



# CONQUERING CONNECTED COMMERCE

How to deliver a truly  
omnichannel retail  
experience





## THE RACE TO REMOVE FRICTION

After years of trying to map a universal customer journey, retailers are now clear that almost every single customer is unique in how they browse, interact and buy. And even a single customer will shop differently from day to day, item to item and touchpoint to touchpoint.

This level of fragmentation in shopper behaviour has had a dramatic impact on retail as a whole, but particularly on those retailers that lack the flexibility in their systems, processes and culture to manage each journey in a way that is both profitable to them and satisfying to the customer.

The challenge facing retailers is the lack of connection between all the processes in the customer journey, causing disjointed experiences, lost sales and diminished levels of loyalty.

Modern retailers must be able to adapt faster than ever to match the constant variations in customer demand. This means removing friction from your customers' buying journeys. And that requires new thinking about systems, data, logistics and execution in every step along the buyer journey.

# PUSH POSSIBLE<sup>®</sup> AND WIN

Our report exposes sources of friction that are threatening profitability and undermining retailers' ability to deliver on their omnichannel promise to customers. And we explore how retailers can progress on the journey towards profitable fulfilment operations, inventory management and store experiences, by choosing the right technology and the right technology partner.

**Manhattan Active<sup>®</sup> Omni** solutions help you to **Push Possible<sup>®</sup>** and win in a world of connected commerce.

# OMNICHANNEL REMAINS A BIG OPPORTUNITY FOR RETAILERS

"If the fulfilment execution is dissatisfactory, 54% of consumers say they will not return for their next purchase. This shows the importance of the right customer fulfilment proposition and a reliable execution."

— DELOITTE OMNICHANNEL FULFILMENT REPORT

"64% of retail winners (those who over-perform on year over year comparable sales) have implemented store picking and shipping of customer orders."

— MANHATTAN ASSOCIATES RESEARCH

"The retail brands that will do well in 2019 are those that have invested in unified commerce and continuous concept development; something that is engendered by the adoption of key technologies."

— JONATHAN FLYNN, RETAIL CONSULTANT, ODGERS INTERIM

# WHAT THE CUSTOMER WANTS: THE OMNICHANNEL IDEAL

Consumers are hoping for high levels of choice, convenience and recognition in modern, omnichannel shopping. This can be identified as three clear-cut stages of capability that retailers must offer to be truly omnichannel:

## **SELL ANYWHERE.**

Digital and physical commerce channels share full visibility of network-wide inventory, customer transactional profiles and available promotions in order to sell consistently, anywhere.

## **FULFIL ANYWHERE.**

Fulfilment of digital orders in the store and multiple fulfilment options from the store including buy online, pick-up in-store (BOPIS), ship from store, curbside pickup, store to store fulfilment.

## **ENGAGE ANYWHERE.**

Elevate customer service and clienteling to create exceptional customer experiences. Whether online, in the contact centre or in the store, you can delight the customer, regardless of where they started their buying journey.

And threading through all three stages of capability is the challenge of introducing new ways of working profitably.

This is the holistic world that every retailer is trying to create, but the reality for large long-established retailers is that they are not going to strip out legacy systems and create this omnichannel eco-system overnight.

C-suites are having to consider profitability of change, and the reality of implementation. They are asking: what new capabilities will new technology deliver? Will true visibility be delivered? Is the investment guaranteed to deliver results?

## Engineered for what's next →

If they are willing to invest in solutions engineered for omnichannel, retailers can reap the performance benefits of connected commerce solutions, and enjoy the flexibility to adapt to whatever the future of retail and consumer demand holds:

### **Adaptable**

Built smarter. Capable of adjusting to new, different, or changing requirements.

### **Scalable**

Built higher. Capable of on-demand elasticity to match volume and speed requirements.

### **Available**

Built stronger. Capable of existing for a long time without significant deterioration in quality or value.

## WHAT THE CUSTOMER GETS: THE RETAIL REALITY

Retailers have taken great strides to enable their ever-more demanding customers to shop according to their personal preferences, at any time, in any channel. Physical and digital have merged to the point where the customer should no longer be impeded by the limitations of any particular touchpoint, because consumers do not think about or talk about channels, they simply go shopping.

Growing pressure to seamlessly offer customers choice, convenience and recognition across an increasing number of touchpoints has led to new challenges. The reality is that most retailers' systems, processes and people were never designed or trained up to handle such a diversity of selling and fulfilment demand. This has resulted in gaps between what customers want, and what retailers are able to provide.





**While we often focus on the sunny day version of the buyer journey, most retailers' service scenarios involve legacy solution limitations that increase the risk of not being able to meet modern customer needs and expectations:**

## **LEGACY LIMITATIONS**

- The customer is promised via the online store that an item is in stock at a store but when she arrives, she discovers it is not actually available.
- Order and pick-up at another store is offered, but the store associate does not have sufficient inventory information to commit to availability.
- When the customer arrives for pick-up, the customer details and the order information are not immediately recognised requiring the customer to repeat detailed information.
- While the store associate is empathetic with a customer's order difficulty, the associate is unable to offer a promotional credit as an appeasement.

## **IMPACTS ON BUSINESS**

**Each of these exceptions will have broader impacts on the business:**

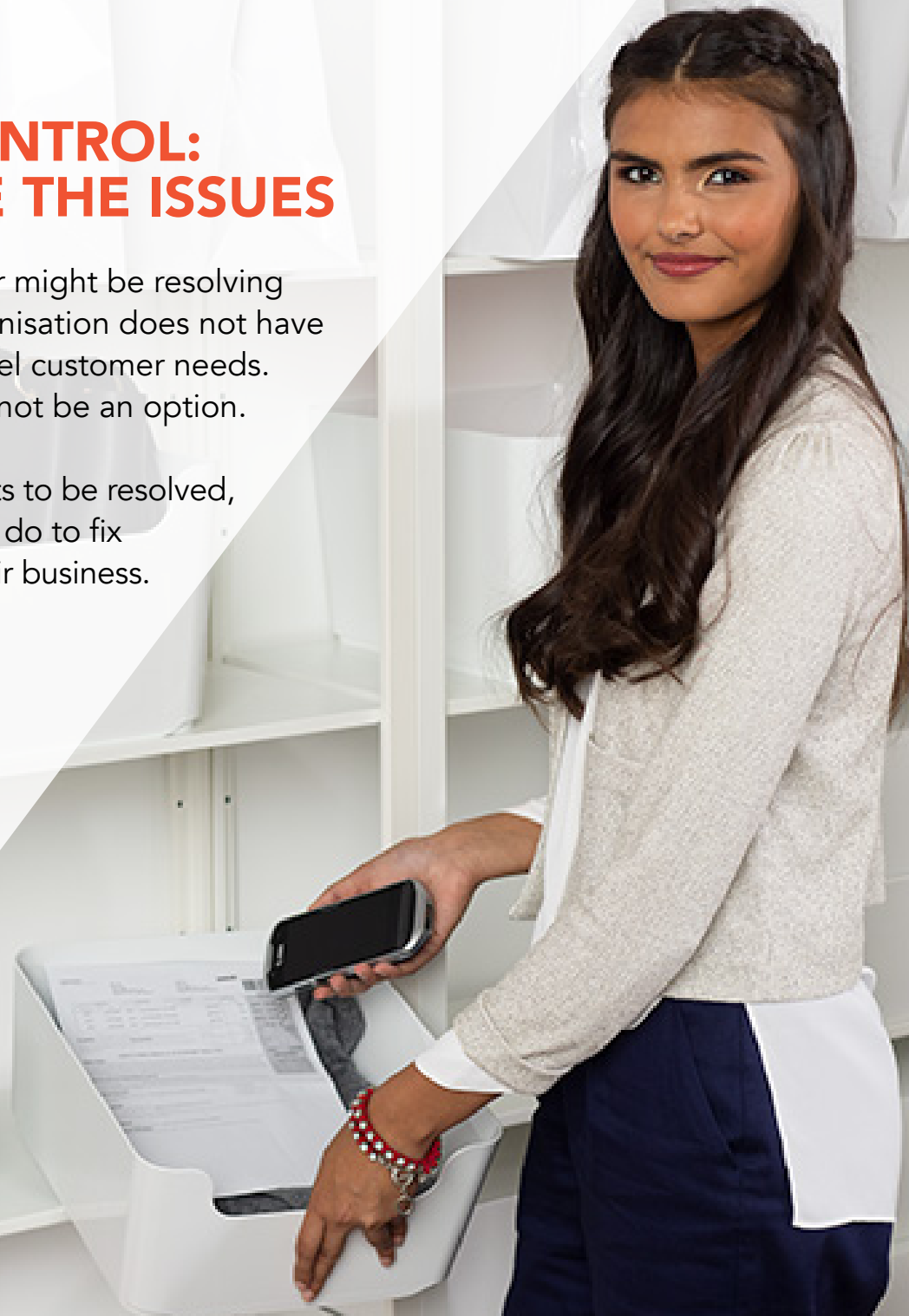
- Profitability per order falls or is lost altogether.
- Loyal customers lose faith and order less or stop ordering altogether.
- A brand becomes damaged over time (particularly when negative stories are shared on social media) if it repeatedly fails to deliver on the customer promise.
- Sales are lost due to not enough inventory being available where it is needed.
- Supply chain costs escalate in a bid to meet the demands of home delivery and click and collect.

## TAKING BACK CONTROL: TIME TO RESOLVE THE ISSUES

Hundreds of times a day, a retailer might be resolving issues that arise because the organisation does not have the capability to meet omnichannel customer needs. Ignoring these issues in 2019 will not be an option.

Retailers know there are pain points to be resolved, and they need insight into what to do to fix growth-inhibiting limitations in their business.

Here are **3** examples of common omnichannel friction points which lead to customer disappointment and higher costs to the retailer, and how they can be resolved.





# OMNICHANNEL FULFILMENT

**PROBLEM:** A customer orders the latest designer trainers from their favourite sportswear retailer with an overnight shipping option. The shipment is late leading to multiple calls to the customer contact centre, negative posts shared out on social media, cancellation of the order, and a refund for the item and next day delivery fee, and the increased likelihood of that customer opting for a different retailer next time.

**SOLUTION:** To cope with the demands of same or next day direct-to-consumer shipments, retailer fulfilment capabilities must be optimised to keep customer promises. To ensure deliveries are carried out successfully and profitably, distribution centres need to be equipped with the ability to prioritise shipments by matching availability of warehouse staff and equipment with the real-time release of the most urgent work. Manhattan Warehouse Management uses Order Streaming technology to simultaneously orchestrate wave and wave-less workflows across inventory, robotics, and the human workforce, to maximise utilisation and keep customer promises. Offering customers multiple fulfilment options anytime during the buying lifecycle also enables retailers to save the sale. Fulfilment options enabled by the right inventory visibility and sourcing optimisation allow for using stores as fulfilment points providing opportunities to fulfil smarter and faster.

**Manhattan Active® Omni provides the inventory visibility, order management and store fulfilment capabilities needed to support any fulfilment option like ship to home, pick up in-store, ship from store and same-day delivery within a single order.**



## ASK YOURSELF . . .

- How easily can warehouse priorities shift and scale when demand for next day delivery begins to outstrip resources?
- Are you getting the most from the assets in your stores and warehouses, specifically labour and automation?
- Are you able to save the sale at any time with multiple fulfilment options?
- Are your stores ready to operate as fulfilment points?

# INVENTORY PLANNING

**PROBLEM:** A clothing retailer goes live with a click and collect service in 120 stores, with an older demand forecasting solution that was never engineered to predict the fulfilment of digital orders from store inventory. In the first week operating the service, they discover that all store stock on key lines has been stripped out to fulfil click and collect demand, leaving stock outs and lost sales on the shop floor.

**SOLUTION:** Introducing 'buy online, pick-up in-store' (BOPIS) or click and collect has a massive ripple effect on inventory across an organisation. With Omni Inventory Optimisation (OIO) technology within Manhattan Demand Forecasting and Inventory Optimisation, replenishment planning is carried out to eliminate risk to inventory availability. OIO helps retailers' model in-store demand for digital orders down to a specific SKU, fulfilment type and individual store combination. And OIO uses machine learning to get smarter, adjusting and changing to match the actual demand patterns for each fulfilment strategy.

Using this approach, you can reduce the risk of stock outs and markdowns while offering the best possible shopper experience.

## ASK YOURSELF . . .

- How can you predict which items will be popular for BOPIS?
- What quantities should you have ready and, where, when launching this service?
- Can you put cost-effective contingencies in place when peak trading is approaching?
- Do you have visibility of stock across all channels in real-time?

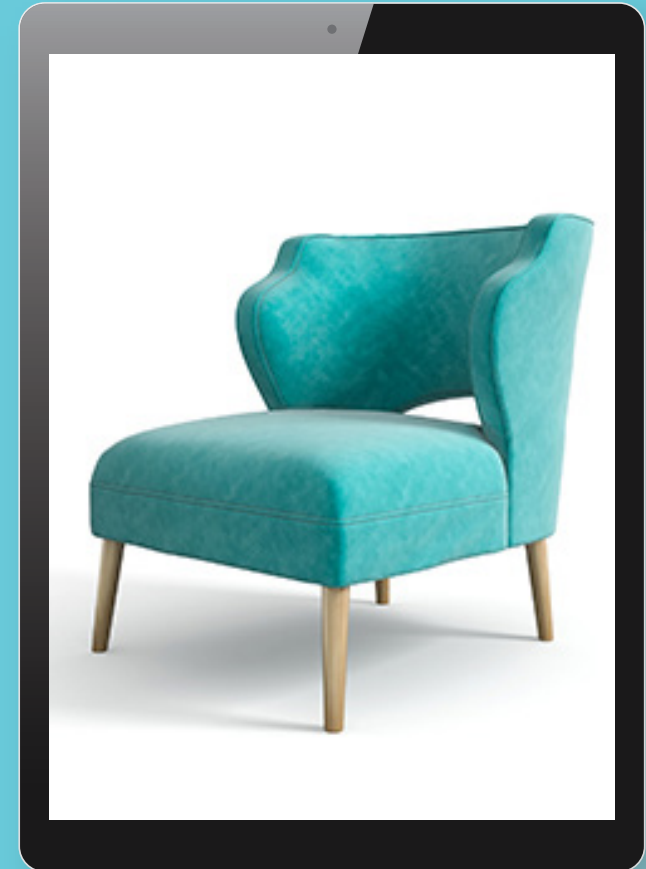


# CUSTOMER EXPERIENCE

**PROBLEM:** A luxury homewares retailer operates a popular spring price promotion in stores, but a loyal online customer discovers the same discounts are not available and calls the contact centre for assistance. The associate who answers the call does not have the tools to recognise this customer or honour discounts that originated in the store. This disconnected experience exasperates this customer and causes her to switch to a different retailer next time she shops for luxury homewares.

**SOLUTION:** With the Manhattan Active® Omni platform, retail groups have integrated promotions across all channels and customer touchpoints, and because point of sale, customer engagement, store fulfilment and order management are all part of Manhattan Active® Omni, the customer enjoys a reliable, consistent service, regardless of where they are or what they need. Manhattan Active® Omni gives retail teams command of every aspect of omnichannel operations—at headquarters, online, in the contact centre or in-store. Everyone has the same holistic view of customer insights and history regardless of channel, with the added benefit of built-in case management, social listening and clienteling capabilities.

Issues are corrected before they become problems. Once friction is removed, the way is clear to not just give the customer a great experience, but to give them 'their' experience.



## ASK YOURSELF . . .

- Are promotions and loyalty schemes consistently available to customers across all touchpoints?
- Are store staff equipped with mobile and digital tools to help them serve your omnichannel customers?
- Is a single view of the customer possible across all channels?
- How do we deliver service excellence consistently across all channels, including contact centres?

# PAVING THE WAY FOR FUTURE PROSPERITY



From inventory planning to order orchestration, new fulfilment strategies and the next generation of POS, retailers need to integrate their capabilities to keep up with the speed of modern day shopping. They must embrace technologies that guarantee profitable omnichannel operations. Upgrades need to go well beyond papering over the cracks of outdated technology. Making modifications to legacy solutions will no longer be enough to protect profit margins or keep up with increasing customer experience mandates.

Cost control is front of mind, of course. But thanks to the emergence of cloud-native systems, retailers can eliminate unnecessary costs and overcome the technical limitations that plague legacy commerce solutions. Cloud-native architectures, built with micro-services, are designed to enable a long list of dynamic benefits such as elastic scaling, run-anywhere functionality, easy integration, single view of the truth and seamless administration.

Another consideration is future-proofing. New systems may be adopted by an ambitious retailer, but three years down the line shopper behaviour may have changed again, and the software and processes are no longer relevant. It has become essential to have architectural flexibility across evolving operations with engineered support for extensibility and customisation, and this requires having the right technology partner that is adaptable and continuously innovating.

# BUILDING FLEXIBILITY FOR THE FUTURE

At Manhattan Associates we have an eye on the future and see trends taking shape today that will change how retailers need to operate tomorrow. We are obsessed with helping retailers go beyond expectations, and we engineer our solutions to do just that.

- **Next-level sales forecasting:** Machine learning uses purchasing data to yield more accurate buying signals, which in turn, will enable more dynamic inventory allocation and pre-ordering.
- **Channel demand patterns:** Data insights will emerge from unified commerce platforms that reveal how channel use is evolving over time. This will inform future fulfilment strategies and the best route to long-term growth.
- **Growth of drop ship:** Direct-to-consumer shipments are already emerging as a new means of fast, cost-effective delivery. Retailers can retain control of customer data but fulfil demand from their own distribution centre. Supply chain and inventory management software must have the ability to adapt and scale in line with this trend.
- **Next-generation store experiences:** Modern mobile apps are appearing in-store so that staff can improve the omnichannel experience. These give access to 'endless aisle' inventory, clienteling services, individual customer preferences, POS, order pickup, delivery and loyalty capabilities and are critical to ensuring exceptional in-store shopper journeys.





# EVERYTHING YOU NEED TO WIN IN OMNICHANNEL

Manhattan Active® Omni solutions give you the tools to capitalise on the omnichannel opportunity by better serving digital and in-store customers alike. From warehouse and inventory to retail stores and contact centres, Manhattan Associates helps you remove points of operational friction, cut costs, maximise resources and delight customers from one end of the supply chain to the other.

Manhattan Active® solutions let you **sell anywhere**, **fulfil anywhere** and **engage anywhere**.

## **PUSH POSSIBLE®**

For more information see [manh.de/industrie/handel](https://manh.de/industrie/handel)  
or contact us today at [de@manh.com](mailto:de@manh.com) or **+31 (0)30 214 3000**

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