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RETAIL

The CEO Guide

The playbook of unified commerce

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Editorial

Deploying a unified commerce strategy

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 CEOs must address new challenges in real time – how to take the lead in profiting from these changes; how to digitize your stores and leverage their full potential; how to reinvent the customer experience to boost your brand; 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.

To achieve success, a new trajectory is needed where in-store and online sales converge; inventory management is unified; the store is digitized; and its role evolves through new technology. As CEO, your responsibility is to transform your business inside and out to avoid operating in silos and streamline your business processes and flows with a faster, more reliable, and agile model.

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

Sell better 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

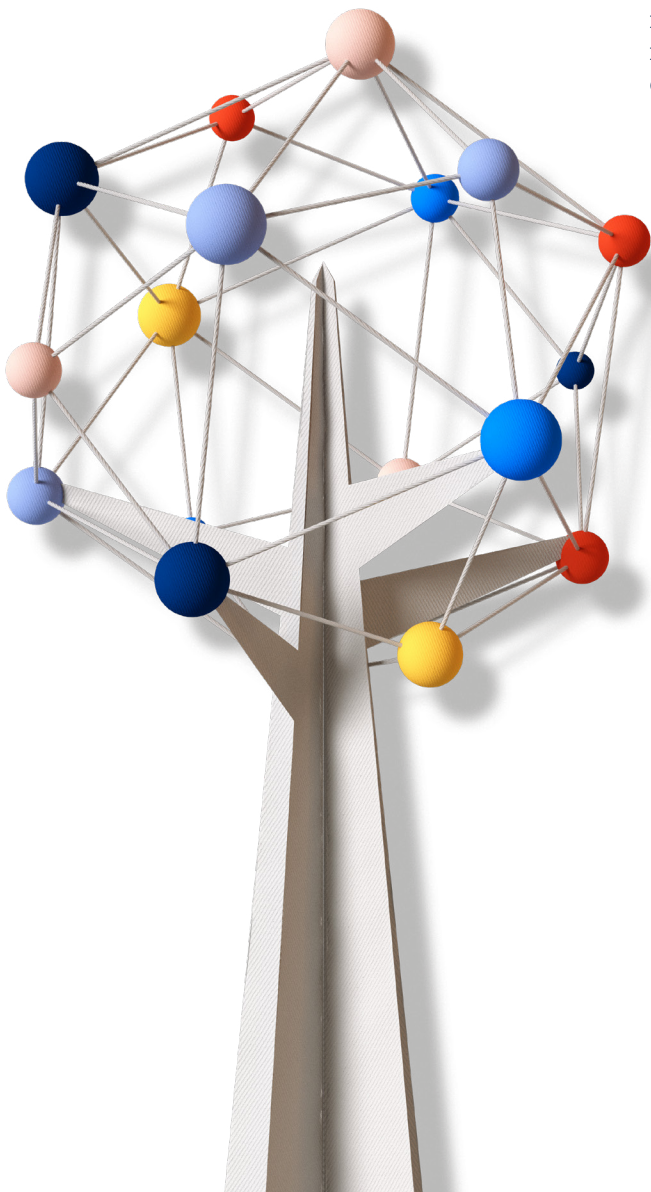
The adage has never been truer than today. Modern shoppers expect the ability to purchase anytime, anywhere, irrespective of the sales channel, whether they've been window-shopping, spotted a product they like on Instagram, or are prompted by the recommendation of a friend. Retailers must make every 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.

The New Store: 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.

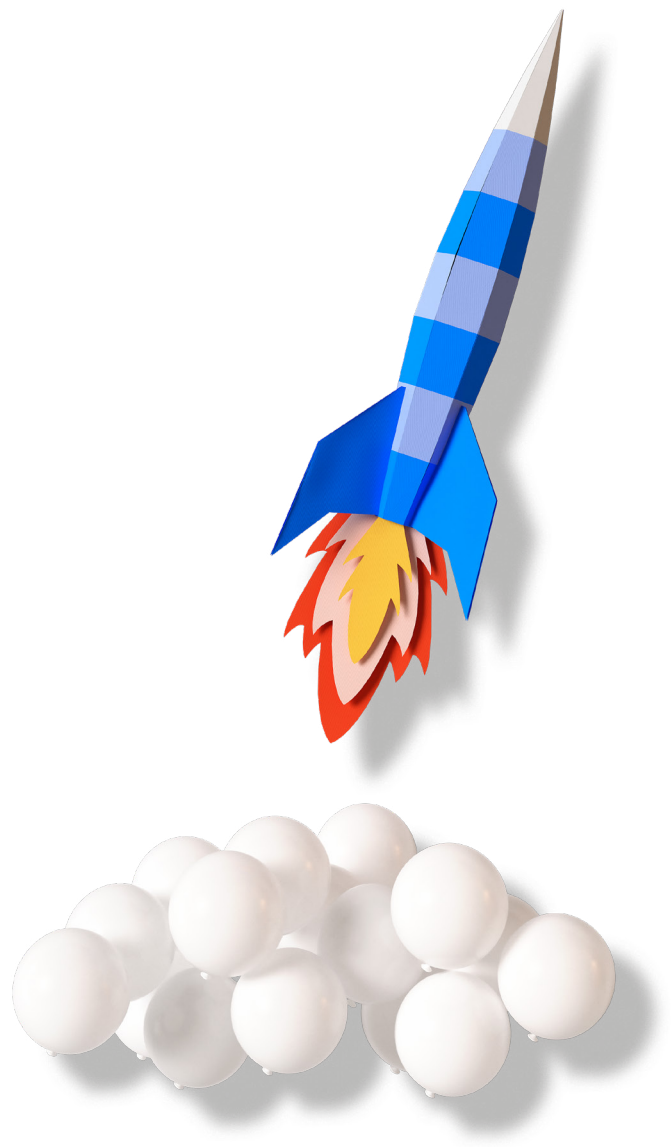
... Serving the Customer Experience

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.



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!

Deploying a Unified Commerce Strategy: An Organizational Challenge

Omnichannel is leading to major changes in the internal organization of retailers. Succeeding in the era of unified commerce involves reviewing and redefining the job roles of many brand players, from e-commerce managers to sales associates.

Role Diversification

Sales associates, for example, are no longer the only point of contact for customers. They are, however, at the heart of the brand-customer relationship – giving expert advice, helping with online purchases by transferring items from one shop to another, handling returns, and processing omnichannel transactions. Similarly, an e-commerce Director is not only responsible for driving online sales, but also generating in-store traffic, recording down payments, and implementing Click & Collect tools. With unified commerce, the duties performed by each retail employee are evolving, which involves a shift in mindset and the need to skill up.

Eliminating Online and Offline Silos

A change in strategy must also take place to eliminate any competition between brick and mortar stores and the e-commerce site. With unified commerce, all channels must complement each other to offer a cohesive shopping experience to customers. Customer acquisition, retention, and loyalty initiatives across every channel depends, more than ever, on the collective performance of all retail employees. Offering a high-quality, cohesive, seamless service to reinvent the brand-customer relationship means implementing the right strategy for your organization.

Rethinking Employee Training

To support employees in their efforts to adapt and acquire new skills, training programs must be implemented, which develop resourcefulness and promote the collaboration between online and brick and mortar stores. Employees must be encouraged to become more autonomous, show greater initiative and deal with customers with a new approach, positioning themselves as brand ambassadors and consultants rather than just sales associates. This change in thinking and behaviour should be led and supported by the CEO and management team to develop a shared philosophy and set of values across the business.

Adopting New Tools ...

Unified commerce involves the adoption of new and innovative tools tailored to the company's retail strategy and organization. Open information systems can accurately measure staff activities and performance (items sold, orders prepared, payments recorded, etc.) and offer valuable insights to optimize efforts. Such resources should be rolled out gradually so teams have a chance to assimilate the new technology, to be given appropriate training, and understand the role they play in reaching the company's goals.

... Without overlooking your human resources

Even though the promises of new technology are exciting, such as mobile and Clienteling, they should never overshadow the key role people play in customer relations. Digital tools and mobile devices are playing an important role in the transformation of retail businesses and are both effective and valuable in monitoring and analyzing retail activity. However, they cannot report on the quality of customer interactions, the detail of a sales associate's soft skills, or the desire of a customer to return. Even in a high-tech era, the human qualities of sellers—and their appreciation by buyers—remain crucial to a company's success.





The General Data Protection Regulation: An Imperative to Consider

Any solution you implement across your organization must comply with the laws and regulations specific to the countries in which you own store locations or ship products to.

On May 25, 2018, a new law came into effect, which allows European consumers to decide how their personal data will be used. GDPR reinforces existing rights and grants new rights to EU citizens including:

- > **The right to inspect data concerning them.**
- > **The right to modify such data.**
- > **The right to delete such data (“right to forget”)**
- > **The right to limit access to their data.**
- > **The right to transfer their data to another economic or institutional entity.**

Conclusion

Reorganizing Your Business for Unified Commerce

Charting the course of a retail business involves the day-to-day challenge of overcoming new hurdles, meeting new consumer demands, and dealing with new competition. The digitization of services and growth of mobile usage have disrupted the retail industry, forcing brands to adapt. Stores are evolving from providers of goods to modern connected hubs built around customer needs, including the omnichannel services at the core of a retailer's value chain.

While brick and mortars are not about to vanish, they must transform to meet the competition of more agile business models, while boosting sales, profitability and customer satisfaction. Sales associates are playing a bigger role than ever in personalizing brand-customer relations and must be trained and equipped with the tools needed to tailor individual customer interactions. Finally, stores and e-commerce sites must work together to serve customers whenever and wherever they're shopping, whatever the channel, to never miss a sale.



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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