for the products and for the overall customer brand experience.



“ Omni-channel retailing, i.e. combining mobile, bricks and-mortars and internet retailing, is the future of commerce. This requires online retailers, bricks-and-mortars and bricks and-clicks (bricks-and-mortars that also have an online presence) to rethink their strategies and to redefine their business models. As traditional retailers look to go online, online retailers are reviewing options to establish a physical presence. The challenge is to find a seamless solution for both the customer experience and internal processes. ”

[Deloitte Omni-Channel report 2015](#)

## Broad focus at customer service end

Customers are driving an improvement in delivery and return strategies. A recurring theme at this year's National Retail Federation (NRF) technology conference in the States, was the need for retailers to up their fulfilment game. In the eyes of consumers, order fulfilment is not done well on the whole and this is one of the biggest barriers to success. Customer expectations in this area have grown enormously in recent years, largely due to Amazon, and now a range of fulfilment options is not just a nice to have but is becoming a necessity. Take a leaf out of Amazon's book and look at your options.



### Drop-shipping

The method of delivery known as 'drop-shipping' works in the following manner. When a customer places an order, a third party logistics provider is notified and ships the order. While this method is suitable for certain retailers, such as those in the furniture business, it is not practical for those in industries such as fashion. This is because, in the latter, the customer often expects several deliveries from several brands to be delivered at the same time.



### Click and Collect

This method is becoming increasingly popular among retailers. However, it can be difficult for retailers to incorporate this aspect of retail into an overall seamless customer experience. Along the same lines as click-and-collect is reserve-and-collect which enables the customer to reserve an item online and then collect it, and pay for it, at a physical store later.



### Delivery lockers

Delivery lockers are lockers located in convenient locations. These have recently emerged due to a business need to meet rising consumer expectations. Convenient and secure these lockers work both as a delivery and return point. However, they lack the dynamism of other methods of delivery. The use of these lockers may also prove problematic in periods high demand.



## Parcel store

A parcel store enables the shopper to pay for the order online and then select a manned location, such as a convenience store, petrol station or other outlet, typically open outside of normal working hours, as point of delivery for their purchase.



## Same-day delivery

At the forefront of consumer driven improvements in delivery and return strategies is same day delivery. The fulfilment strategy required to achieve this typically means that the items ordered are stored locally. However, due to the mechanics of this strategy, same day delivery poses a challenge outside of major cities and, in reality, is only currently suitable for certain industries.

(Deloitte Omni-Channel Retail report 2015)

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## Ability to support from the back end

Because of the pressure to deliver omni-channel at the front end, changes also need to be made at the back end. Behind the scenes, retailers need to be able to balance inventory and product availability and decide on an optimum sales model for a range of scenarios.

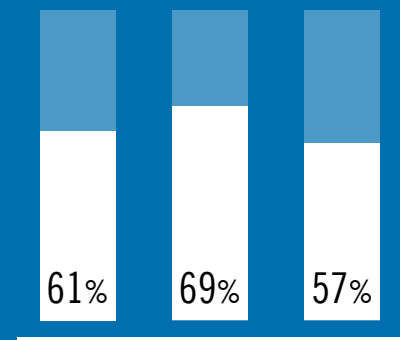
This is all underpinned by accurate forecasting and visibility, from both the customer and the supply-chain perspectives.



## Investment requirement

Being able to fulfil these demands requires seamless integration of systems and has spurred a wave of investment from retailers. This was reflected in retailers plans for investment over the past year.

According to the TLT report '[Going for Growth: Retail Growth Strategies in 2015](#)', 61% of retailers planned to invest in improved IT systems, 69% in technology to support online sales through mobiles and tablets and 57% in logistics. This, in particular, was a massive increase from the mere 36% of retailers that planned to invest in logistics in 2014.



At the supporting back end, there needs to be an up-to-date single view of data in regards to product availability, location and general visibility. This enables the retailer to know whether a product is actually on the shelf, in-store and its future availability.

House of Fraser, for example, are particularly good at providing in-store availability and clarity during the shopping process. Below the header on every page of the website, there is a clear reference to 'Buy and Collect' noting the price (free) and collection time (next day).

On product level, there are three references to stock levels and collection. Firstly, when a customer chooses a size, it shows the remaining stock available. Secondly, it provides a link to check stock in a specific store and, thirdly, it has clear reference to 'Free Collect in store' as well as a link for more information, which displays in-page.



Meanwhile supply chain optimisation, an inherently complex task, is now all about having the IT architecture and data to accurately forecast which products need to be where and when. Combining that with the very best price and profit margin to meet demand completes the circle. All of this means that formerly disparate data sets need to come out of silos and, instead, sit in a single format on top of a platform that can pull and push data to where it needs to be.



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## Single view of data for all retailers

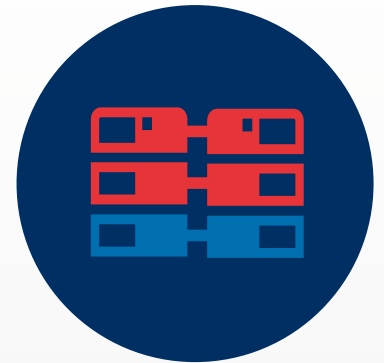
Even the larger retailers struggle with this. According to the 2015 [Omni-Channel Retail report](#) by L2 some of the biggest names in UK retail were still in the omni-channel 'laggards' category in 2015. However, there are signs of improvement with big names such as Selfridges moving much closer to an 'ecommerce focused/ omni-channel aware' category according to the report.

The same general principles of de-siloing data and keeping its integrity and accuracy can be applied to retailers both large and small. While some of the most impressive examples of omni-channel marketing are being done by larger companies, according to ecommerce specialist [PrestaShop](#), small businesses can also use it to improve the customer experience, build loyalty and generate more sales.



The required integrated technology is now more accessible than ever to smaller merchants. For example, a merchant can have a single dashboard for their inventory, sales, and customer information - while simultaneously being able to sell online and offline.

The omni-channel challenge is different for each retailer depending on; its product diversity, shelf life, operating model, complexity of supply chain and traditional fulfilment options. What is common to all though is the need for a system to provide visibility and flexibility at both the front and back end.



## What next?

It's time to take control. The businesses which survive will be those which adapt to the new omni-channel playing field.

### Just remember:



Omni-channel is about customers' ability to interact how and when they choose.



Omni-channel capability requires IT support at both the front and back end.



Customer visibility is key.



Investment to support an omni-channel strategy is required.



To find out more about how to survive  
and thrive in an omni-channel world  
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