



# Omnichannel Buyer's Guide

## How to Unify Channels to Deliver a Better Customer Experience



# Table of Contents

<b>The New Shopping Landscape</b> .....	Page 1
<b>Critical Challenges in the New Environment</b> .....	Page 2
Security .....	Page 2
Handling Security Without Omnichannel .....	Page 2
Inventory Management and Control .....	Page 2
How are Companies Currently Handling Inventory? .....	Page 3
Achieving a Single Platform Goal .....	Page 3
The Current Platform Puzzle .....	Page 3
Unifying Buyer Experience in Stores and Online .....	Page 4
The Current Multichannel, Multi Step Dance .....	Page 4
<b>What to Look For in a True Omnichannel Solution</b> .....	Page 5
Minimal Platform Hopping .....	Page 5
Moving Beyond Checklists .....	Page 5
Scalable and Flexible for the Long Term .....	Page 5
Standout Usability .....	Page 6
High Value for its Price .....	Page 6
Hybrid or Cloud Capabilities .....	Page 6
Data Management .....	Page 7
Third Party Connectivity .....	Page 8
More Data, Fewer Data Scientists .....	Page 8
<b>Learn More</b> .....	Page 8

## The New Shopping Landscape

Customers have been shopping online since the late 1990s, but the practice has skyrocketed since the emergence of COVID-19. New digital customers continue to use the channels they discovered during the pandemic and are increasingly exploring shopping experiences that aren't solely physical — or digital.

Customers have embraced curbside pickup, BOPIS (Buy Online Pickup in Store), and in-store returns following digital purchases. Customers browse social media rather than window shop. They come to stores for expert advice and to check out products in person, but they complete purchases online. They also expect new shopping experiences to continue as stores open back up. In the first quarter of 2021, with many regions emerging from lockdown, omnichannel spending burgeoned 70% over the year before, and half of consumers reported having used BOPIS in the last month.

70% increase in omnichannel spending  
in the first quarter of 2021.

70%

### Omnichannel is only getting *bigger*.

Retailers can look to the future by embracing these growing trends now. But the transition has not been seamless. With added services come added point systems. Because API-based systems need help communicating with one another, companies continually update connections between new apps and features in their finance, eCommerce, POS, order management, inventory, and email marketing systems.

It's not a nimble process, and ultimately, customers aren't getting the experiences they expect. Companies aren't satisfied either because endless integrations, upgrades, specialized IT and data teams to interpret trends are all heavy lifts internally. With companies hoping to actualize both operational efficiencies and serve new customer demands, they inevitably make trade-offs.

In this guide, you'll find core challenges for businesses spread too thin across too many purchasing channels and typical drawbacks to a limited or individualized integration approach.

For each drawback, you'll see how omnichannel solutions avoid new issues stemming from stopgap solutions. Finally, you'll find holistic features to look for in a comprehensive omnichannel solution.




## Critical Challenges in the New Environment

In a perfect world, channels would integrate seamlessly to align everything from loyalty programs to employee satisfaction. That's not the current world. Connecting channels without an omnichannel solution often means adding more apps that do things separately: track customer interests, gather data, handle messaging, and coordinate inventory, then stringing them together in a process that often looks like, and gets called, "spaghetti."

Despite connections, each app is detached from a company's overall business strategy. The problems of operational inefficiency and customer satisfaction are not simple to solve.

Let's look at some typical issues that emerge from limited or individualized connections:

94% of IT departments reported improved security.



94%

### Security

Customers interact with your brand across stores, kiosks, the internet, social media, and email. That's what makes cross-channel marketing effective and provides customers with a consistent brand experience. But cross-channel campaigns are often disconnected. That introduces security complications as customers expect their details to be available across channels but expect companies to keep their data private and secure.

#### Handling Security Without Omnichannel

Some retailers avoid multiple channels and end up unable to serve all their customers. Others shore up security concerns with a lengthy process of securing multiple APIs one at a time. It requires constant vigilance securing devices, networks, cloud, and servers. IT teams must address client, back end, and network security risks.

While there are different opportunities to secure data at every step, deciding which steps to take and knowing which are required for compliance can be difficult and expensive. Omnichannel solutions improve security by way of integration with offsite,

cloud security teams. In fact, with a cloud or hybrid solution, 94% of IT departments report improved security.

### Inventory Management and Control

Another pain point for businesses is that as inventory systems grow, the risk of incorrect information also expands. Visibility is low, shipping efficiency is compromised, and it's more difficult to tell customers when stock will be available on all platforms. COVID and supply chain issues have complicated inventory management further. The challenge to minimize inventory on hand while ensuring customers can get what they need is more complex than ever.

Optimized revenue cycles come from accurate data and an inventory view across all channels. If you knew where there was a demand for certain products, you could allocate warehouse space for inventory close by, save on shipping, and even use stores as distribution centers. Instead, stockouts sometimes undermine sales. Excess inventory is marked down. Customer satisfaction is affected.

90%

90% of customers expect a 2-3 day delivery.

Pain points for customers include the inability to get real-time inventory updates. When researching inventory online, customers might act on incorrect information and get frustrated when stores can't deliver.

### How are Companies Currently Handling Inventory?

Retailers with multiple channels have been forced to look at platforms individually, sometimes taking stores and digital channels as separate entities with separate inventories. There may be some communication between these point systems like POS, order management, and eCommerce.

Drawbacks are that changing one system can mean changes to multiple systems that are connected to it along with upgrades to data security. There is little insight into inventory across the business.

With an omnichannel system, there are no changes to multiple systems. That means less redundancy and more efficiency. You can expect a single source of truth for all inventory, sales, and shipping data. Handling inventory is easier and faster, which leads to higher customer satisfaction. After all, 90% of customers now expect 2 to 3 day delivery, and most are willing to shop elsewhere when they don't get it.

### Achieving a Single Platform Goal

A single platform goal can seem daunting since integrations will have to involve all channels, whereas current conflicts can be addressed as they arise, one channel at a time. In fact, many companies have been relying on a few APIs to hold their channels together and enable some communication between them. Yet, connecting new channels individually comes with its own challenges. Multiple channel integrations are often individual, piecemeal, and temporary. As technology stacks evolve, more and more channels are added. Apps? Marketplaces?

Loyalty programs? Teams must integrate them all.

Challenges come with accepting multiple platforms and integrations, **including:**

- It's challenging to scale, open a new store, or acquire a new brand.
- There is low visibility into holistic business strategy and across platforms.
- Leaders fear that a single platform can't accommodate the nuances of a complex business and its existing processes. After all, that's why a mosaic of systems has worked best so far. When there's complex inventory needs with straight-forward financials, it can be hard to envision a solution.

### The Current Platform Puzzle

Without a centralized system, point systems and siloed teams are left to individual work. But no one sees over the entire process, looking at what the customer needs—the right service, with the right product, at the right time, for the right person.

Individual or partially connected channels leave data gaps wherein retailers can't deliver the experiences customers want most. Both teams and technology are isolated, but the customer moves between them. Point system connectivity has drawbacks. It takes extra effort to connect new features or change a single point in the system. Companies put effort into making systems consistent, so they communicate better, designing for the larger tech stack.

They put dedicated action into reusable components to achieve speed and scale, but with so many platforms, the effort is unending. With an omnichannel solution, teams don't need to guess what other teams already know. Look for solutions that offer streamlined communication between platforms with APIs, but don't need a redesign when an individual component changes.



component changes. Managers should be able to foresee the buyer journey. For example, they should be able to see sales trends, add new stock into the supply chain where it is needed, and amplify marketing efforts when the supply is there. These systems should be easily connected even when new channels are added to the tech stack.

## Unifying Buyer Experience in Stores and Online

75% of customers shopped in a “new way” since the beginning of the pandemic. And their new habits aren't snapping back. The vulnerable found new ways that retailers catered to their needs, and want to continue using delivery and shipping options with a comparable experience to in-store shopping.

Some consultants estimate that technology will double store profitability, in part because of its ability to deliver on higher customer satisfaction. The continued growth of digital channels means digital infrastructure is more important than ever. But with some customers returning, companies have also begun to recognize the changed meaning of the in-store experience in their customers' lives.

They'll have to reconcile online and brick-and-mortar experiences for them, managing challenges like:

- The ability to reach customers digitally. Losing in-store traffic can mean having no way to communicate with store customers.

75% of customers shopped in a new way since the pandemic.

75%

- Meeting the expectations of current eCommerce customers for transparency, support, and delivery options.
- Handling growing server volume.
- Having observability into the customer journey.
- Personalizing communication beyond segmentation to deep personalization, using data from CRM, store, eCommerce, and email systems for multi-touch tracking. A true 30,000-foot approach would allow for a transparent, accurate assessment of the lifetime value of customers, and happier, more loyal customers, too.

## The Current Multichannel, Multi Step Dance

Like inventory, the customer journey happens in multiple places that have traditionally been disconnected. Multichannel integrations bring some functions together, and APIs connect point systems, too.

But some increasingly common functions, like returning an eCommerce buy to a store, can require multiple steps to execute because these features must be added and integrated into all the systems they touch. Retailers trade operational efficiency for customer experience and are challenged to get both.

With an omnichannel solution, all the customer interactions are managed in one place. That means companies should be making the move from multi-step customer processes to handling requests simply. Efficiency with customer requests increases operational efficacy with seamless movement across platforms.

# What to Look for in a True Omnichannel Solution

## 1. Minimal Platform Hopping

A platform approach simplifies the endless connectivity gaps between points in an API system.

### Look for:

- A backend that covers all aspects of your business. You'll want integrated POS, but also financials, supply chain, and inventory.
- The ability to handle customer purchases and returns across channels, and even embrace new distribution norms like curbside pickup, buying in-store and shipping, or buying online and picking up in a nearby store. Have you considered accommodating customers buying an out-of-stock item to be delivered directly when available? How about dropshipping to a customer's home or a retail store? These processes should be simple to add.
- A platform built into a system you already use, not comprised of multiple points with each achieving a discrete goal.

- Visibility into staff processes, including logistical planning for fulfillment centers and delivery routes.
- Easy staff communication, **including:**
  - Simple handling of changes from recalls to a price change.
  - Feedback from staff to management.
  - Incorporating new processes. For instance, re-opening companies might want to easily add new "clock-in" requirements from temperature checks to negative tests to keep infection rates low.

## 2. Moving Beyond Checklists

Checklists would be great if businesses needed multiple, distinct solutions. But businesses need overall capabilities that let them pull together the threads.

So look for a solution with robust capabilities at its heart. That includes inventory, POS, finance, sales, marketing, and eCommerce functions. Ask if your system can personalize promotions and communication, handle contactless payments, replenish inventory, and move it to where it's needed.

## 3. Scalable for the Long Term

Omnichannel means an enterprise approach to sales, customer experience, finances, and marketing. But that doesn't mean it isn't agile. Your solution should be a strategic choice that gives you more data, flexibility, and support for your existing tech stack. If you scale or expand, your system should keep up.



## You'll want:

- A system that is flexible enough to allow organizations to keep their current operations but also add apps to support new channels as they emerge.
- The ability to accommodate new business lines and functions. If you're a gym, and you want to add smoothie bars, could your system accommodate that? What if you added nutritionist services or meal delivery?

access to ongoing support, from implementation to everyday problems and upgrades. That applies to components of POS systems like barcode scanners and pin pads. How easy are they to use and where can employees turn for help?

- A centralized database, eliminating repeat work in multiple platforms, and maximizing efficiency, for less frustration for teams.

## 4. Standout Usability

Implementation should be easy for all teams, including:

- Customizing the system for your unique business and industry.
- Training. From front-line employees to back office accounting, everyone should be able to use your system, and everyone should have



## 5. High Value for its Price

The pandemic left many businesses reeling with unforeseeable challenges and new customer needs.

Enterprise systems are an investment in a future of growth, but they're also a hedge against uncertainty. In the future, you may need to update your business model, adding services and processes to meet the changing needs of customers.

You may also scale successfully, outgrowing a system with limited omnichannel capabilities.

So while a well-priced system that meets your needs today can seem attractive, look for a system that can see you through changing market conditions.

## 6. Hybrid or Cloud Capabilities

Infrastructures rely on clouds and multiple internet-based services to get information across platforms, stores, and continents. It can send orders to a kitchen during the dinner rush, or quickly store customer purchase information in a single database with insight into prior purchases.

Cloud services are a requirement for an omnichannel environment, but cloud deployments aren't the end of the story.

Retail architecture can also benefit from going offline to serve customers better, so look for an omnichannel system that can incorporate cloud as well as hybrid systems.



What's the difference? In a cloud system, product information and customer transactions are stored in the cloud and delivered to and from the POS, so without the internet, there is no way to access data or process transactions.

For example, when the internet goes out in a storm at the beginning of the dinner rush, orders don't get placed, but other problems compound the issue: employees can't clock in, reservations disappear, and customer data is inaccessible. Once simple digital tasks are out of the question, the customer experience is decimated.

Instead, a hybrid system has the flexibility of a cloud POS system, but stores data at the POS until connectivity can be restored. Data about products flows to POS systems, and transactions are executed and stored in the POS system.

Only the return of transaction data to cloud storage is delayed. Transactions can still be processed, and customers walk away happy.

## 7. Data Management

Companies have a lot of data. But it's useless if it can't be harnessed, parsed, queried, and organized. Transforming data into insights is one of the cornerstone reasons to invest in omnichannel, so prioritize a solution that offers comprehensive visibility across channels for better decision-making.

True omnichannel capabilities can adapt to customer needs and improve business forecasting. For instance, eCommerce should be synced with order processing to lead to purchase orders with a vendor automatically, and the retailer or a third-party logistics team should handle fulfillment.

Companies should see how quickly and cost-efficiently products flow from supplier to a distribution network onward to buyers.

Everyone should be able to see changes across stores, in the head office, and internationally in real time. Customer processes, financials, and inventory should be increasingly transparent and measurable.

### Look for:

- The ability to accurately show cross-channel data like inventory in real-time.
- Integration with both suppliers and drop shippers.
- High-observability across channels. Look for robust reporting options and easy ways for staff to review their data. That can include the number of out-of-box reports for the home office, stores, warehouses, and more.
- Fully integrated data across the business, so forecasting guesswork is minimized.





## 8. Third Party Connectivity

More than half of Americans say their customer expectations have grown in the past year.

Technology is expanding alongside it, leaving companies to speculate about how to meet expectations in the future with features and services that may not yet exist. To compete, a flexible system integrates with third-party services.

Meeting customers on their terms requires integrating with third-party marketplaces like Rakuten or Amazon. For customer delivery options, you may want to connect to UberEats, GrubHub, Postmates, and other delivery apps.

As you expand, your omnichannel should, too.

## 9. More Data, Fewer Data Scientists

Most platform-based reporting is bounded, analyzing a limited amount of data from a subsection of your business.

That can mean complicated human brain power is required to aggregate the data, find patterns, and turn those patterns into actionable solutions.

**You'll want reporting across channels to:**

- Bring data from different channels and platforms together, including accounting, POS systems, eCommerce, and third-party marketplaces.
- Aggregate data, so that you don't need a data staff to do repetitive calculations or make your data applicable.
- Offer reporting and dashboards. Data is part of the picture, but automatic reports and visualizations without using a third party tool make your job easier. You won't need a team to explain your own data, either.

## → Learn More

Leaders work in a world of trade-offs. And as with all trade-offs, they often find new challenges within their incremental solutions. Those challenges lead to nine key buying considerations to help you get the most out of omnichannel. But organizations have unique challenges. ArcherPoint is an integrator and consultant dedicated to making sure your unique challenges are solved while increasing operations efficiency and delighting your customers in a new, post-pandemic reality.

Find an omnichannel solution that meets your brand's specific challenges.

**Book a consultation** with the retail experts at ArcherPoint and develop your omnichannel capabilities.