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RETAIL

The CDO guide

Reinventing the customers' brand experience

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Editorial

Building brand loyalty with unified commerce

Internet and mobile apps have transformed the retail landscape. Today's customers are ultra-connected, better informed and more discerning than ever. Beyond comparing products and price, they're looking for unique and personalized shopping experiences tailored to their needs.

With rapidly evolving changes in technology and customer behavior, retail CDOs must address new challenges in real time — how to take the lead in profiting from these changes; how to reconcile online and in-store shopping journeys; how to offer a cohesive brand experience across multiple communication touchpoints; and, of course, how to maximize sales!

Traditional linear commerce, where goods transit from the warehouse to the customer via the store, is a thing of the past. It is being replaced by unified commerce; an enhanced omnichannel strategy, in which all sales scenarios converge toward a single goal; never missing a sale through new, personalized, consistent and unified shopping experiences.

The store of tomorrow is a full-service, connected, intelligent hub, integrating the Web, social networks, and the supply chain. It will be equipped with the best resources for offering a seamless shopping experience and re-enchanting the relationship between brand and customer.

Ready to get started?

Nathalie Echinard,
Retail Director, Cegid

Introduction

Make more possible with omnichannel!

The digital economy's tumultuous launch in the early 2000s gave rise to a virtual certainty that e-commerce would soon be the only way to shop, leaving traditional brick and mortars behind in its wake. Yet the fact is, physical stores have not disappeared and have adapted to consumers' tastes and expectations. Figures don't lie. According to a FEVAD study⁽¹⁾, **93% of all retail transactions are still completed in-store—where most people prefer shopping.**

While it may be tempting for some to claim that the e-commerce revolution has fizzled, this is simply not the case. E-commerce has enriched brick and mortars, with traditional stores evolving to meet new customer demands. It has even increased traffic to the store from customers who, for example, see items they like online, but want to try before they buy.

This long and complex makeover came to fruition alongside evolving technologies and rising expectations. The basic, linear single-channel model was quite simple. A supplier delivered merchandise to a store, which sold to customers. Then came multichannel, with brands launching e-commerce sites to create new customer touch points. However, multichannel also forged silos. The different channels competed, with in-store sales staff often unaware of the range of online options, stores commonly out of sync with e-commerce channels. Each channel operated on its own; an approach that quickly became counterproductive.

Fortunately, there is a solution—omnichannel! Streamlining the shopping experience puts consumers and their expectations at the heart of the process, allowing them to select the channel they prefer. This is precisely how Reserve & Pickup and Click & Collect strategies work, with customers reserving or buying items online, then retrieving them in-store. **The Web serves as the platform for information, promotion, and reservations... and the store, the place to select, try out and pick up purchases.**



If omnichannel bridges the gap between in-store and digital shopping, unified commerce reshuffles the deck and creates a cohesive customer experience, irrespective of the channel. This strategy creates a new opportunity for sales associates to act more as consultants than providers of goods and services. They can tend to their customers' needs and offer expert advice, whatever channel the customer prefers to use.

How can you transform your stores in an age of unified commerce to meet new customer needs? How do you turn your teams into connected sales associates? How can you capture your customers' full buying power? How do you reinvent the brand-customer relationship in an omnichannel environment—and never miss a sale?

Keep reading to gain insights on how unified commerce can transform your in-store strategy.

1. FEVAD, September 2016



The Extended Omnichannel Supply Chain: For Greater Customer Satisfaction

Designed to optimize management costs, product tracking and availability, and end-user satisfaction, the extended supply chain is a comprehensive means of managing the flow of information and goods.

The extended omnichannel supply chain: for greater customer satisfaction

The customer is still king

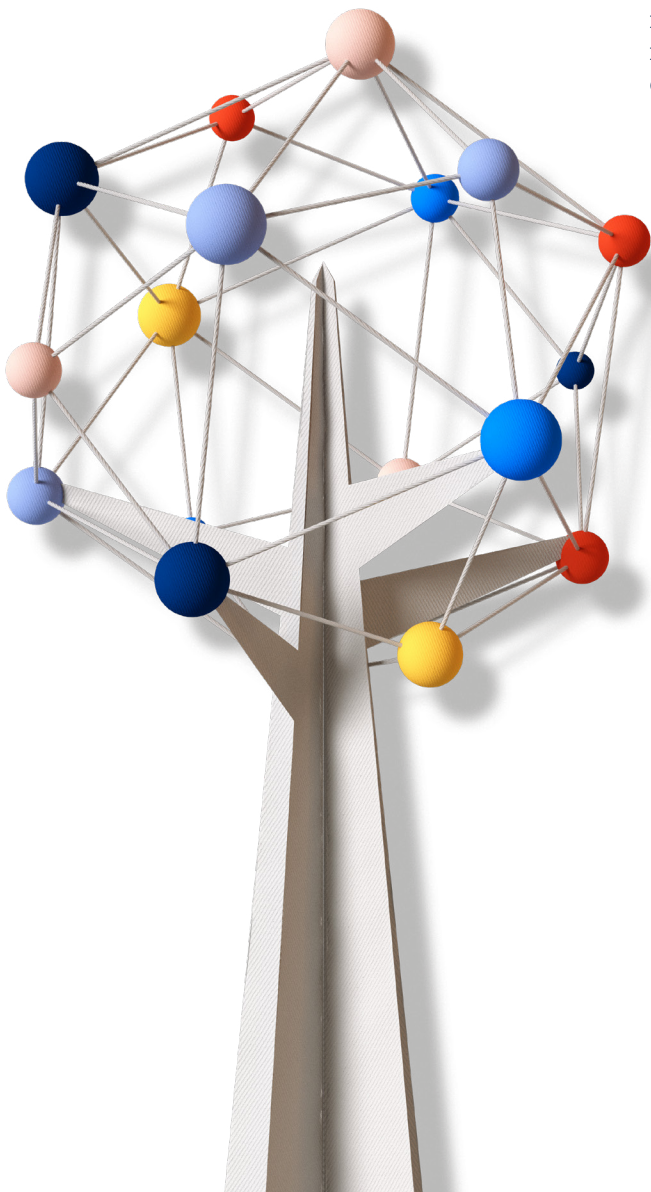
The adage has never been truer than today. Modern shoppers expect the ability to purchase anytime, anywhere, irrespective of the sales channel, whether they've been window-shopping, spotted a product they like on Instagram, or are prompted by the recommendation of a friend. Retailers must make every effort to give customers the products they want at the right place, the right moment, and the right price in order to capture every sale. This is the role of the extended omnichannel supply chain.

Real-time information management

Customer needs have influenced the supply chain's organization. Retailers have had to innovate and turn their stores into order fulfillment centers to offer omnichannel services such as Reserve & Pickup.

To do so, the point of sale needs to offer—and harness—all information on every product offered by the brand. Is a particular item in stock? Is it available at another shop? Can it be ordered or reserved? This information needs to cover more than just inventory; data on sales initiatives, social media product buzz, and even weather forecasts are all relevant in ensuring supply will match a sudden upsurge in demand, in order to prevent in-store customer frustration.

For the business, real-time information management also ensures proper stock turnover, resulting in higher profits through cost controls and faster delivery from warehouses.





Popular customer services transforming the Supply Chain

- › **Web To Store.** Aimed at making the life of the connected shopper easier, Web-to-Store comes in different forms. Click & Collect, for example, allows customers to order on the Web, then pick up their items that have been shipped to the store. With Reserve & Pickup, customers can check product availability in their favorite store right from their smartphone, reserve the item, and pick it up. Providing these services requires easily accessible real-time inventory information.
- › **Store To Store and Store To Web.** Store-to-Store delivery means customers can reserve an item in one store and pick it up at another. With Store-to-Web, the product is delivered straight to the customer's home. Offering these services helps in meeting customer expectations and avoid missing any sale – over 25% of shoppers want the freedom to buy items even if they are not available at their favorite store.
- › **Ship From Store.** With this service, when a customer buys a product over the Web that is available from a nearby store, the store can ship the item directly instead of the warehouse, sometimes located far from the city center, avoiding delivery delays.

Offline: the new store is a catalyst for personalized experiences

Now we take a look at the role of the connected—or augmented—store, which is designed to do more for your customers.

The Store Becomes a Connected Hub...

The connected store is a hub—a unique ecosystem at the center of in-and-out flows of goods, customers, and payments; where products can be returned, temporarily stored, shipped and sold directly; and with information provided on stocks and more. The store is now responsible for analyzing, exploiting and sharing relevant information within its ecosystem—with the customer as the prime beneficiary.

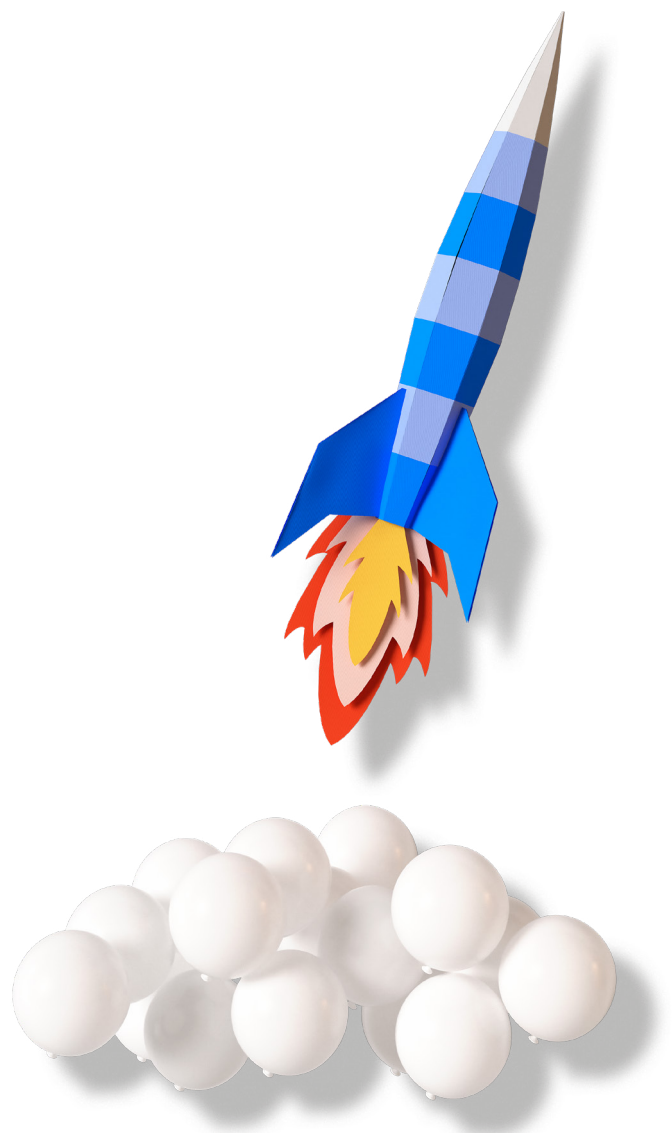
... Serving the Customer Experience

A satisfying shopping experience caters to the customers' needs before, during and after making a purchase. Anticipating their preferences and expectations all along their shopping journey, which should be as seamless and personalized as possible, is the best way to capture every sales opportunity.

At **Anthropologie**, a northeastern US retail chain, decor and lighting has been designed to give customers the impression they are shopping in a sophisticated European boutique apartment. Part art studio and part yoga teacher's cottage; the look and feel of the store is instrumental in conveying the aspirational element of the brand's products.

L'Oréal, a leader in beauty and haircare, is offering new enhanced customer services in-store, where customers can attend makeup workshops in addition to receiving personalized advice from beauty specialists. Sales associates are also equipped with mobile devices to immediately answer any detailed product questions and offer a highly-personalized in-store shopping experience.

Luxury swimwear brand **Vilebrequin** has deployed mobile tools in many shops, empowering sales associates to advise customers more effectively. The devices allow them to show customers any item in the catalogue and offer new omnichannel services, such as store-to-web, fostering customer engagement and brand loyalty.



7 Attributes in making a store Connected



1 – Personal service.

Sales associates can develop better customer insights by retrieving their profile on mobile devices and accessing their online and offline purchase history.

2 – Cashless payment.

Sales staff can now take payments, accept returns, issue credits, and process refunds from mobile tools including tablets and smartphones, freeing up valuable space in-store.

3 – Unified experience.

Customers can shop online and offline seamlessly, as the new in-store POS allows them to pick up or return online purchases in-store, where they can receive personalized advice

4 – Product management.

Connected stores optimize work and product flows, which minimizes deadstock, while effectively meeting customer needs. If an item is not available in-store, it can be obtained from 'chain' stock with the online catalogue— so the sale is not lost.

5 – Organization.

Digital apps help you get the most out of your resources, while allowing sales staff to work more efficiently. Products are shipped faster, and inventories are kept small and up-to-date, decreasing costs.

6 – Shopping experience.

Connected stores offer an immersive, comprehensive experience, which meets the needs of all customers, whether they are traditional shoppers or technophiles.

7 – Differentiation.

Innovation in connected stores allows retailers to create value for their customers, building better engagement and brand loyalty.

Why your stores should be connected

33%

of in-store customers are looking for deals and comparing prices on their smartphones.²

80%

of millennials want to use a brand's mobile app to pay at the store.³

85%

of retailers are prioritizing their transition to unified commerce over the next few months.⁴

3%

...But only of them are currently doing so!³

... Some inspirational examples

BARNES & NOBLE

Barnes & Nobles (B&N), the US bookselling chain, is revamping their stores to ensure an improved experience with more seating and a better layout, including dining areas. The B&N's mobile app includes detailed store maps to find books in real time. Customers can even ask a sales associate for help within the app—without leaving the comfort of their armchair.

SEPHORA

Sephora, the international cosmetics chain, has digitized their stores with a 'Beauty Hub', where customers can test products using various apps, speak to smartphone-equipped beauty consultants to learn more about trends, access tutorials, receive makeovers, and find the best products tailored to their skin type.

DEVRED

Devred, a European menswear brand, is committed to digitizing its stores. They provide a seamless customer experience with a shared boutique Web platform empowering sales associates to check stock at the warehouse, offer multi-channel delivery, track open reservations from the store, and make centralized, multicriteria searches.

2. Pragma Consulting, July 2016

3. Boston Retail Partners, June 2016

4. Acosta, Spring 2017

The connected sales associate: transforming the brand–customer relationship

Who is the connected sales associate?

The heart of the in–store customer relationship, the connected sales associate serves as both an expert advisor and brand ambassador.

The Connected Sales Associate's Strengths

- **Soft-skills.** These are the mainstay of the customer experience, particularly in an era of digital tools. The connected sales associate is responsive, understanding, creative, and committed to excellent customer service, and displays solid emotional intelligence and critical thinking.
- **Expertise.** The connected sales associate must know the brand's offering inside and out as customers leverage digital tools to search and compare prices and availability before deciding where to shop. This means in-store personnel must become products' and services' experts. The Ipsos Institute's Digital Store Barometer confirms that 67% of customers want to be serviced by a knowledgeable sales associate.
- **Customer insight.** Additionally, according to Ipsos, 62% of consumers would like useful and personalized recommendations and 81% expect sales staff who are equipped with tablets to show them products they are seeking to purchase. This means sales associates should be acquainted with the customer's preferred form of delivery and payment, as well as the products they usually buy, both on and offline.
- **An ambassadorial role.** Utilizing digital tools, the connected sales associate can master all relevant information about the brand, products, and services offered, not just in-store but across every channel. With regular training, sales staff becomes well versed in the business' latest innovations and dynamic, exemplary representatives of the company's brand image.

However, connected sales associates are not machines, confined to the digital tools they use. These tools help them meet their goals, selling better.. and more, but are no substitute for their skills. A connected sales associate is, first and foremost, an expert seller!

Clienteling for Rich Human Relationships

Neighborhood stores nurture human bonds. Your local grocer knows you, calls you by your first name, asks how your kids are doing, and is familiar with your favorite products. Why shouldn't the same rules apply to chain and big-box stores?

Clienteling is the solution for developing stronger relationships with your customers. Sales staff play a key role in this process given that Clienteling is based on customer information. With a tablet and a mobile app, connected sales associates access data they need to gain insights on their customers' preferences, objectives, and needs.

Information is acquired from various sources and shared to nurture the customer relationship effectively. Expert sellers do not apply the same approach with a first-time online shopper, a faithful customer with a long history of transactions, or someone returning most of their purchases. Connected sales associates are thus able to tailor their strategy and approach depending on the customer in front of them.

Clienteling is based on establishing personal relationships. Utilizing mobile devices, and empowered with reliable customer data, connected sales associates can suggest new items suited to their customers' tastes and budgets. Leveraging technology to create lasting relationships is the basis for sales associates building customer loyalty and offering a personalized service so they can sell better and sell more.

Clienteling and Mobile Sales

Clienteling also reinvents the POS experience by eliminating lines at the counter—a frustrating chokepoint for customers which also consumes valuable in-store real estate. Connected sales associates are empowered to offer customers quick payment from a mobile POS or even right in the aisles, addressing the needs of customers who are on the go.

Apple best exemplifies the in-store mobile sales experience. Every sales associate at an Apple Store is equipped with a mobile payment terminal, so their recommendations can be transformed into immediate sales—eliminating the third-party checkout process. However, every market has its own characteristics. In Germany, for example, 80% of all purchases are still paid in cash, and 74% of the population are opposed to digital in-store payments versus cash transactions.

Staff Training is Essential

Connected sales associates are crucial to the success of a retailer. With heightened responsibilities in terms of the customer buying experience and the brand's image, simply handing them a tablet is not enough. Your sales staff are in direct contact with customers who are well versed in digital technologies and should be trained over several days—or in short, occasional sessions, depending on what works for your business. Training an expert seller in the digital age is a must and requires planning.



Delivering Unified Commerce with a Centralized CRM

Delivering unified, connected shopping journeys is only possible with a centralized CRM that stores all relevant information collected from each interaction between the customer and brand. This strategy is fundamental to building a robust, agile supply chain, offering new omnichannel services, and re-enchanting the shopping experience.

Getting the Data Big Picture

In the era of omnichannel commerce, valuable customer information risks being split between several data hubs including the ecommerce site, store POS, social networks, etc. Relevant data must be collected, updated, and accessible by everyone in real-time to deliver an integrated and seamless customer experience across every channel. Opting for a centralized CRM means breaking down the data silos between production, marketing, sales, shipping, customer service, and returns. It helps sales associates offer better service online and offline, while supporting decision-making by offering more detailed customer segmentation, identifying new trends, and allowing for a more targeted approach to marketing initiatives.

The Benefits of a Centralized CRM

If, for instance, a customer purchases an item in a store but forgot their loyalty card, entitling them to a 10% discount earned from prior purchases, a centralized CRM will pull the card information associated with the customer's name, and prompt the sales associate to apply the discount.

Similarly, if a loyal customer who generally shops in-store then visits the e-commerce site of the brand, any gift cards or loyalty points associated will be available through their online account, ensuring they receive the same level of service that they would have been used to at the brick-and-mortar location.

Equally, if a customer contacts a brand's customer service center to report an item they purchased is faulty, the brand representative can allow the item's return and update the information in the CRM, which will automatically send the customer an email apology outlining the step-by-step return process.

Another example is, if a loyal client is browsing a brand's social network and sees a product they like, then clicks through to the ecommerce site to purchase it, any pre-existing goodwill gesture, obtained from when they made an exchange or return, will be picked up by the CRM and the customer will be reminded that they can apply the voucher at checkout.

Finally, if a customer is travelling and visits the store location of a brand they are loyal to in their home country, the sales associate can easily pull detailed information on their purchase history and favorite products, realizing for instance, that the customer recently purchased a smart watch, and offer relevant accessories that will complement it.

Expert interview

«Retailers must adapt to avoid huge risks in the future»

For Nathalie Echinard, Retail Director at Cegid, establishing an effective unified commerce strategy today is key to a retailer's success tomorrow.



What are the major challenges faced by retailers today?

The fast-paced evolution of technology has deeply affected the relationship that customers have with traditional stores. Today customers are more connected and discerning, they are accustomed to comparing prices with smartphones, even when inside a store. They expect personalized service and real continuity between the shopping experience online and in-stores. Customer demands have caused many of the changes we're seeing in the retail industry today, forcing traditional stores to catch up and adapt.

At the heart of the store's success is the technology needed to connect the brand, sales associates and customers. Why can't a web developer or agency help retailers to design the technology themselves?

Unified commerce is more than designing an e-commerce site or app – it is understanding and integrating complex workflows and product information required for a retailer's commercial, logistical, social and technological data to function securely together. This means having a thorough knowledge of the front (customer service) and back (management and internal administration) office needs of retail and sales organizations, and a specific field of expertise that few companies can offer.

Should retailers transition to unified commerce now – or later?

With each passing day, brands can lose their competitive advantage because most leading retailers have already switched to omnichannel and unified commerce. Expertise in the field has grown and your competitors may already have a head start. Unified commerce has a direct impact on a brand's image and sales. It shows a commitment to innovation and allows it to offer the services customers have come to expect. Therefore, investing in unified commerce today is vital in paving your success tomorrow. It can be done smartly and economically, one step at a time.

Any last tips for retailers considering the transition to unified commerce?

Wondering if you should switch to unified commerce now is like asking yourself if you should get a website a decade ago. Some may lead the way and others will follow, but the transformation is already happening, and you do not want to fall behind in a rapidly changing world!

Conclusion

Re-Enchanting the Shopping Experience to Build Brand Loyalty

Today's retail landscape, where shoppers are more connected and move seamlessly across channels, provides retailers with a new set of opportunities and challenges. Failing to integrate data flows to collect relevant information will stand in the way of offering better customer experience, both offline and online.

However, harnessing a 360° view of customer preferences based on their previous interactions and purchase history, empowering sales associates with mobile devices in connected shop hubs, and implementing an integrated omnichannel supply chain to serve each customer faster and better, will allow retailers to re-enchant the shopping experience, maximize sales and build brand loyalty.



The bottom line



You cannot take the 'shop' out of shopping

The brick-and-mortar store has adapted and become connected to offer new sought-after customer services. It is taking center stage as the hub of unified commerce.



Personalizing the brand–customer relationship is key

To capture the entire buying potential of shoppers, sales associates need to have easy access to relevant and reliable customer data to tailor their interactions and offer better service.



Omnichannel impacts the retail value chain inside and out

Online and offline shopping journeys have merged, and today's shoppers are ultra-connected and better informed. To succeed, retailers must put customers at the heart of their organization.

**Ready to step into
the new era of commerce?**

Cegid, a leader in retail solutions

Our mission is to enable retailers to capture new growth opportunities and never miss a sale by delivering a unified, personalized shopping experience across all channels - in-store, online, anytime, everywhere.

Our cloud-based unified commerce platform includes features such as order management, merchandising and inventory management, digital POS & Mobile POS, Clienteling, CRM and retail analytics and is available in SaaS or on-premise.

More than 1,000 retailers and 70,000 stores in over 75 countries trust Cegid to reinvent the customer experience, digitize their stores, maximize sales, and succeed with unified commerce. We support clients including Barbour, Clarins, Delsey, Eram, Estee Lauder, Furla, Gant, Havaianas, Lacoste, Leica, Longchamp, Orchestra, L'Occitane, L'Oréal, Paul Smith, Quiksilver, Sergent Major, Ted Baker, and Yves Rocher.

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