Towards omnichannel maturity

A study of UK retailing in 2015

UK retailers are responding to customer demand for omnichannel services that enable them to shop wherever, whenever and however they want. But while some retailers have fully operational systems in place, and others are making good progress in their journey towards joined-up commerce, our study finds that a significant minority are yet to make a start on integrating some of systems that underpin retailing.

This white paper analyses the findings of a study by InternetRetailing in partnership with OSF Global Services, Demandware and e-Spirit into omnichannel maturity and suggests that even where the foundations of connected commerce are firmly in place, few traders have as yet moved on to adding value to their businesses through cross-channel marketing, by digitising the store, or by fully harnessing the power of go-anywhere mobile devices within the retail experience.

We put our findings within a wider market context, focus on five steps that retailers can take next, and discuss how, and why, traders can best approach joining up the customer experience.

" Clearly responding to changing customer behaviour "

Just how far are UK retailers along the path towards reaching the goal of omnichannel maturity that will enable shoppers to move easily and seamlessly between the ecommerce website, the call centre and the store? Customers want to buy wherever, however and whenever they like – but how close are retailers to meeting that expectation? InternetRetailing, OSF Global Services, Demandware and e-Spirit worked together to find out, in a study that forms the foundation of this white paper. We asked how far advanced UK retailers are in introducing the technologies that first enable and then improve omnichannel retailing, from the foundational systems that give a global view of inventory or enable cross-channel order management, to the emerging technologies that underpin mobile point-of-sale, interactive digital windows and mobile marketing. About 100 retailers and retail industry professionals took part in our online survey – and our thanks go to them for their help in this.

We believe our findings reveal an exciting and fast-developing picture of a retail market that is clearly responding to changing customer behaviour. But there's still a way to go. While the few are well advanced in their omnichannel development, many are still on the journey and a significant minority have yet to get started at all. We expect that in time, this evolution towards digital commerce will start to move more quickly and expand to include most retailers. This is a highly competitive market where consumers are driving the pace of development. Their expectations are never less than high, and the retailers who measure up and overshoot that bar will be those that prosper in the years to come. In the pages ahead we draw a picture, developed in the light of our research, of where the market stands today, we analyse the findings of our study in detail to show where and how retailers are developing their omnichannel abilities, and we advise on next steps for action.

METHODOLOGY
About 100 retailers and retail industry professionals took part in our study on omnichannel retail. They answered 14 questions in an online survey over the course of August 2015. In answering, they were asked either to give yes/no answers or, more commonly, to rate their progress in moving towards each objective on a scale of 1 to 10, where 1 meant 'no development' and 10 meant 'fully operational'. The findings are illustrated over the pages that follow.

How retailers are making shopping **convenient**

Merchants who get it right for customers who want to shop across channels are positioning themselves for present and future growth

" Convenience has become a driving force in retail sales "

Retailers are answerable to their customers at the bottom line, and today's shoppers expect that they'll be able to buy where they want, when they want and however they want. Those companies that don't enable consumers to do just that risk missing out on both the immediate sale and the longer-term prospect of building a relationship.

Brands and retailers with a true omnichannel shopping environment present a consistent view wherever their customer, or potential customer, makes contact. They enable shoppers to browse, buy and arrange for delivery at whatever point is most convenient to them. Consumers might browse potential purchases from their sofa in front of the TV, reserving via their tablet computer for pick-up in store – returning to the store or online if they change their mind. Or they might order a bulky item of furniture in the store for home delivery. Today, as the findings of our survey show, these are all features that are quickly becoming more widely available in the UK retail market. Some 58.6% of respondents to our study showed they were at least halfway on their journey towards offering crosschannel order management and so integrating online and in-store ordering. They rated their progress at five or more out of 10, where 1 means not yet deployed and 10 is fully operational. Fewer (14.4%) have fully reached that goal, however. A similar proportion (56.2%) were at least halfway towards achieving the global view of store inventory that also underpins such services, with 19.0% considering this task complete. Asked how far along the road they were to enabling returns via any channel, 63.5% were at least halfway, and 14.4% considered the job complete.

It's progress that's necessary when consumers are fast getting used to the convenient delivery of an Amazon, eBay or Argos, and expect to be able to shop online at short notice to pick up goods at the place that best suits them. This convenience has become a driving force in retail sales, as Argos recently acknowledged. Its director of retail and customer operations Steve Carson said, as he unveiled a drive to take on 9,000 workers for Christmas 2015, "Our ability to offer more than 20,000 products for the whole family within easy reach is why millions of people shop with us over the festive season."

It's no surprise that the retailer, ranked Elite in InternetRetailing's IRUK500 research, is one of the UK's largest multichannel traders, selling through stores and online. In its latest financial year, to February 2015, its revenues reached £4.1bn. A quarter of that turnover came in transactions that

" Omnichannel enables a customer to get the right product at the right time "

touched a mobile device at some point in the customer journey, even while 90% of purchases also involved a store. The retailer is taking commerce to the customer, harnessing the power of mobile ordering in-store to sell through small format digital stores in locations as diverse as Cannon Street tube station and branches of Sainsbury's supermarket.

eBay customers, who can themselves buy from whichever device suits them best at any given moment, whether mobile app, website or PC, can take delivery of their online purchases in high street branches of Argos thanks to a pioneering partnership between the two. Meanwhile, Amazon customers living in central London or Birmingham can now get hold of their internet purchases as quickly as the same hour, using the recently-launched Prime Now service.

But while some retailers are leading the field in the sheer convenience of the shopping experience, many have yet to catch up. As we see from our research, 25.96% of retailers have yet to get their cross-channel order management systems past first base, while 27.6% haven't yet started work on gaining a global view of inventory and 13.5% say the same about integrated returns. Only 9.6% of respondents to our study said mobile point-of-sale was fully deployed in their store branches, while 38.4% had yet to make a start with this technology.

Brian Vass, business analyst at OSF Global Services, says most retailers now acknowledge the need for such joined-up systems. "In the UK, omnichannel is well on its way, but many retailers still have substantial work to do," he says. "For those who have implemented omnichannel, most are limited to the fundamentals – inventory, order management, and CRM. Thus, even those with mature omnichannel strategies have room for additional innovation."

Our findings go some way to explaining why the multichannel retail market is fast separating into the winners and also-rans of ecommerce. Time-pressed shoppers are opting to limit their research time, visiting just a few key websites when they make a purchase. Those that offer the services they want to use are often winning their attention – and diverting it from others. Last year Google chairman Eric Schmidt said Amazon was now the search company's biggest rival. "People don't think of Amazon as search," he said at the time, adding: "but if you are looking for something to buy, you more often than not looking for it on Amazon."

That's where marketing that reaches out to the customer comes into play, whether that's harnessing the power of beacons to communicate with or send to messages to customers in the store, or deploying a crosschannel loyalty scheme that helps retailers recognise their most loyal customers whether they buy in the store or online. As yet, our figures show over the coming pages, many cross-channel marketing initiatives are still in their infancy. That suggests there is still plenty of opportunity for retailers that step up their technical capabilities to serve their existing customers and win the attention of new and loyal customers in the future.

This is important, says OSF's Vass, because "at its core, omnichannel enables a customer to get the right product at the right time with minimal friction. With an increasing number of shopping options, customers have high expectations. If retailers aren't in front of the customers they'll soon be forgotten. The benefit for retailers is that a well-executed omnichannel strategy can increase both customer loyalty and revenue."

Playing **catch up**?

Some retail omnichannel commerce projects are well advanced – but many still lag behind

I t's clear from the findings of this study from InternetRetailing, OSF Global Services, Demandware and e-Spirit that most UK retailers today are on their way to becoming omnichannel traders, capable of informing and selling to customers consistently, no matter which sales channel they choose. But we were surprised to find how many organisations have yet to make a start on putting the foundation stones of seamless shopping in place, and how few would describe themselves as fully operational in key areas of joined-up commerce.

Risk of falling behind
By gaining a view of global inventory and enabling cross-channel order management, traders put in place the essentials for a future omnichannel business. In all, 19% of respondents said they had a fully-operational single view of stock and 14.4% have mastered cross-channel order management. But, we found, 27.6% of respondents said their businesses had not yet made any progress in gaining a view of inventory, while 25.96% had not yet started to enable cross-channel order management.
This is important, says Brian Vass, business analyst at OSF Global Services, because traders who don't offer these services risk being left behind. "As more retailers move to omnichannel, late adopters will find it much harder to compete," he says.

Effective marketing
So far, it seems, UK retailers have been relatively slow to take up cross-channel marketing. Some 30.1% of respondents to the study said they had made no progress in this area, while only 7.2% of respondents to the study said cross-channel marketing was fully operational in their business. Why is this important? "Omnichannel customers show higher loyalty and higher spending," says Vass, "so many retailers stand to benefit from facilitating engagement across multiple channels."

Advanced omnichannel still far off
Beacons that send promotional messages to our smartphones as we walk by, and retailers that enable window shopping or even payment in store using a mobile point of sale are still some way off. Some 9.6% said mobile point-of-sale was fully operational in their store while 38.5% said they had made no progress in introducing this technology. Asked about beacons, 4.1% of respondents said they were fully operational in their stores, while 39.79% had made no progress, and for all that 5.15% said they had enabled window shopping by smartphone, 46.4% had made no progress at all. That's not surprising, says Vass, because "retailers need time to identify how to best leverage these technologies in their organization and can't do so until the basics of omnichannel are working well."

" Late adopters will find it much harder to compete **"**

Bridging the channels

We asked retailers and those who advise them how their omnichannel projects were developing – and gained insights into a fast-moving retail environment

W e've taken a snapshot of the development of omnichannel retail in the UK today. We asked retailers and industry professionals through a survey how omnichannel is developing within their business or the businesses they work in. The results catch an industry in development. Retailers are fast introducing the underlying building blocks of a joined-up approach to selling that gives the customer the consistent view they so demand. Over the coming pages we bring our findings to life, illustrating them through graphs and sharing insights through commentary.
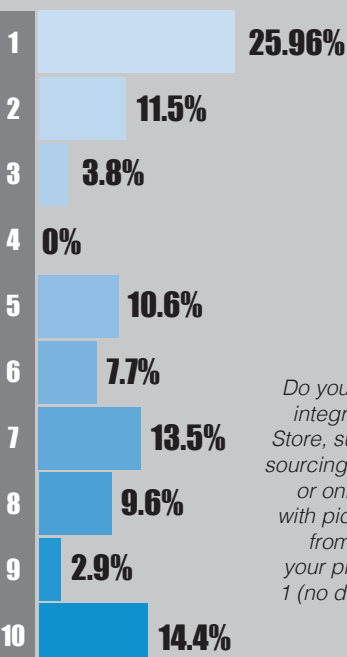
Global view of inventory

We started by looking at the technology that underpins the foundations of omnichannel retailing. We asked respondents whether they had started the task of gaining a global view of store inventory, which allows staff to see where an item is in stock in their store and warehouse estate, and when

and where it could be delivered. We asked how far they had progressed, as measured on a scale of one to 10, where 1 means no development, and 10 means fully operational.

The largest cluster was at 1, where 27.6% of respondents said their businesses had not yet made any progress. Then, 19.0% of businesses

scored themselves at 10 – 100% operational – while 16.2% of businesses rated their progress at 5 – the halfway mark. More than half (56.2%) rated their development at 5 or above. Most, then, are well on the way to achieving a single view of stock, though more than a quarter have yet to get started.

Do you have a global view of inventory across brick and mortar stores? Rate your progress from 1 (no development) to 10 (100% operational)

	1		2	3	4		5		6	7		8	9		10
%	**27.6**		**5.7**	**5.7**	**4.8**		**16.2**		**3.8**	**5.7**		**8.6**	**2.9**		**19.0**

Cross-channel order management

Another fundamental of omnichannel selling is the cross-channel order management. This is the system that enables customers to order online for home delivery from the warehouse or store, or for store pick up. This is an area where many traders have made a start: some 14.4% of our respondents told us that this technology was

fully operational in their businesses, while 58.6% said they were more than halfway through the task, scoring their progress at 5 or above. However, more than a quarter (25.96%) have yet to make a start, while a further 15.4% said they were still in the early stages. While most traders are making good progress in this area, a significant number have yet to start linking up their order and delivery channels.

1	25.96%
2	11.5%
3	3.8%
4	0%
5	10.6%
6	7.7%
7	13.5%
8	9.6%
9	2.9%
10	14.4%

Do you have online integrated with In-Store, such as order sourcing technology, or online ordering with pick-up or ship from store? Rate your progress from 1 (no development) to 10 (100% operational)

Managing returns

Just as customers increasingly expect the convenience of cross-channel ordering, so too they want the flexibility of returning a product they bought online back to the store, sending it by post or dropping it off at a collection point. Integrating the returns system to inventory makes these services possible.

When we asked how tightly integrated the returns system was to inventory, 14.4% said their systems were fully integrated, scoring their progress at 10. At the other end of the scale, a similar proportion (13.5%) had not yet started this task, but most were well on their way, with 63.5% scoring their progress at 5 or more, while 23.1% were in the early stages, indicating progress at between 2 and 4. Retailers are making clear progress towards offering cross-channel returns, though many are still some way off fully introducing this functionality.

	1	2	3	4	5	6	7	8	9	10
%	13.5	9.6	9.6	3.8	17.3	9.6	6.7	11.5	3.8	14.4
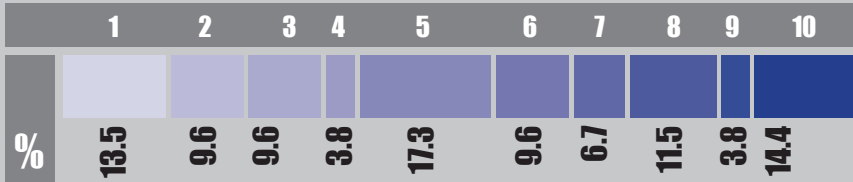
How tightly integrated is your returns system to inventory (e.g. returns via any channel)? Rate your progress from 1 (no development) to 10 (100% operational)

1	38.5%
2	10.6%
3	6.7%
4	2.9%
5	10.6%
6	5.8%
7	6.7%
8	4.8%
9	3.8%
10	9.6%
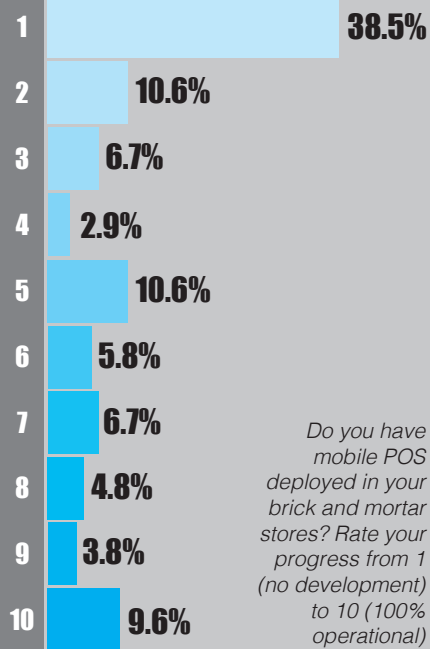
Do you have mobile POS deployed in your brick and mortar stores? Rate your progress from 1 (no development) to 10 (100% operational)

Mobile point-of-sale

When mobile point-of-sale (POS) takes payments away from the till, shoppers no longer need to queue but can ask sales staff for product information and to pay wherever they are in a shop. As yet, it seems, this approach is much less prevalent. While one in 10 (9.6%) of respondents said they offered mobile POS in their stores, 38.5% said they had as yet made no progress in doing so. Even discounting the pureplay effect, it seems that for many multichannel retailers mobile POS is still not a priority. That said, 41.3% said they were more than halfway towards achieving this end – rating their progress at 5 or more, while 20.2% rated their progress at between 2 and 4, showing they were in the early stages of this work.

Content management

Keeping the customer experience consistent across touchpoints helps ensure a seamless shopper journey. We asked whether respondents to the study had a system, such as content management system (CMS), that enabled them to create, manage and publish content at all customer touchpoints across their journey.

Answers were pretty evenly divided, although the majority did not have such a system. Of the 103 people who answered this question, 45 (43.7%) said yes, they did have a CMS or similar system, while 58 (56.3%) said no.

When we went a step further and asked if that CMS was integrated with the ecommerce system, 36, or 80% said yes, and 20% (9) no. It seems that for those who use content across sales channels and touchpoints, it's a priority to make it work effectively alongside their commerce, rather than separately. However, the majority still have to see the benefits of cross-channel content in their business.

Do you have a system in place that allows you to create, manage and publish content at all customer touch points along your customer journey (e.g. a content management system)?

YES	NO
43.7%	56.3%

Is that system integrated with your ecommerce system?

YES	NO
80.0%	20.0%
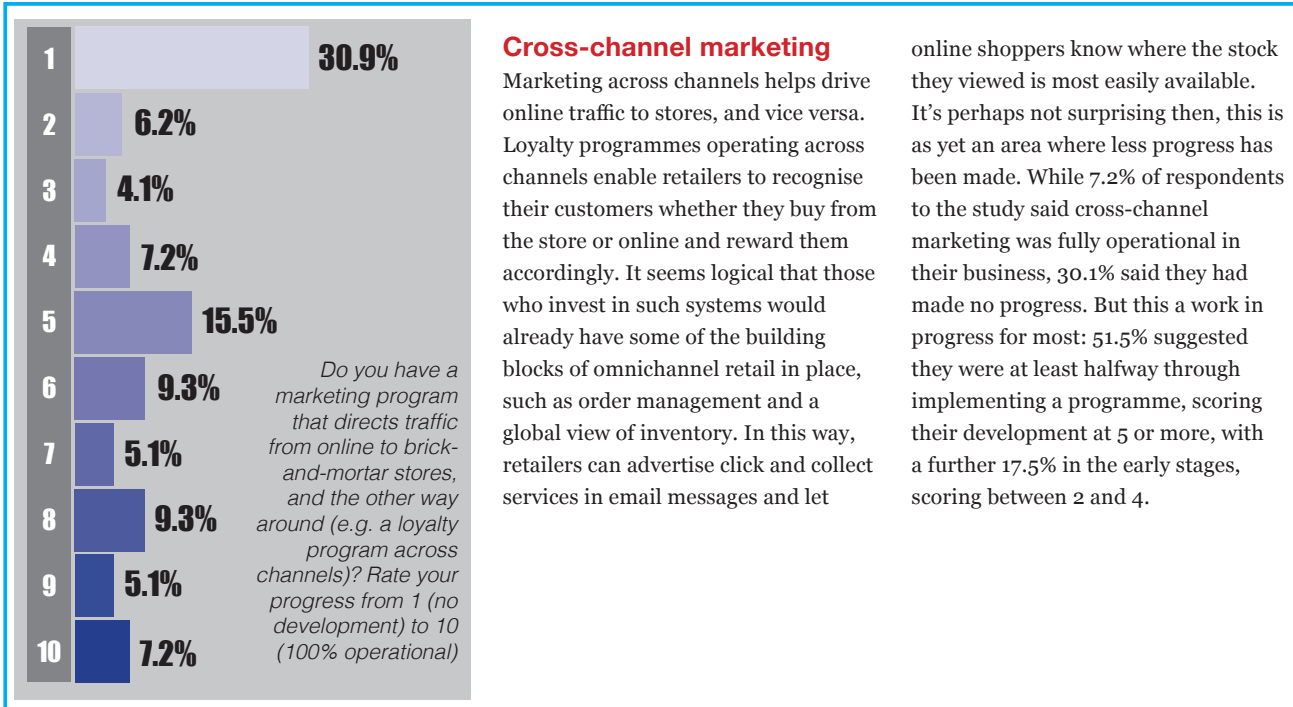
Cross-channel marketing

Marketing across channels helps drive online traffic to stores, and vice versa. Loyalty programmes operating across channels enable retailers to recognise their customers whether they buy from the store or online and reward them accordingly. It seems logical that those who invest in such systems would already have some of the building blocks of omnichannel retail in place, such as order management and a global view of inventory. In this way, retailers can advertise click and collect services in email messages and let online shoppers know where the stock they viewed is most easily available. It's perhaps not surprising then, this is as yet an area where less progress has been made. While 7.2% of respondents to the study said cross-channel marketing was fully operational in their business, 30.1% said they had made no progress. But this a work in progress for most: 51.5% suggested they were at least halfway through implementing a programme, scoring their development at 5 or more, with a further 17.5% in the early stages, scoring between 2 and 4.

Rating	%
1	30.9%
2	6.2%
3	4.1%
4	7.2%
5	15.5%
6	9.3%
7	5.1%
8	9.3%
9	5.1%
10	7.2%

Do you have a marketing program that directs traffic from online to brick-and-mortar stores, and the other way around (e.g. a loyalty program across channels)? Rate your progress from 1 (no development) to 10 (100% operational)
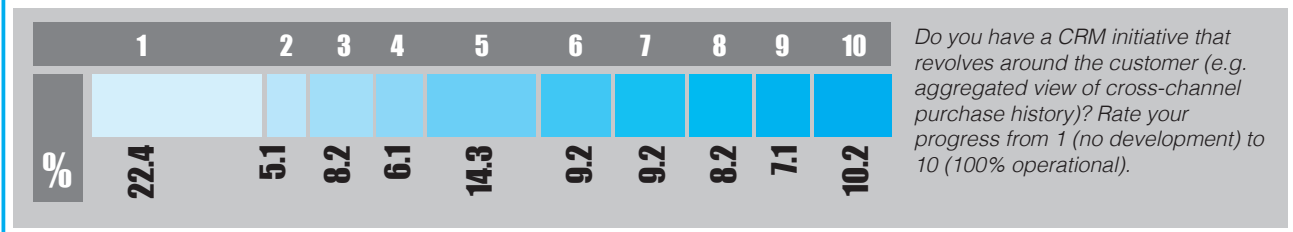
Customer relationship management (CRM)

The single view of the customer underlies omnichannel retailing. Understanding customer preferences and previous purchase history helps to inform more relevant and personalised merchandising and marketing. We asked whether respondents had a customer relationship management (CRM) system that would help them to gain this single view of their shoppers.

The majority seem to agree that this is a priority, though most have yet to complete the work of putting it in place. For while 22.4% had not started to develop such a system, more than half (58.1%) were at least halfway through implementation, scoring their progress at 5 or more, and a further 19.4% were in the early stages, with development scored at between 2 and 4. One in 10 (10.2%) said such a system was fully operational in their business.

	1	2	3	4	5	6	7	8	9	10
%	22.4	5.1	8.2	6.1	14.3	9.2	9.2	8.2	7.1	10.2

Do you have a CRM initiative that revolves around the customer (e.g. aggregated view of cross-channel purchase history)? Rate your progress from 1 (no development) to 10 (100% operational).

Integrating the call centre

One area where most retailers are fairly well ahead is at the call centre, our research found. Most respondents said their agents were able to place online orders on behalf of customers calling by phone. Almost a quarter (22.4%) said this functionality was fully operational, while more than half (57.1%) said they were at least halfway through the task. However, a large minority of 42.8% either had yet to start the task (29.6%) or was as yet in the early stages (13.2%). It seems clear, however, that most will in due course be able to offer this service, thereby giving shoppers another convenient buying option.

Do you have call centre agents placing online orders on behalf of the customer? Rate your progress from 1 (no development) to 10 (100% operational).

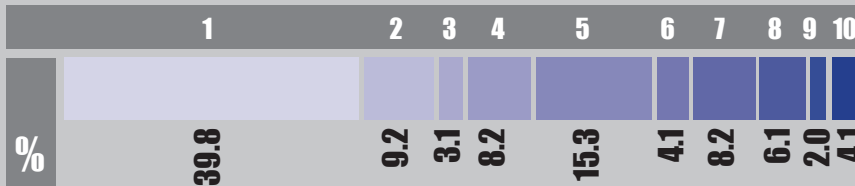| Rating	%
1	29.6%
2	4.1%
3	6.1%
4	3.1%
5	9.2%
6	3.1%
7	1.0%
8	12.2%
9	9.2%
10	22.4%
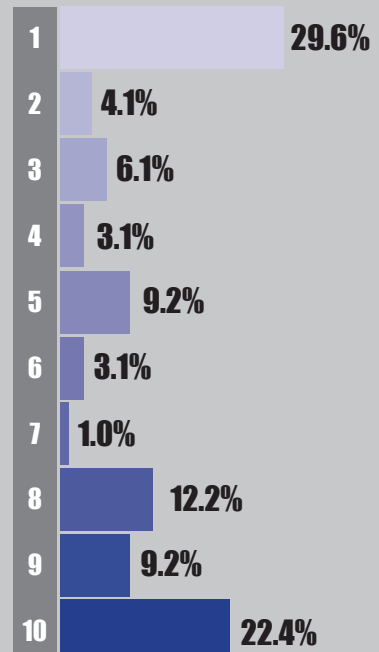
Proximity marketing

By making relevant offers to shoppers based on their physical location, retailers deploy the power of their local branch network. Beacons can be used to recognise shoppers' smartphones as they walk past and a story and make relevant offers to them, websites deploy geolocation to show products and information to them that depend on where they are, flagging up a local sale event, for example, or showing that an item's in stock or on discount where they are.

We asked those who took part in the study whether they had used this type of location-based marketing solution. The 4.1% who said this was fully operational in their business were in a small minority, although 39.8% suggested they were at least halfway through implementation, while 20.4% were still in the early stages of developing, marking their progress at between 2 and 4. But a sizeable 39.8% had yet to embark on a programme, suggesting this is still an emerging technology that is likely to gain ground in coming years.

%	1	2	3	4	5	6	7	8	9	10
	39.8	9.2	3.1	8.2	15.3	4.1	8.2	6.1	2.0	4.1

Have you used location-based marketing solutions (e.g. geo-fencing, beacon technologies, location-based mobile recommendations)? Rate your progress from 1 (no development) to 10 (100% operational).

	%
1	33.7%
2	6.1%
3	8.2%
4	7.1%
5	15.3%
6	6.1%
7	5.1%
8	7.1%
9	5.1%
10	6.1%
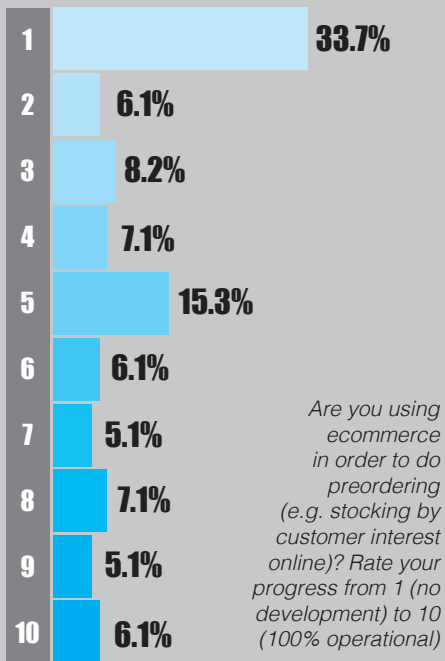
Are you using ecommerce in order to do preordering (e.g. stocking by customer interest online)? Rate your progress from 1 (no development) to 10 (100% operational)

Ecommerce pre-ordering

When customers register their interest in buying a product, traders can plan their purchasing more effectively. We asked in our survey whether respondents were using ecommerce for pre-ordering. A third of respondents (33.7%) had taken no action on this but 6.12% said this was fully operational in their businesses and 60% were somewhere along the journey to implementing such systems, rating their progress at between 2 and 9. Some 44.9% were at least halfway along the road, scoring their development at 5 or above.

The findings suggest a growing interest in using technology in way, with the potential knock-on effect of making buying more efficient. As yet, however, the use of this technology is still in its infancy.

Pop-up retail

Pop-up shops have emerged as a useful tool for pureplay or multichannel retailers to open an extra seasonal store or to test a concept or format. We asked respondents how easily they could create a pop-up store, whether for a special event or a trade show. While more than a quarter (26.1%) said they had made no progress, 9.8% said they were fully up-to-speed in this area, marking their progress at 10. Some 48.9% said they were well on the way to offering pop-up shows, marking their progress at 5 or more, while 25% marked more modest progress at between 2 and 4. It seems that most have an interest in offering a pop-up retail capacity, but it's not yet a priority for all.

How easily can you create a temporary pop-up store for a special event or trade show? Rate your progress from 1 (no development) to 10 (100% operational)

%	1	2	3	4	5	6	7	8	9	10
	26.1	9.8	11.96	3.3	17.4	5.4	5.4	6.5	4.3	9.8
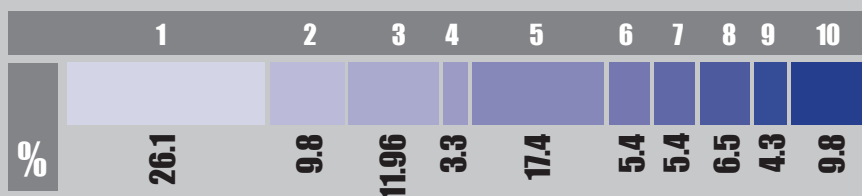
Have you used an inventory-less store for product presentation and trial, driving digital commerce and shipment from a warehouse?

| YES	NO
27.4%	**72.6%**
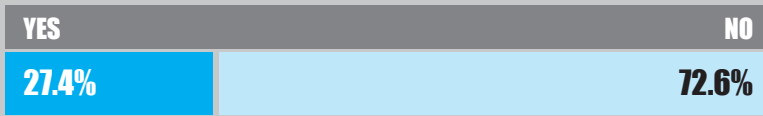
Store as showroom

Some have predicted that in the future stores will be more about showcasing products that shoppers can order for home delivery or convenient collection than about holding large amounts of stock for instant purchase. Travel companies have always inspired without holding their products in stock, while eBay, Argos and House of Fraser have all trialled similar approaches, using digital devices for shoppers to browse and then order online. Are others now learning to do the same, using a combination of smaller stores and digital selling?

We asked respondents whether they had used an inventory-less store to present and trial products. Twenty-six, or 27.4% of the 95 who answered this question said they had, but 69, 72.6%, had not.

1	46.4%
2	12.4%
3	13.4%
4	5.1%
5	7.2%
6	3.1%
7	2.1%
8	4.1%
9	1.0%
10	5.1%
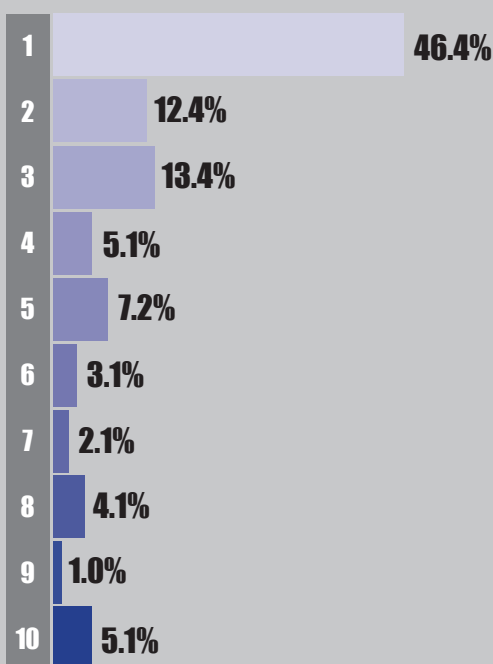
Have you used an interactive window at a brick-and-mortar store that allows shoppers to interact with products via a touch screen, and purchase items on a smartphone by scanning a QR code? Rate your progress from 1 (no development) to 10 (100% operational)

Window shopping

In the UK, retailers from John Lewis to Ocado have trialled interactive windows that enable shoppers to scan barcodes and place online orders even when a store is closed. But has this been taken up more widely? We asked whether those who answered our survey had used interactive windows featuring touch screens that enable shoppers to buy by smartphone. Respondents rated their progress on a scale of 1 to 10, from no development, to fully operational.

Almost half (46.4%) said they'd not made any progress at all in this area, while a small group (5.15%) said this was fully operational in their businesses. The remaining 48.4% were somewhere along the path, and 17.5% rated themselves as at least halfway but not yet fully operational – scoring their progress at between 5 and 9. This technology, it seems, is on retailers' radars but has not yet gained widespread uptake.

Conclusion

Most UK retailers, it seems, are on the way to becoming an omnichannel retailer. But while most have recognised the need to sell across channels, the seamless customer journey that they aspire to is not yet a reality. When we look at the average retail performance across the study, we find the typical respondent logs their progress at around 5 – or halfway along the journey – for those pieces of work that we see as the foundational blocks of connected commerce, from the global view of inventory and cross-channel customer relationship management to the integrated returns and cross-channel ordering.

The average performance is lower in areas of emerging technology that build on those initial foundations, such as mobile point-of-sale, where the average is 3.95, cross-channel marketing (4.5), ecommerce pre-ordering (4.1) and proximity marketing (3.7).

This finding may dismay or it may reassure those who still lag behind. Either way, the work to be completed will become ever more urgent as customers start to expect ever more convenient retail. Forward-thinking retailers are already much further ahead with the work that needs to be done, and the best time to start is certainly now.

Moving on: five ways to progress towards omnichannel maturity

Wherever your business is along the omnichannel maturity curve, there's likely to be room for improvement. Here, we offer five useful next steps on the journey towards the seamless customer journey.

1

ASSESS THE STARTING POINT AND PLAN HOW TO MOVE ON

How easily the omnichannel project can be implemented will likely depend on existing technology. Review and assess current IT infrastructure in order to determine the best next step. If the technical limitations of legacy systems make channel-bridging projects difficult to implement, then the best alternative could well be to rip out existing systems and start again with up-to-date technology. OSF Global Systems business analyst Brian Vass says: "With rapid developments in retailing software, replacing existing systems may be the optimal approach and may offer additional benefits in terms of features, cost and maintenance."

A detailed, prioritised roadmap signposting the journey towards omnichannel will help the organisation best manage time, resources and importantly budget.

2

ASK CUSTOMERS WHAT THEY WANT

Ask shoppers how they want to buy in order to understand which systems will make most difference, and which will be most used. While customers provide useful insight into needs, employees are best able to explain how systems are working for them and for the people they serve. By passing on the questions, requests and complaints they most commonly hear, as well as problems they themselves encounter, staff can give useful insights into necessary improvements that can form part of the initial roadmap. "Omnichannel," says OSF's Vass, "won't be successful unless it meets the needs of both customers and staff."

Gaining staff buy-in through this type of consultation will also help reassure employees across the business that the solutions being introduced will help to improve the service they can offer.

3

TAKE SMALL STEPS

Achieving omnichannel doesn't happen overnight. By planning a series of smaller, manageable, projects, the whole customer experience improves slowly but surely over time. Small but well-planned changes can have an impact that is felt well beyond their size, and bring shoppers back again, confident that they can now buy in the way that they want. Those improvements might include enabling customers to return goods they bought online through the store, or collecting their online purchases in a third-party site, whether that's a local convenience store, a train station parcel shop or via another retailer's store.

4

PLAN HOW TO USE DATA

When sales channels are linked, retailers can gain a wealth of customer data that shows how customers behave throughout the purchase journey. From there they can target those shoppers with relevant messages and offers. It's easy to be overwhelmed by the sheer volume of information. Instead, plan ahead of time where it will make most impact in the business, so that you know what you're measuring, and why. "Retailers need to have concrete plans in place for how to transform the data into actionable information that can drive growth," says Vass. "Once an initial plan is defined, it needs continual review against defined metrics."

5

BE PREPARED FOR CONSTANT CHANGE

Even the most up-to-date plan for omnichannel maturity will be outdated in the relatively near future. It's fast becoming clear that in-depth planning for the ways in which customers may use technology in just a few years time is nigh-on impossible. Think how the tablet computer and smartphone have gone from new invention to essential part of the retail journey in just a few years. Now the Internet of Things may appear to be just around the corner, but as yet it's unclear how this will affect retailers. Meanwhile, those who were planning for Google Glass as an essential retail tool are now mothballing their strategies. Retailers best plan by keeping a watching brief on their shoppers' behaviour, and ensuring that the technology they choose is open to the changes and additions that will undoubtedly come in the future.

Steps towards a single customer **experience**

John Sanders, client engagement manager at OSF Global Services

To drive growth in the retail market, brands must prioritise their omnichannel capabilities. In order to meet consumer expectations and remain competitive in an increasingly crowded marketplace, retailers should be investing in the technologies and programs that will make the most difference for the customer.

So what are the important factors in implementing an omnichannel retail strategy? The customer is core to omnichannel retailing, which will provide them with a unified user experience across all channels. It facilitates a continuous customer journey from the brand's online website though to the brick-and-mortar stores, providing brand consistency and a single view of multiple channels to the customer, engaging them in an immersive experience. At OSF we have recognised this by developing our ecommerce to CRM integrator, along with POS integration into CRM, which enables a 360° view of the customer that supports a deep analysis of customer data and trends and allows the personalisation of the customer journey on mobile, in-store and online.

Inventory management and fulfilment is another factor for a successful omnichannel retail strategy, but unfortunately many retail brands have yet to build the infrastructure necessary to support omnichannel greatness. As more consumers come to expect expedited shipping on their orders and the number of online shopping households outside of major urban centres increases, retailers will need to aggressively invest in their operations to make sure they are up to the challenge.

Physical stores still bring in the majority of retail revenue, but they do not exist in a vacuum. Consumers expect consistent shopping experiences in-store and online, and there is now a huge opportunity for retailers who do more to marry those experiences. By incorporating new technologies and inventive experiences, retailers can turn stores into even bigger assets that impact conversions and customer retention throughout the omnichannel funnel.

Most retail brands are confident in their ability to reach consumers digitally, but there is still more to do. Many brands are still unable to develop a more holistic, 360° view of their customers based on behavioural and purchasing data. Omnichannel retail data can provide incredible visibility into customer patterns and burgeoning revenue opportunities, but without this visibility, retailers are missing new ways to engage and convert.

Finally, brands must realise that in the current world of retail, nothing stands still. New technologies such as social media channels, or the upcoming release of virtual reality, have changed the way consumers interact and experience the shopping process. There will be many new and exciting ways to engage with customers in the next few years, but implementing a stable and robust architecture is essential in order to fully take advantage and realise the benefits that an omnichannel strategy presents to retailers.

Conclusion

> **❝** Responsive retailers will compete to provide the best customer experience they can **❞**

The omnichannel project will continue to be front of mind for retailers in years to come. We've found that most retailers are making progress with putting the technology and services in place that will enable them to meet ever-higher customer expectations in the years to come. A significant minority of traders is yet to make a start with this project, but we'd suggest that will change, and quickly, as customers favour the retailers who, quite simply, are enabling them to buy in the way that is most convenient to them. Those who have not yet made a start will fast realise the difference that omnichannel makes. It's well documented that multichannel retailers win more sales from customers who shop with them across more than one sales channel, and that they do best of all with customers who buy through the store, online and via their mobile device. Shoppers are voting with their wallets for convenience, and responsive retailers will compete to provide them with the best customer experience that they can.

Making shopping simpler for the customer presents challenges to the retailer. As ecommerce advances into the store, and mobile devices blend seamlessly into the commerce mix, traders must reimagine their approach. By starting with a realistic assessment of current technology and processes and working out what needs to change in order to offer customers the services they want to use, traders make an important start: with a strategy or roadmap for change. Once they start to lay the foundations and build on a global view of inventory and cross-channel order management, merchants start to see strong financial results while at the same time likely reducing both costs and infrastructure requirements. Rather than struggling with legacy systems that were designed to do something else, purpose-built omnichannel systems make it simpler for retailer and customer alike to trade across channels. At the same time it becomes easier to innovate: smartphone-powered window shopping, pop-up shops and using beacons to deliver messages all become more achievable – where they fit the wider strategy. For it is with the strategy that all this starts, and in the years to come it's difficult to imagine any retail strategy that properly considers its customers' needs without planning for these vital omnichannel links. The future of commerce is digital, and organisations that prepare for that give themselves the best chance for future success.