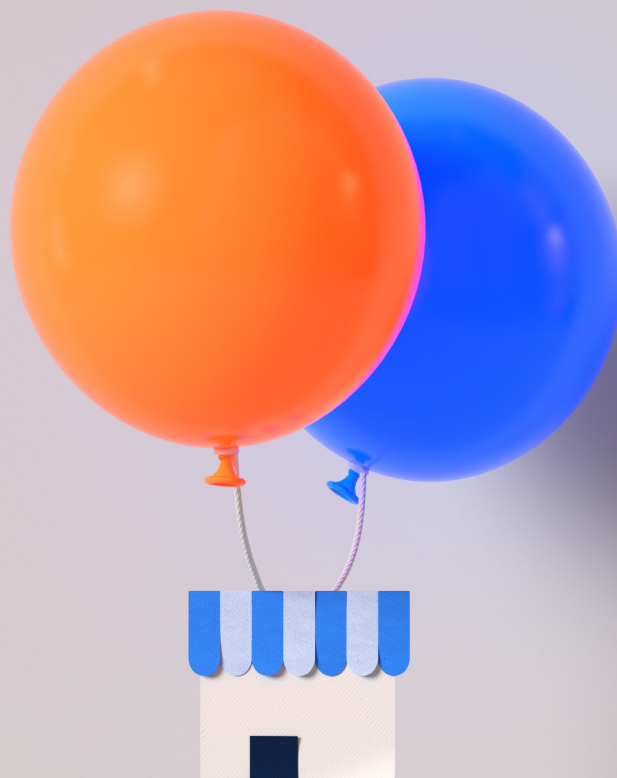


Equip your information system to meet the challenges of unified commerce.

Introduction

Intelligent architecture is just as important to IT as it is to construction. With the optimal integration of their information system, e-commerce platform, client database and stock management system, retailers can and should optimize their omnichannel commerce processes.

Olivier Chiono, Retail Product Management Director, Cegid



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Any changes in consumer behavior impact the retail sector and the way its information systems operate. These shifts, and the need for adoption, is the topic of ongoing conversations in the retail industry press and media. Today, customers are seeking more personalized experiences in their interactions with their favorite brands, higher-quality service, and the ability to shop across all channels whenever and wherever they want. When it comes to omnichannel commerce, most retailers are already past the experimentation stage.

Today's challenge for CIOs is the industrial-scale management of online and offline buyer journeys, including omnichannel services such as Click & Collect, Store-to-Home, and Store-to-Store deliveries.

A Centralized IS to Manage the Omnichannel Data Flow

Achieving seamless commerce can be challenging; organizations and information systems cannot effectively operate in silos. Though consumers still predominantly shop at stores, they are demanding the choice of in-store and online. Soaring Internet traffic and e-commerce transactions are putting a growing strain on information systems. **In this context, synchronizing the flows of products (logistics), money (payments) and documents (bills and receipts) within the same platform is the best way** to tackle the demands of omnichannel (activity levels of different services offered and their profitability, additional sales being generated, profiles of loyal customers etc.).

As Chief Information Officer, you oversee a growing number of requests from various departments within your company to upgrade the information system to support new vital click and mortar strategies which capture customers' full purchasing potential and ensure that you never miss a sale. Additionally, your goal during this transformation is to meet an increasing number of security, compliance and availability requirements.

Centralizing Data...

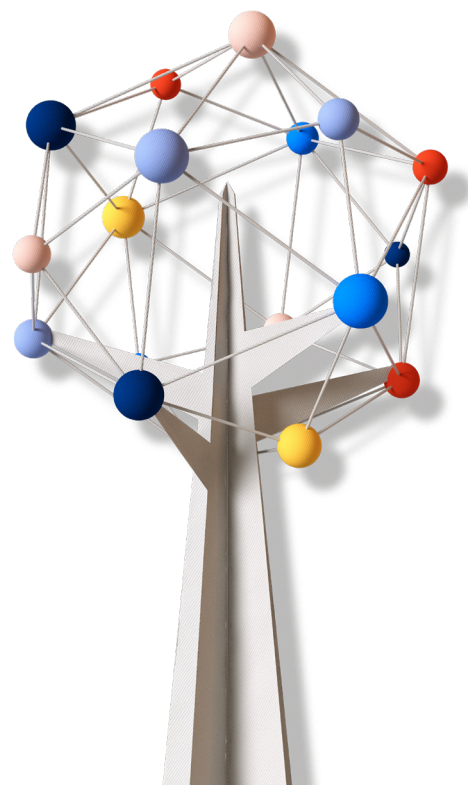
How do you transform your information system, without disruption in service?

There is no single model that fits all organizations. The maturity of a retailer, its size, the history of its information system, and its differentiation strategy must all be considered when determining the best way forward. A medium-sized brand with an information system covering a limited number of elements (ERP, retail solution, e-commerce platform) will not use the same transformation approach as a leading international retailer with a more complex IT architecture (ERP, retail solution, e-commerce platform, PLM, Forecasting/Planning/Restocking, CRM & Marketing, WMS, Seller Mobility, PIM, DAM etc.).

Fortunately, **there are common key points to consider ensuring the successful transition of any information system**. If we push our earlier architecture metaphor a little further, we take a closer look at the information system in construction terms: the foundation, frame, walls, and roof.

...With Client Information

There are two prerequisites for effectively developing your transformation strategy: the centralized management of your customer data and your inventory. Retailers and brands often choose to create centralized databases, building a solid foundation for accessibility from various sales channels. How can a company claim to deliver reliable omnichannel solutions if their systems are unable to recognize customers irrespective of the channel used, and cannot guarantee product availability?



“ Whatever the identification key used by the retailer across sales channels (a customer’s email, loyalty card number, social handle), the information system must be able to recognize each customer so all the data collected over time (postal addresses, purchase history, wish lists, targeting data for marketing initiatives etc.) can be associated to that customer. ”

It is essential that **customer information managed in real-time complies with evolving personal data protection rules** (consent, retention period, information removal procedures, anonymity etc.). Additionally, loyalty points, gift certificates, and credits which can be used online and in-store must always be up-to-date to prevent fraud.

The next step is to decide where to position the client database within the retailer’s IT architecture. There are two main options. The first is to install this invaluable source of information in the SI Retail for native integration with commercial sales tools (promotions, loyalty etc.) as well as sales outlets. In this scenario, the database must be integrated with your e-commerce module, particularly with respect to customer data creation and modification procedures. The second option is to host the database in a dedicated CRM component bringing the advantage of providing additional resources, particularly for marketing. However, this often requires duplicating your integration efforts between your e-commerce platform and your store’s information systems.

...And Stock Information

The rules of customer data can also apply to stock management. Back in the day, having real-time knowledge of stock levels in each store was not essential, as customers came to buy items available during their visit; not relying on the availability or accuracy of the IT system. With omnichannel commerce, those days are gone. **A centralized, continuous and highly accurate stock management from the warehouse to the store, and**



for each new omnichannel delivery path offered by the retailer (for instance web-to-store), is crucial. Retailers must be able to meet the demand for customers who want to reserve items available in-store from their mobile for pick up in under two hours. This is particularly true for retailers in luxury fashion, where stores often only carry a few sizes of each design.

Let’s take a closer look at the requirements needed to achieve unified stock management. Mapping stock movements in real time requires an alignment of the organization’s procedures and staff resources; mobile access to stock both in the warehouse and at point-of-sale; and even utilization of RFID technology to facilitate movement acquisition, while limiting human error and ensuring data accuracy (picking, inventories, deliveries, warehouse returns, payments etc.). Ultimately, an information system that updates stock availability in real-time across all your sites (warehouses and stores) every time an article moves, and shares the data across the organization is paramount.

Omnichannel Scenarios Are Getting More Sophisticated

Once the foundation is in place to ensure access to customer and stock data is available in real-time, it is time to consider the IT structural framework.

The Order Management System (OMS) is key to omnichannel order processing because it synchronizes the flows of products (logistics), money (payments) and documents (bills and receipts).

Starting with the company's strategy and applying it across the organization's various business units will facilitate the OMS selection process. **The list of omnichannel scenarios that the company wants to offer its customers will determine the OMS features that the information system will need to support.** These features will need to map key information across the different buyer journeys. For instance, from which channel was the initial order made (store, e commerce, social network)? Where is the customer receiving the order (store, pick-up point, home delivery, etc.) and how will the balance be paid? Finally, will the customer be able to receive a refund in store regardless of where the initial purchase was made?

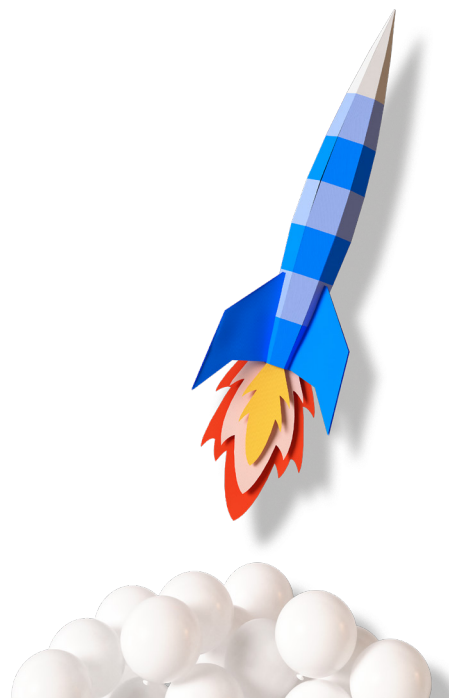
“ With increasingly complex omnichannel buying journeys, product and financial data flows can be combined in multiple ways as commerce gets more sophisticated. ”

Without proper planning, a retailer's IT architecture could easily turn into a maze. If a component is added for each new omnichannel scenario without consideration to the entire architecture, integration costs to retro-engineer frames and foundations can easily escalate.

Selecting Suitable Application Software in Sales Terminals

Lastly, looking at the 'walls' and 'roof' of your IT infrastructure and considering the front-end and back-office application software in sales terminals is vital.

Offering a frictionless customer experience and improving sales personnel productivity should be the primary drivers in selecting a suitable front-end and back-office solution. Centralizing applications to a single device to manage end-to-end omnichannel processes, so a customer only pays once, irrespective of the channel of original order (online or offline), the make-up of their cart (online purchase accompanied by one made in-store), and the delivery destination (in store, at a pick-up point, at home etc.), offers the customer the ultimate shopping experience. Ideally, mobile sales terminals should provide alerts to sales associates when customers have placed an online order for in-store pickup, to pull the items from the store stock, eliminating any potential product availability issues.



CONCLUSION...

The omnichannel buying journeys offered by retailers and brands today are becoming more complex and diversified. Transaction volumes are soaring, and robust, agile information systems are needed to support these operations. The quality of customer service and the operational effectiveness of sales team are at stake. Meet these conditions and you will be ready to build a truly unified commerce experience for your brand.

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.