

# How to Click and Connect Your Way to Omni-channel Success with an OMS

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# Introduction

Among the news stories in recent months about retail chains closing locations or retailers who were completely folding their business came the surprise that Amazon was opening its first physical store. Why would the eCommerce giant choose to open a store when, by all accounts, the traditional bricks-and-mortar shop was dead?

Was it because the internet really was a fad like so many retailers once thought?

Obviously, no.

Was it for publicity?

Surprisingly, no.

Was it because someone in the Amazon head office made a mistake and accidentally bought a piece of commercial space rather than advertising space?

Just no.

The reason Amazon opened their first physical store in 2016, when so many other retail locations closed, was because retail was undergoing a major transformation that would entirely change the rules of the game once again.

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### How the Physical Store Got Physical in 2016

No longer is there a divide between online and offline shopping. The physical store has been resuscitated and given new life with a breath of fresh air. And online shopping has dropped the “e” and is now simply part of an overall system called omni-channel commerce.

Today, the physical store has become an active, moving part of the overall inventory management and order-fulfillment cycle. The inventory held in store, when used effectively and supported by the right in-store logistics solutions, can enable improved fulfillment offerings and delivery lead times. Stores provide proximity to the consumer, coupled with a wider variety of touchpoints than are available through pure online retail.

The Gartner 2016 Chief Supply Chain Officer survey reports that 57% of retailers list sales shifting from brick-and-mortar stores to online retailers in their top three threats that will impact their business over the next three years. But if Amazon is shifting a portion of their business offline, then the threat changes completely. No longer should retailers fear the movement of sales from offline to online; rather, they should be quickly adopting the systems that will allow the shopping journey to travel from offline to online and back to offline again.

Is your business focussed on creating a seamless commerce path for your customer?

### Customer Expectations

Today's customers demand increasingly high and personalized options from retailers - not only in the traditional sense of wanting customized styles, sizes and colours, but in the channels they shop and the order fulfillment options available to them.

Modern retailers are responding to customer expectations with a variety of order fulfillment options designed to offer convenience to the customer while doing so at the lowest cost. Research shows that while consumers continue to want to make their purchases online, a significant majority still prefer to pick up those purchases in store.

A strong, reliable and customer-focussed omni-channel shopping experience is the goal for retailers today, and order delivery and fulfillment options are an integral part

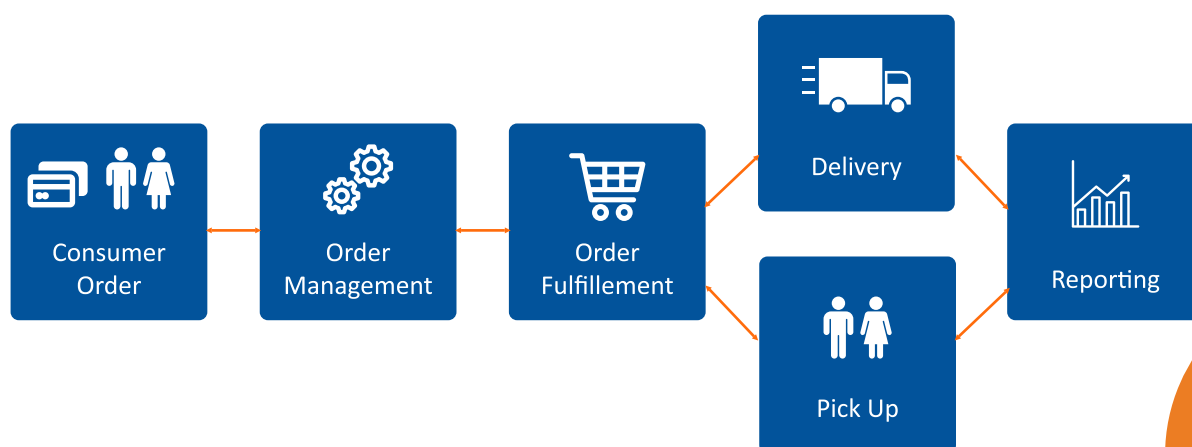
of this modern shopping journey. Leveraging existing infrastructure, customer service staff and convenient locations can work in tandem with new technology to provide the customer experience necessary. To be successful, retailers must allow customers to receive their items how they want, when they want, and where they want.

Expanded fulfillment options that are time- and cost-effective, and supported by faster order-to delivery lead times present an avenue for response. This means a growing emphasis on retail can be anticipated in the multi-channel order fulfillment process.



Impacts	Top Recommendations
The shift toward online commerce is driving many supply chain and operations leaders in retail to rethink the role of the store to improve all types of fulfillment and performance.	Use store inventory and in-store logistics systems to enable improved fulfillment options and faster order-to-delivery lead times.
Retail supply chain leaders must employ efficient in-store logistics systems and practices to ensure fulfillment from store is scalable as online sales volume grows.	Optimize the existing components of fulfillment to improve the time-and cost-effectiveness in-store logistics.
Order fulfillment from stores will require supply chain leaders to get buy-in across the organization for new technology and other changes.	Set up a cross-functional project team focused on optimizing order fulfillment from store, inclusive of a roadmap to implement in-store logistics solutions.

**Figure 1.** Impacts and Top Recommendations for Retail Supply Chain Leaders



**Figure 2.** Multichannel Retail Process From Consumer Order to Delivery and Associated Reporting



A person with dark, curly hair, wearing a blue denim shirt, is standing in a retail store. They are looking at a laptop screen on a counter. In their hands, they are holding a piece of dark green fabric, possibly a shirt or jacket. The background shows racks of various clothing items, including blue shirts and dark jackets. The scene is brightly lit, typical of a retail environment.

## Order Fulfillment Opportunities for your Business

Omni-channel commerce places the customer at the centre of all activities, but with a robust order management system in place – one that involves inventory visibility, order routing and returns management – the business itself benefits.

Forrester found that 73% of consumers provided with stock visibility claimed they were likely to visit that physical location. Further, for the December 2016 Holiday Season, ICSC found that 70% of sales took place in stores that have both a physical and online presence, emphasizing that omni-channel retail has become a mainstream consumer expectation. <International Council of Shopping Centers, ICSC, Dec2016, <http://ow.ly/ZaVi307GdNI>>

An OMS allows retailers to view all their inventory across the enterprise, in both stores and distribution centres, and be able to make all of this inventory available for sale across all channels. Having a seamless shopping experience, with full inventory availability access to both customers and in-store staff, allows retailers to combat two of the biggest roadblocks to online purchasing for most consumers: speed and cost of delivery.

With the following order-fulfillment scenarios, the customer can get the best of both the online and offline experience according to their unique preference:

**Click and collect in-store:**

**Order Placed:** The consumer purchases online.

**Order Fulfilled:** The purchase is collected at a customer service desk within the store.

**Click and collect at a store locker or drive-through:**

**Order Placed:** The consumer buys online.

**Order Fulfilled:** The purchase is collected from either a locker inside or adjacent to the store, or at a designated area in the store parking facilities.

**Click and collect remotely from the store:**

**Order Placed:** The consumer buys online.

**Order Fulfilled:** The purchase is collected from a locker box or collection point managed by a third party, such as a railway station, airport, sports centre or apartment.

**Reserve and collect in-store:**

**Order Placed:** The consumer reserves the purchase online.

**Order Fulfilled:** The purchase is paid for and collected in-store.

**Ship from store to consumer's home:**

**Order Placed:** The consumer purchases in-store but the item is not currently available at that location.

**Order Fulfilled:** The purchase is dispatched from a store (rather than a distribution centre) and delivered to the consumer.





A smiling woman with dark hair, wearing a light pink sleeveless top and a gold necklace, is holding a white tablet. She is standing in a clothing store, with racks of clothes visible in the background. An orange text box is overlaid on the top left of the image.

## Say Cheese, Click and Collect: Henry's Customer Story

With billions of mobile devices in the hands of customers across the world, and with each one of those devices having a built-in camera, photography companies have been some of the hardest hit in recent years. For one company, finding a partner that could transform their business and allow them to continue their century-old traditions with modern technology was a business-saving strategy.



“With OrderDynamics we are offering a true omni-channel experience, which provides our customers with a variety of convenient ways to shop and helps streamline our fulfillment and business operations.”

Ian Landy,  
President and CEO, Henry’s

Henry’s is a 100-year-old Canadian retailer that realizes the importance of responding to evolving customer expectations and the changing retail landscape. Since 2010, the premier independent photography retailer has been transforming their business into an omni-channel powerhouse with multiple websites, a mobile app, and a fully optimized order fulfillment system that leverages the strength of their Canada-wide 33-store network. With 70% year-over-year growth and a 30% increase in revenue for the business, Henry’s customers are benefiting from a single view of their profiles as well as a seamless shopping experience. For more on the digital transformation of Henry’s, [click here](#).



## Conclusion

To move toward a completely omni-channel experience for the customer, competitive retailers need a robust Order Management System (OMS) .

With an OMS, seamless integration between purchase and order fulfillment is possible. By leveraging the store network and offering all the delivery options today's customer expects, retailers can speed up delivery times, expand fulfillment offerings, grow sales, and ensure the widest possible product offering is available to consumers. The OMS maintains a single view of the customer, the order, and provides a real-time view of inventory throughout the entire purchase and order cycle.

Retail competitors are not going to stand still waiting for your business to catch up. Modern Order Management Systems make omni-channel retail work. Now that omni-channel retail is mainstream, you need to put your best foot forward. Unlock the power of your store network with an Order Management System that can propel your business forward.





OrderDynamics is the world's leading SaaS Order Management Systems provider. Focused on powering retail fulfillment, OrderDynamics helps clients in omni-channel retail markets. Our OMS systems give clients capabilities like order orchestration, enterprise-wide inventory visibility, returns management, customer service, and store driven fulfillment. OrderDynamics enables customer options like click and collect, and ship-from-store, creating exceptional shopping experiences. Iconic brands including Speedo, Quiksilver, J.McLaughlin, JYSK, Princess Auto, Bouclair Home, and now DeFacto, use OrderDynamics technology across North America, Europe and Asia.

## References

<sup>1</sup> Results presented are based on the Gartner 2016 Chief Supply Chain Officer study conducted to discover the business priorities of supply chain leaders, and what drives their supply chain strategies, improvement goals, effective practices and organizational design. The research was conducted using a mixed methodology of online and CATI in November and December 2015. The 261 respondents were from: North America (48%), Western Europe (28%) and Asia/Pacific (24%).

Respondents were from organizations with revenue of \$500 million to \$1 billion (11%) and \$1 billion and up (79%). The study covered seven industries, including: industrial manufacturing; high-tech manufacturing; chemical manufacturing; life sciences; healthcare provider; retail; and consumer products. Respondents were required to have direct leadership in two or more supply chain functional areas. Results in this note focus on the retail respondents.

## OrderDynamics Corporation

Visit [www.OrderDynamics.com](http://www.OrderDynamics.com) for more information about Order Management Systems and how we can help optimize your Omni-Channel Retail Business

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