THE **ULTIMATE GUIDE** TO
OMNICHANNEL
& UNIFIED COMMERCE

IN THIS GUIDE:

- History of retail channels
- What is omnichannel?
- Benefits of an omni approach
- How to build an omnichannel retail strategy
- What technology retailers need for omni

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A CAUTIONARY TALE

In the fall of 2018, the once dominating retail giant, Sears, filed for Chapter 11 bankruptcy. As news of the big-box downfall spread, people began to reminisce about the days of catalog shopping. To many modern consumers, the idea of browsing a catalog, filling out a paper form, and mailing a check for payment seems almost unbelievably antiquated. Yet Sears successfully sold everything from clothes, jewelry, firearms, livestock, to even mail-order "kit homes" you could build yourself.

But as competition grew, and Sears stayed the course with the same retail model, the beloved brand, in the words of the Wall Street Journal headline, "lost the American shopper."

Sears is a case-study-worthy tale of a brand not adapting with a changing retail landscape—and assuming that what has always worked will continue to yield the same results. However, retailers now know that the world of commerce is incredibly dynamic, and there is a sense of Darwinism's survival of the fittest for those that won't (or can't) adapt.

A UNIFIED EXPERIENCE

Today more retailers are seeking unified commerce—or a seamless customer experience irrespective of channel. According to Zendesk, "87% of customers think brands need to put more effort into providing a seamless experience." And the benefits for retailers are significant. In fact, a study done by Google found that omnichannel shoppers have a 30% higher lifetime value than those who shop using only one channel.

While brands refer to this as a "unified commerce" approach— **the foundation of being able to achieve unity throughout your supply chain is built on an omnichannel mindset.** But before we dig into exactly what omnichannel retail is, let's set the context for how shopping channels have evolved over time.

Omnichannel shoppers have a 30% higher lifetime value than those who only shop on one channel.

Source: Google Research Study

HISTORY OF CHANNELS

Retail began mostly as a single channel model, where consumers expected to visit a brick-and-mortar store to purchase. Eventually new channels began to emerge.

1845
Mail-ordering
Tiffany's Blue Book was the first mail-order catalogue in the United States.

1893
Sears, Roebuck & Co. launched their mail-order catalogue

1982
Television shopping
Speer and Lowell W. Paxson created the first television shopping show, Home Shopping, in the Tampa Bay area of Florida

1991
Electronic Commerce
The first ecommerce store, Book Stacks Unlimited, was created by Charles M. Stack

1994
Money magazine publishes a story about the sharp increase in **"Shopping from home"**

1995
Amazon.com launched
Jeff Bezos creates the ecommerce marketplace for new & used books

1997
Mobile Commerce
M-commerce begins via SMS text messaging

2007
Smart-phone mobile commerce introduced, largely due to the launch of Apple's iphone

2010
Omnichannel thinking introduced to the retail landscape

As more channels entered the retail scene, the term "multi-channel" became widely understood as the facilitation of more than one channel of retail to fulfill and distribute orders. However, in a multichannel model the people, processes, and technologies behind the supply chain were disparate.

For example, a retailer would have "store" inventory separate from ecommerce inventory, making it complicated and cumbersome if a consumer purchased something from one channel but need to return/exchange in a different channel. Retail associates wouldn't necessarily know how to "pick, pack, and ship" an item to consumers.

While multichannel gave consumers more options for shopping, it often led to complex retail operations, disparate systems, and complicated reporting.

ENTER OMNICHANNEL

In 2010, retailers began to look for an approach that extended beyond multichannel. Omnichannel retail (omni meaning "all") links every retail channel together to build a seamless customer journey.

Research shows that consumers are interacting with brands on a variety of channels and becoming more and more "channel agnostic." Simply put—consumers are looking for a unified brand experience, whether they are browsing a brick-and-mortar store, shopping on their smart phone, or buying online and picking up in the store.

The statistics for "omni-shoppers" show that they tend to spend more (both transaction size and lifetime value) and have a higher customer retention rate.

So as retailers aim to target new customers, get them to engage with their brand, and keep them coming back for more—an omnichannel approach has proven an effective way to do so.

BENEFITS OF OMNICHANNEL

While sales and revenue can drive omnichannel strategies, there are many more benefits to a unified commerce experience:

- A **customer-first approach** by engaging buyers exactly where, when, and how they want to buy. They can start a purchase on one channel and complete it on another.
- **More robust supply chain** and fulfillment capabilities such as leveraging stores as fulfillment centers (in-store fulfillment), buy online pick up in store (BOPIS), buy online return in store (BORIS), same-day fulfillment, ship to store, and gift cards, etc.
- More **protection against lost sales** to competitors due to out-of-stock products or disparate inventory across your distribution network.
- Increased **ability to scale your business** for growth by providing a strong foundation for operational processes and your technology stack.
- **Retail channel agility** as the landscape morphs and changes (i.e. customer expectations, COVID-19, digital transformation, etc.)
- **Increased visibility** into your brand's overall performance versus only siloed views per channel.

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> Consumers are looking for a unified brand experience.
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9 STEPS TO BUILD AN OMNICHANNEL RETAIL STRATEGY

01 **Assess** — Understand your current customer journey "as is." How do your consumers like to buy? What is their path to purchase? What data and trends do you see that impact their preferences and patterns? What does a winning retail strategy look like for your brand?

02 **Outline priorities** — What are critical must-haves for your omnichannel strategy? Why are they critical to your fulfillment plan? What departments, teams and overall functions will this impact and involve

03 **Identify processes** and systems throughout your supply chain that may require an omnichannel reboot:
- Product catalog – How many SKUs do you have? Do you sell kits or bundles that impact fulfillment? Do you offer personalized products that require review before manufacturing?
- Overall distribution network capabilities – How many customers can you reach, and how quickly?
- Technology touch points – How are your point of sale, ecommerce storefronts, ERPs impacted? What system, if any, gives you the overall view of sales/orders?
- Inventory – Where is it stored? Is it the same across channels? Where can you fulfill orders? Is there a view of store-level inventory? Are inventory feeds consolidated, aggregated and allocated appropriately in real-time? Do you offer preorders and backorders that impact your inventory count?
- Finance – Think about how to handle payment capture, tax, fraud, gift cards, etc.
- Return management authorization (RMA) – Who initiates? Where can buyers return products? How can you streamline your returns?

04 **Standardize** — Unify your customer experience across all channels including return policies, promotions, etc. to prevent confusing or frustrating buyers.

05 **Leverage an order management system (OMS)** like DeckCommerce to automate order workflows and take advantage of various fulfillment options.

06 **Empower brand associates** — Give in-store workers and online/over-the-phone customer service representative full visibility to data and orders information in real-time

07 **Partner with "omni-minded" partners, vendors, and systems** — Find those who understand your business needs and are adapting to unified commerce requirements

08 **Test your order lifecycle from beginning to end** – Ensure both business requirements and customer experience meet expectations for all channel combinations [in-store fulfillment, buy online pick up in store (BOPIS), buy online return in store (BORIS), same-day fulfillment, ship to store, ship to home, gift cards, etc.]

09 **Measure performance and KPIs** — With an omnichannel strategy, you will have visibility into the picture of your retail brand as a whole.

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Order Management. Simplified.

HOW OMS EMPOWERS OMNICHANNEL RETAIL

The technology stack (or set of technology tools) behind your brand either prohibits or enables you from executing the customer experience you aim to create. For many retail brands, the "secret sauce" to creating an omnichannel customer experience is through leveraging an order management system (OMS).

An order management system effectively covers the entire lifecycle of your orders—from click to doorstep—and gives your brand fulfillment capabilities and visibility you don't have without OMS. But not all order management solutions are created equal. Understand your options for order management systems and their short and long-term benefits.

SUMMARY

Whether you are a seasoned omnichannel connoisseur, or assessing how to adapt your retail strategy into a true unified experience—one thing is clear— customers are in the driver's seat and they are on the omnichannel highway.

But heading towards a unified brand experience doesn't mean you have to abandon your historic brand identity. Who knows what Sears could have become if they were open to adapting their business model to meet consumer preferences? Perhaps they would still be competing with other retail giants that have stood the test of time?

The CEO of Levi's, Charles Bergh, points out that brands should "...have one foot rooted at the heritage of the past to make sure we understand where we came from, and one confident step forward in terms of driving innovation forward."

A unified commerce experience is not only a step forward — it is a step towards where the customers already are.

ABOUT DECK COMMERCE

Deck Commerce is a comprehensive order management system (OMS) that empowers retailers to surprise and delight their customers — through 25+ prebuilt modules and 40+ integrations with top commerce applications.

Core System Capabilities:
- Order Orchestration
- Enterprise level inventory
- Transaction Processing
- Payment Settlement

Request a demo at deckcommerce.com.