




Aptean Retail ERP

# How to Compete in an Omnichannel World



# Omnichannel is essential for successful retail operations. And it's time to adapt to how and where you operate if you want to thrive.

The omnichannel retail strategy brings the store to the customer – how they want it and 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 brand experience is the same.



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

The very best retailers are the ones that are now obsessively customer-centric and 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.





## Holistic service

Customers expect exemplary service levels and the ability to browse, buy and receive deliveries at their convenience. But amidst all the talk of omnichannel, the value in the physical store can be forgotten. But brick-and-mortar stores are still essential for the omnichannel retailer. They enable 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

Even Amazon, the ecommerce mammoth, has a handful of physical retail stores. While the popularity of online shopping remains at an all-time high – for many customers, the preferred method of purchase is still in-store. In some cases, customers view the store as a showroom—enabling them to browse before making a purchase online. Ultimately, the physical store provides the showcase for the products and for the overall customer brand experience.

# Consumer expectations for order fulfillment

Customers are driving an improvement in delivery and return strategies. A recurring theme at the annual National Retail Federation (NRF) conference in the United States shows the need for retailers to up their fulfillment game. In the eyes of consumers, order fulfillment is not done well, which is one of the most significant barriers to success. Customer expectations in this area have grown enormously in recent years, primarily due to Amazon - and now a range of fulfillment options is not just a nice to have but is becoming a necessity.



## Store or curbside pickup

This method is increasingly popular for consumers. However, it can be difficult for retailers to incorporate this aspect of retail into an overall seamless customer experience. Along the same lines as store pick-up 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.



## Home delivery

The method of home delivery, also known as drop-shipping for retailers, works when a customer places an order, and a third-party logistics provider is notified and then ships the order directly to the end-consumer. While this method is suitable for specific retailers, it's not practical for all industries—like fashion, for example. In the latter, the customer often expects several deliveries from several brands to be delivered at the same time.



## 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 of high demand.



## Two-day or same-day delivery

At the forefront of consumer-driven improvements in delivery and return strategies is two-day and same-day delivery. The fulfillment strategy required to achieve this typically means that the items ordered are stored locally. However, due to the mechanics of this strategy, these quick-turnaround deliveries poses a challenge outside of major cities.

## Ability to support from the back end

Because of the pressure to deliver omnichannel at the front end, changes also need to be made at the back end. Behind the scenes, retailers need 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

Retailers are under increasing pressure to keep up with the growing demand from consumers – particularly when it comes to choice and convenience with how, when and where they shop. So an investment in more advanced omnichannel management system is required to help seamlessly integrate processes and maximize efficiencies.

There needs to be a single up-to-date view of data for product availability, location, and general visibility at the back-end. 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, is particularly good at providing in-store availability and clarity during the shopping process. Below the header on every page of the website, there is an apparent reference to 'Buy and Collect,' noting the price (free) and collection time (next day).

On a product level, there are three references to stock levels and collection. First, when a customer chooses a size, it shows the remaining stock available. Second, it provides a link to check stock in a specific store, and, third, it has a clear reference to 'Free Collection in Store' as well as a link for more information.

Meanwhile, supply chain optimization, 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. Combine 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.

# A single view of data for all retailers

Even the larger retailers struggle with this.

According to an [Omnichannel Retail report](#) by L2, some of the biggest names in UK retail were still in the omnichannel 'laggards' category. However, there are signs of improvement with big names such as [Selfridges](#) moving much closer to an 'ecommerce focused/ omnichannel aware' category, according to the report.

Likewise, in the US – [retailers such as UGG now trade across multiple platforms](#) – including physical stores, wholesale partners, e-commerce sites and mobile apps. They've won top ratings for their range of omnichannel and ecommerce features and operate a seamless shopping experience across all channels.

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 omnichannel 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. A merchant can have a single dashboard for their inventory, sales and customer information—while simultaneously being able to sell online and offline.

The omnichannel challenge is different for each retailer. It depends on several factors:

- › Product diversity
- › Shelf life
- › Operating model
- › Complexity of supply chain
- › Traditional fulfillment options

Despite the specific differences, all successful merchants need a system to provide visibility and flexibility at both the front and back end.

## What's next?

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

### Just remember:

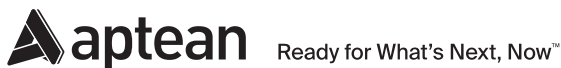
- › Omnichannel is about customers' ability to interact with your brand how and when they choose.
- › Customer visibility is critical.
- › Omnichannel capability requires IT support at both the front and back end.
- › Investment to support an omnichannel strategy is required.



## Are You Ready to Learn More?

Aptean Retail ERP can help improve your omnichannel operations and fulfil customer expectations? Find out how, now.

Contact us at **info@aptean.com** or visit **www.aptean.com**.



### About Aptean

Aptean is one of the world's leading providers of industry-specific software. Our enterprise resource planning and supply chain solutions are uniquely designed to meet the needs of specialized manufacturers and distributors, while our compliance solutions serve specific markets such as finance and life sciences. With both cloud and on-premise deployment options, Aptean's products, services and unmatched expertise help businesses of all sizes, across many industries, to scale and succeed.

For more information, visit **www.aptean.com**.