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ENABLING THE OMNI-CHANNEL CUSTOMER EXPERIENCE:

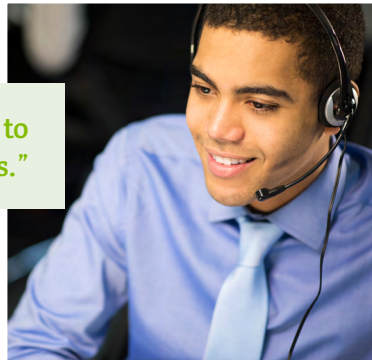## BUY, FULFILL & SERVICE FROM ANYWHERE

Creating the Optimal Omni-Channel Experience

Companies with the strongest omni-channel customer engagement strategies retain an average of **89%** of their customers.[1]

"I want the freedom to buy what I want using whatever sales channels are convenient for me."

"I want prompt, accurate service to know the status of my order at all times."

"I want deliveries and returns to be fast and convenient."

[1] Minkara, Omer, "Omni-channel Customer Care: Empowered Customers Demand a Seamless Experience," Aberdeen Group, October 1, 2013.

Welcome to "buy, pay, fulfill and service anywhere."

In this ebook, you'll find guidance on building or improving the optimum omni-channel customer experience:

- What does it take to enable customers to buy anywhere?

- How can you accommodate the variations in the way customers like to pay?

- What's the fastest way to fulfill customer orders at the location they prefer?

- How does your organization work together to service customers with the right information at the right time?

- What's the best way to support an omni-channel customer experience—and what benefits can you expect to realize?

Next up: A self-assessment checklist to determine your progress in delivering a unified commerce experience.

Assessing Your Omni-Channel Presence Today

Buy

- ❑ Online/Social
- ❑ In Store
- ❑ Customer Service
- ❑ Partner

Pay

- ❑ Online/Social
- ❑ In Store
- ❑ Customer Service

Fulfill

- ❑ Ship from/return to warehouse
- ❑ Ship from/return to 3PL
- ❑ Ship from/return to store
- ❑ Pick up from store
- ❑ Ship from vendor

Service

- ❑ Online/Social
- ❑ In Store
- ❑ Customer Service
- ❑ Warehouse
- ❑ Partner

How seamless is your customer experience?

The checklist to the left shows the order lifecycle and all of the channels through which customers expect you to communicate with them.

- How many boxes can your organization check off? Unchecked boxes are points of potential disconnect—interruptions in a seamless experience.
- How does your progress compare to other retailers? (see "Gaps in the Omni-channel Experience" below)

In the pages that follow, we'll give you some guidance on the most effective way to improve your omni-channel presence.

The first step is satisfying a customer's need to buy in any channel they choose—increasing opportunities to maximize your revenue.

Gaps in the Omni-channel Experience

Nearly half of the retailers in a recent survey have yet to implement:

52%	47%	47%	46%
order visibility across channels	**buy anywhere, ship anywhere**	**buy online, ship from store**	**buy anywhere, ship anywhere**

[1]"Order Management is the New POS: BRP Special Report," Boston Retail Partners, 2015. A supplemental report based on findings from the 2015 POS/Customer Engagement Benchmarking Survey. http://bit.ly/BRPSurvey.

What Does It Take to Enable Buy Anywhere?

Capture revenue opportunities at every turn.

In order to seize what Google calls the "zero moment of truth" for buyers, you need to be present to meet their requirements in every channel. How many "buy anywhere" capabilities do you offer today?

Enable buyers to start and complete anywhere. Can your customers initiate a purchase in one channel (mobile device, in store, call center or online) and complete the purchase in another?

Sell inventory from outside the store to people in the store. Do you have the accurate real-time visibility to capture "endless aisle" buying opportunities across all operations and enable associates to sell-up and increase average order value?

Check inventory in real time. With real-time inventory checks and commitment information, are you able to ensure high availability to increase inventory turn, avoid overselling, and "save the sale" in a stock-out event?

Enable associates to present promotions. Are sales associates armed with current, consistent pricing? Do they have up-to-date consumer information and information on promotions to personalize offers for specific needs?

Once you've captured the order, how flexible are you in accommodating the varied ways customers want to pay?

What's Needed to Achieve Pay Anywhere?

Empower finance and serve customers more flexibly.

To keep the omni-channel customer experience moving forward smoothly after the order is captured, payment processes must accommodate the varied needs of customers. How do you perform in these three key areas?

Capture funds for orders shipped from anywhere. Are you using workflow automation to help control settlements across channels more easily and accurately?

Handle complex payments efficiently and flexibly. How smoothly do you handle payment splits, captures, refunds and gift card payments? Have you given finance the detailed adjustment control they need on invoice exceptions?

Streamline processing to recognize revenue faster. Have you enabled automatic feeds of closed invoices and credit memos to your accounting system can accelerate revenue recognition? Can you create a purchase order for drop ship orders and integrate those with an ERP?

The customer is ready to receive—how quickly can you fulfill orders across channels and optimize your inventory?

How Can You Successfully Fulfill Anywhere?

59% of consumers say shipping costs are their biggest consideration when buying online (higher than viewing rating and reviews from other customers).[1]

By 2016, **50%** of national retailers will invest in systems to enable same-day fulfillment.[2]

Optimize delivery/return time—and your costs.

How fast customers can get (or return) their purchase is critical in the omni-channel customer experience. How well do you manage fulfillment across channels?

Fulfill faster and at less cost. Are you leveraging geo-location data to identify the best fulfillment points to expedite and reduce delivery time—and manage shipping and costs? How easily can you allocate and source from multiple fulfillment points?

Maximize convenience for your customer. How many choices do you offer as return options—in store, warehouse or other fulfillment centers? Have you fully streamlined refund, exchange and swap processes?

Make complex operations more cost effective. Have you deployed automation and queuing technologies to help manage special cases, split-orders, back-orders, pre-orders and order queues?

You can successfully enable "buy, pay and fulfill anywhere"—but it won't be seamless until you can service customers all along the order lifecycle.

[1] "Free Shipping Continues To Be Every Retailer's Frenemy," Forrester Research, Inc., October 7, 2013.

[2] "IDC Retail Insights 2014 Predictions: Worldwide Retail," IDC webinar, December 10, 2013.

What's the Key to Success in Service Anywhere?

Deliver the best information where and when it's needed.

Your ability to service customer queries with accurate timely information greatly impacts the omni-channel customer experience. How well are you managing information along the entire consumer experience?

Empower customers. Immediate, real-time information is what customers expect when they have questions on the status of their order. Give them self-service access to quickly find out what they want to know in the way that's easiest for them.

Empower people in their roles. Inspire employees to be advocates for your brand and business by giving them easy access to real-time, accurate information across channels. That includes providing consolidated information across locations, whether in the call center, in stores or at warehouses/third-party logistics companies. Enable easy order modification and servicing across the order lifecycle.

Ensure everyone is on the same page. Employees need to be able to see the same timely, accurate information as their colleagues—from a single source of truth, across all channels—so there's no disconnect with customer experience.

Enabling the full seamless omni-channel experience means transforming the way people work. What does change look like?

How Will Omni-Channel Change the Way You Work?

Manage change for faster time to benefits.

Organizational change is one of the most critical and challenging aspects to enabling omni-channel.

Here is a quick overview of some of the more significant changes required, by role.

Store associates need to learn to pick and pack as well as maintain **deep engagement** with customer through mobile access to information.

Customer service/care need to see what customer sees across channels to serve them at every touch point.

Marketing and ecommerce can draw on broader **customer intelligence** from all channels to develop effective, relevant promos and programs.

Fulfillment, logistics and warehouse need the right kind of access to a wider array of omni-channel information for greater flexibility.

Finance needs to capture funds for orders shipped via any channel, handle more complex payment transactions, and order management operations information for general ledger.

CIO and IT/systems have, in some ways, the biggest challenge: how do they enable all of the changes required to support the new roles different departments have to play—and foster collaboration?


Will your existing infrastructure support a seamless omni-channel customer experience and the new roles your employees will need to play?

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What's the Best Way to Support Omni-Channel?

Existing systems struggle to keep up.

Most consumer facing retail legacy systems were designed to support specific functions within a channel. Some of these systems may be loosely connected, but are not integrated in a way that can support the transformation to a seamless omni-channel experience.

Their complexity also makes it difficult to achieve the agility you need for innovative initiatives that keep pace with changing customer behaviors and expectations.
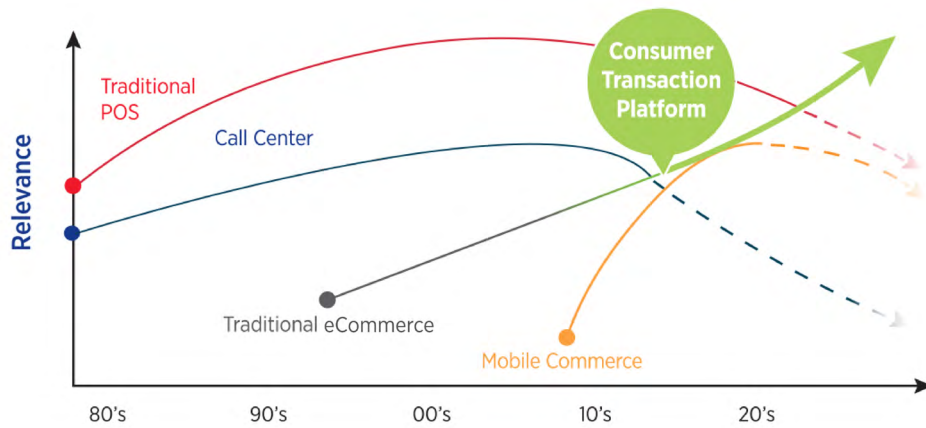
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A better model for delivering an omni-channel experience.

Traditional POS, call center, and mobile technologies that directly interact with consumers are converging, as shown in the diagram (lower left).[1]

eCommerce solutions have emerged as the platform of choice for consolidating key data elements, business rules, and functionality that historically have lived in multiple systems.

The unified commerce platform is critical to supporting a seamless omni-channel customer experience—and makes retailers more agile in developing innovative programs--without overburdening IT staff.

An estimated 86% of retail executives surveyed in late 2014 expect to implement a unified commerce platform over the next ten years . [2]

The pay-off: What benefits do retailers expect from an omni-channel customer experience based on a unified commerce platform?

[1] "Digitizing the Store: The Next Wave of Online and Offline Convergence," NRF and University of Arizona, 2014.

[2] "Building the Business Case for a Unified Commerce platform," NRF and Ecommerce Europe, 2015.

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Omni-Channel: Improved Margin, Revenue and Brand

Great expectations.

A recent worldwide study of retailers shows that more than two-thirds expect to improve margin, brand value, and revenue performance by more than 10% in moving to a unified commerce platform that supports an omni-channel experience.[1]

Omni-channel Support Will Improve Performance >10%

Improved	Through better performance in:	% Retailers who agree
Margin	Operational Efficency	71%
	Inventory Turn	65%
	Out-of-stock	60%
	Returns	53%
Revenue	Average Order Value	67%
	Conversion Rate	63%
	Promotional Redemption	61%
Brand	Total Customer Value	68%
	Net Promoter Score	54%

We have examined what it takes to deliver a seamless omni-channel customer experience. Even as you meet or exceed the expectations of your connected customers and deepen their loyalty, you accrue benefits that ultimately improve your bottom line:

- Enabling "buy anywhere" maximizes your ability to seize revenue opportunities.

- Accommodating "pay anywhere" improves revenue recognition and can drive upsell opportunities.

- When you "fulfill anywhere," you expand your assortment, optimize your inventory and reduce costs.

- Success in "servicing anywhere" not only delights customers but also deepens collaboration and efficiency across your organization.

To learn more about the omni-channel customer experience, check out these resources:

Video/Webinar: Building the Business Case for a Unified Commerce Platform;

Top Retailers Employ Creative Strategies for a Seamless Customer Experience;

Demandware Order Center.

[1] "Building the Business Case for a Unified Commerce platform," NRF and Ecommerce Europe, 2015.

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About Demandware

Demandware, the category defining leader of enterprise cloud commerce solutions, empowers the world's leading retailers to continuously innovate in our complex, consumer-driven world. Demandware's open cloud platform provides unique benefits including seamless innovation, the LINK ecosystem of integrated best-of-breed partners and community insight to optimize customer experiences. These advantages enable Demandware customers to lead their markets and grow faster.

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