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OMNI
CHANNEL

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DIGITAL GUIDE

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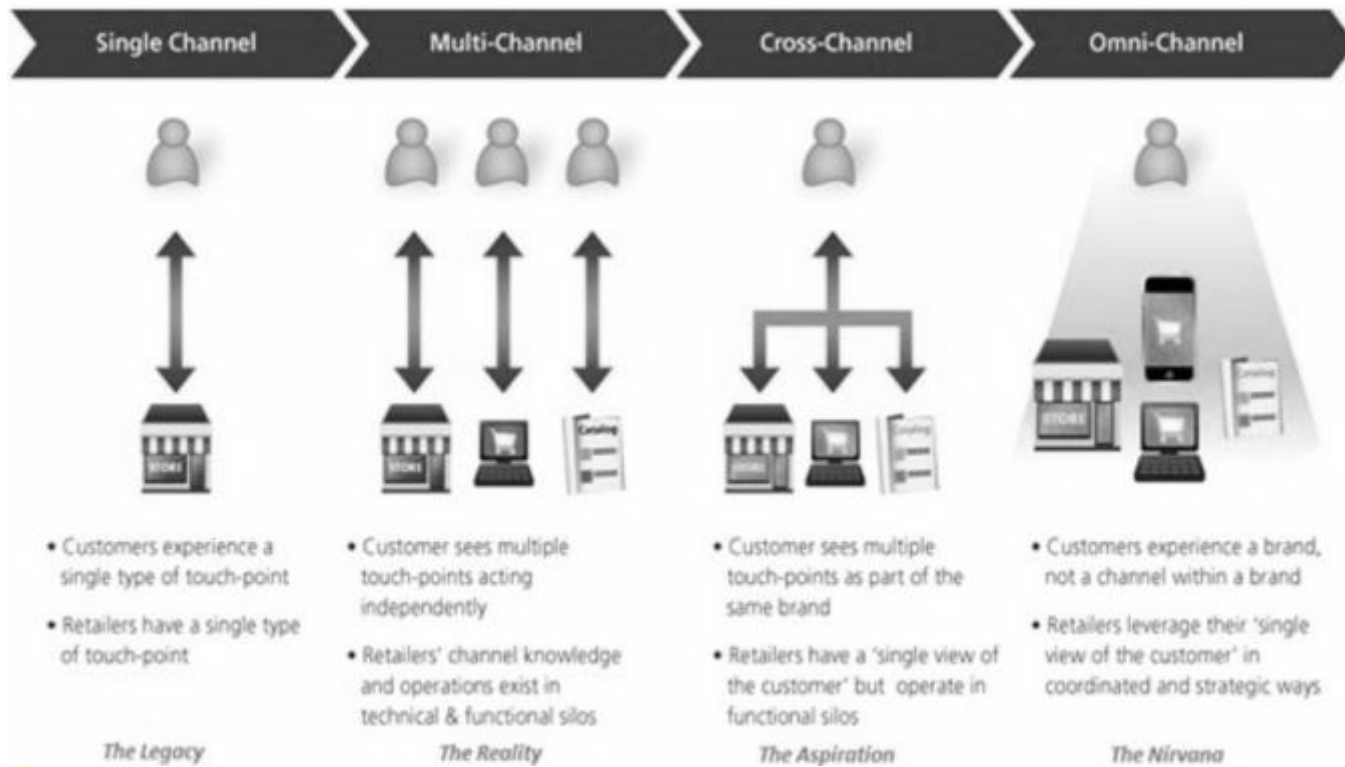powered by COHN

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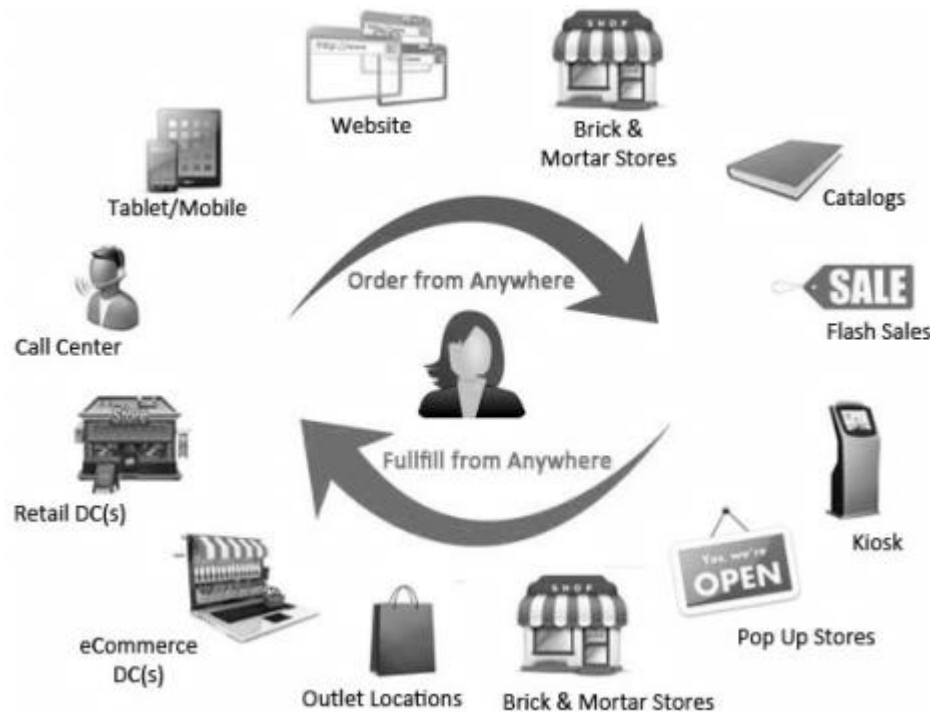
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#RECon15

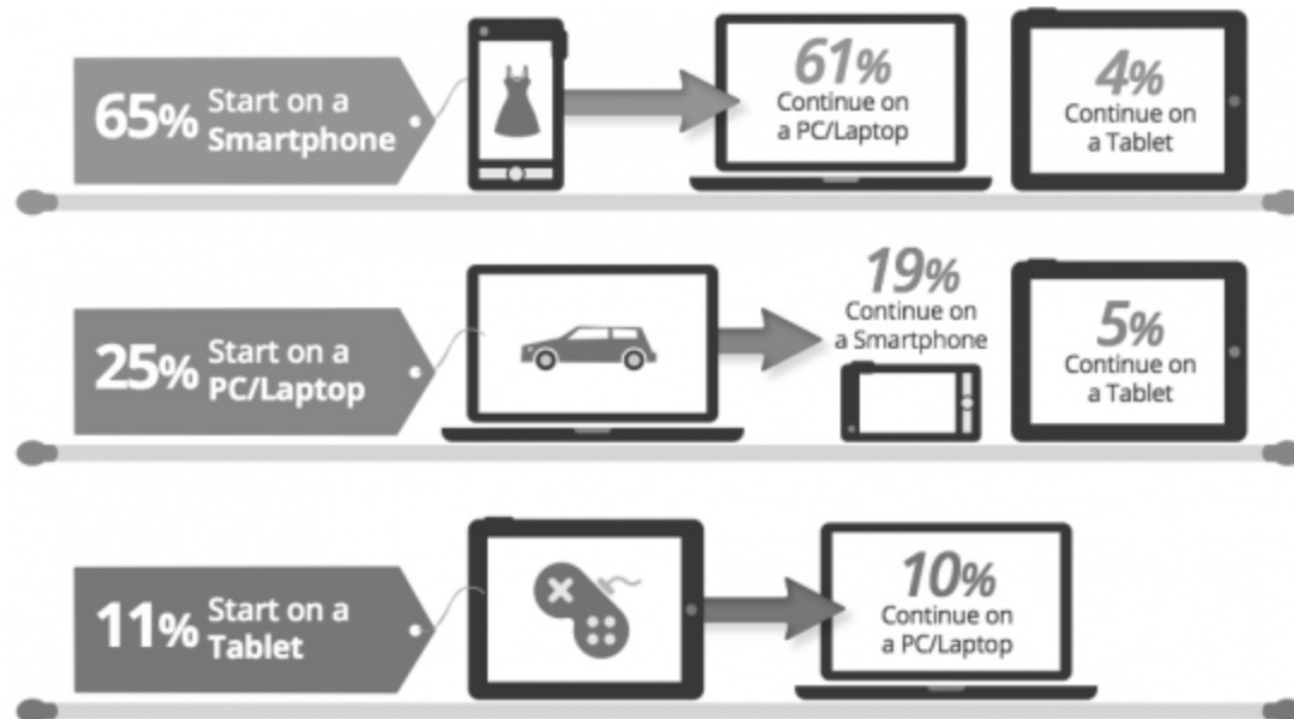# FROM MULTI TO CROSS TO OMNI

SOURCE: NRF, "Mobile Retail Initiative"

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OMNI AT IT'S CORE IS ALL ABOUT ORDER & FULLFILL FROM ANYWHERE

MULTI PATH TO PURCHASE IS THE NORM

65% **Start on a Smartphone** → 61% Continue on a PC/Laptop → 4% Continue on a Tablet

25% **Start on a PC/Laptop** → 19% Continue on a Smartphone → 5% Continue on a Tablet

11% **Start on a Tablet** → 10% Continue on a PC/Laptop

SOURCE: Telco 2.0 Research

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IF YOU OFFER IT, IT WILL BE USED

73%

% of consumers more likely to visit a store if they can see the in-store inventory online

75%

% of consumers who expect online ordering with in-store pickup or vice versa

24%

% of consumers who will use a self-service device, such as kiosk, in the store

59%

% of consumers who will use their own mobile devices for self-service in the store

83%

% of consumers who will choose a digital option over asking a clerk for assistance

SOURCE: iQmetrix

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KEY PARTS OF A RETAILER OMNI STRATEGY

	Very Important	Some importance	Little to no importance
Consistent customer experience across all channels	84%	16%	0%
Inventory visibility across all channels	80%	16%	4%
Fulfillment	75%	19%	5%
Customer order visibility across all channels	73%	21%	6%
Digital marketing (ecommerce, mobile, social media)	64%	36%	0%
Pricing strategies	53%	43%	4%
Loyalty management	52%	41%	7%
Store operations	50%	47%	3%
Customer segmentation	46%	44%	10%
Demand forecasting	44%	49%	7%
Procurement/assortment	42%	55%	3%
Customer call center	33%	48%	19%
Traditional advertising	13%	54%	33%

SOURCE: RSR, Omni-Channel; The Long Road To Adoption

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KEY ENABLERS OF OMNI-COMMERCE

INVENTORY VISIBILITY

WEB-READY PRODUCTS

PREDICTIVE CUSTOMER ANALYTICS

FULFILLMENT STRATEGY

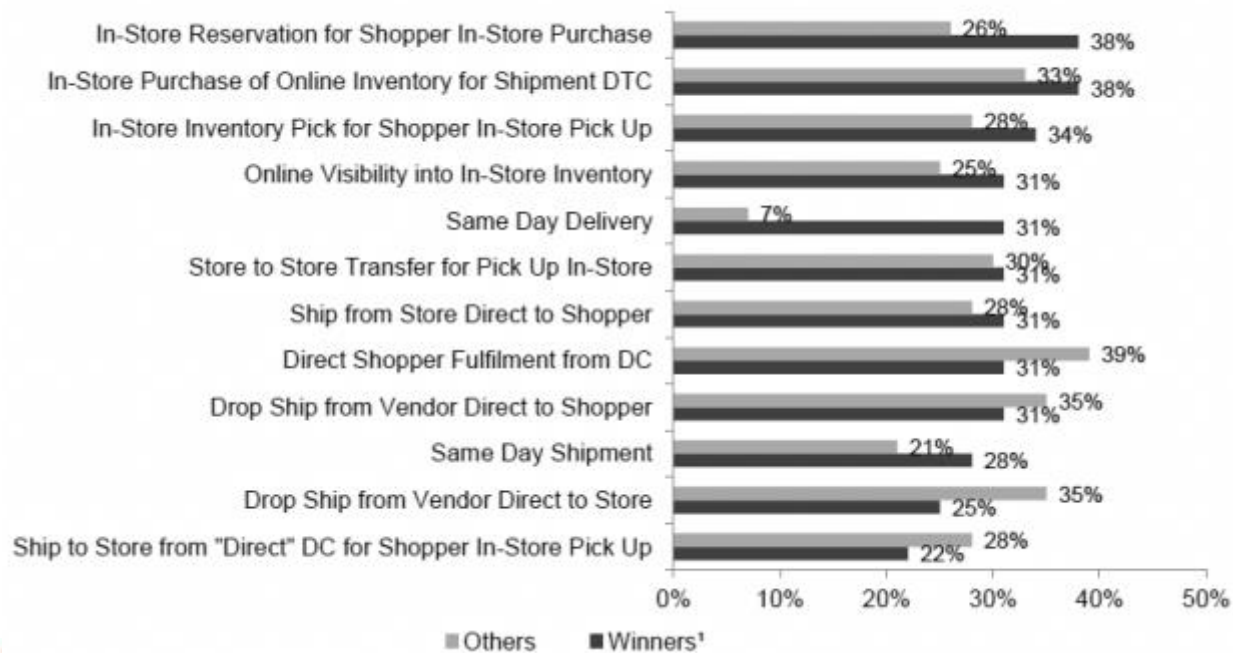SOURCE: Capgemini Consulting

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ENABLEMENT OF OMNI CHANNEL

EXHIBIT 2

WHAT OMNICHANNEL CAPABILITIES DO RESPONDENTS SUPPORT?

Omnichannel capabilities currently supported	Percentage
Return to store, even when goods are ordered online	73%
Order at store, fulfill from warehouse	69%
Order online and pick up in stores	53%
Pick orders at store for home delivery	43%
Order at store, fulfill from another store	36%
Parcel return, even when goods were bought in a store	36%
Order online and pick up at a location other than your stores	14%

SOURCE: ARC Advisory Group and DC Velocity

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FULLFILLMENT CHANNELS ARE MULTIPLYING AS RETAILERS CATCH ON

A Significant Amount of Retailers have Implemented Customer Order Fulfilment Processes

Process	Others	Winners¹
In-Store Reservation for Shopper In-Store Purchase	26%	38%
In-Store Purchase of Online Inventory for Shipment DTC	33%	38%
In-Store Inventory Pick for Shopper In-Store Pick Up	28%	34%
Online Visibility into In-Store Inventory	25%	31%
Same Day Delivery	7%	31%
Store to Store Transfer for Pick Up In-Store	30%	31%
Ship from Store Direct to Shopper	28%	31%
Direct Shopper Fulfilment from DC	39%	31%
Drop Ship from Vendor Direct to Shopper	31%	35%
Same Day Shipment	21%	28%
Drop Ship from Vendor Direct to Store	35%	25%
Ship to Store from "Direct" DC for Shopper In-Store Pick Up	28%	22%

■ Others   ■ Winners¹

SOURCE: Retail Systems Research, Retail Supply Chain Strategy: The Next Big Thing

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WHY CARE? OMNI = $

The Impact of Omni-Channel

93%+
DIRECT / ONLINE

Omni-channel customers spend 93% more than customers who shop direct / online.

208%+
IN STORE ONLY

Omni-channel customers spend 208% more than customers that shop in store only.

SOURCE: Deloitte

MORE CHANNELS = MORE SPEND

-0-
Baseline single channel consumer spend

+15 to 30%
Average increase in spend by multi-channel shoppers

+15 to 30%
Additional increase in spend by omni-channel shoppers

SOURCE: IDC Retail Insights, Satisfying the Omni-channel Consumers Whenever and Wherever They Shop

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OMNI DRIVES MANY KPI'S UP

EXHIBIT 1

WHY DO RETAILERS ENGAGE IN OMNICHANNEL COMMERCE?

Reasons for practicing omnichannel	Percentage
Increase sales	78%
Increase market share	73%
Improve customer loyalty	70%
Increase margins	38%
Decrease markdowns	32%
Preserve market share	32%
Improve ability to rebalance inventory	30%
Learn more about our customers	25%
Decrease capital expenditures in building new e-fulfillment warehouses	20%

Note: Participants were allowed to select multiple responses.

SOURCE: ARC Advisory Group and DC Velocity

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OMNI CHANNEL SHOPPER ARE BEST

■ 2013 ■ 2012

Significantly More Profitable Than Single Channel Customers	47% / 38%
Slightly More Profitable Than Single Channel Customers	29% / 28%
Equally Profitable	3% / 7%
Less Profitable Than Single Channel Customers	3% / 10%
Don't Know/Can't Tell	18% / 17%
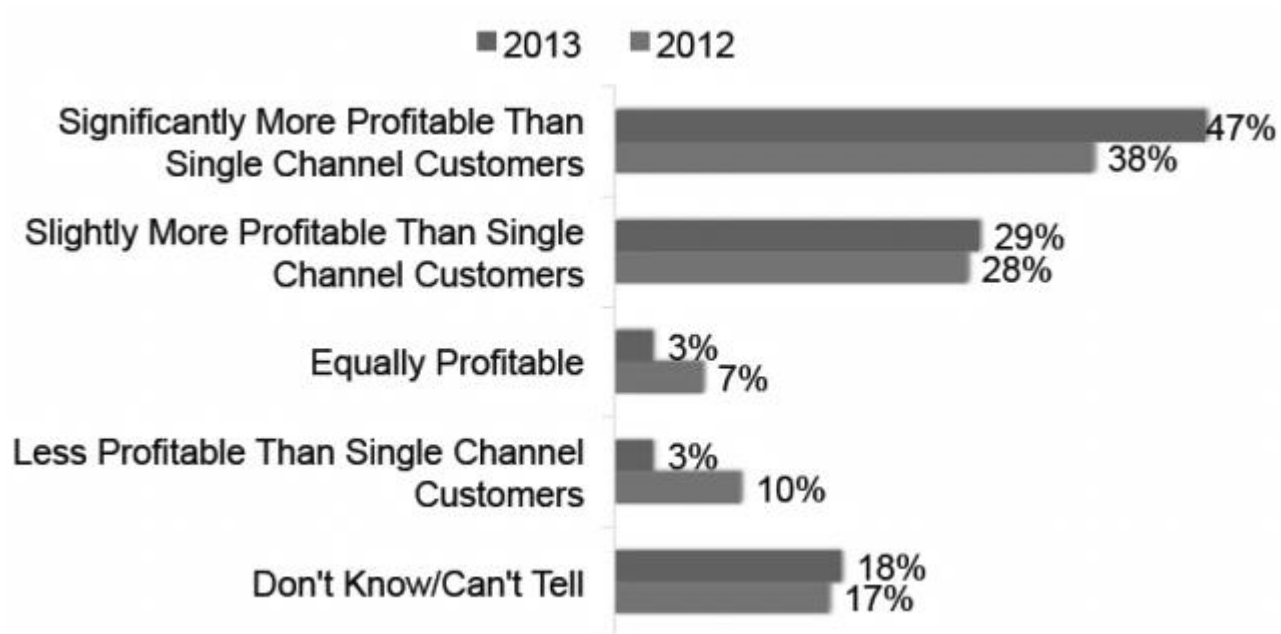
SOURCE: RSR Research

IT'S TRUE IN THE EU AS WELL

Percentage of respondents saying how much more multi-channel customers spend than single channel customers.
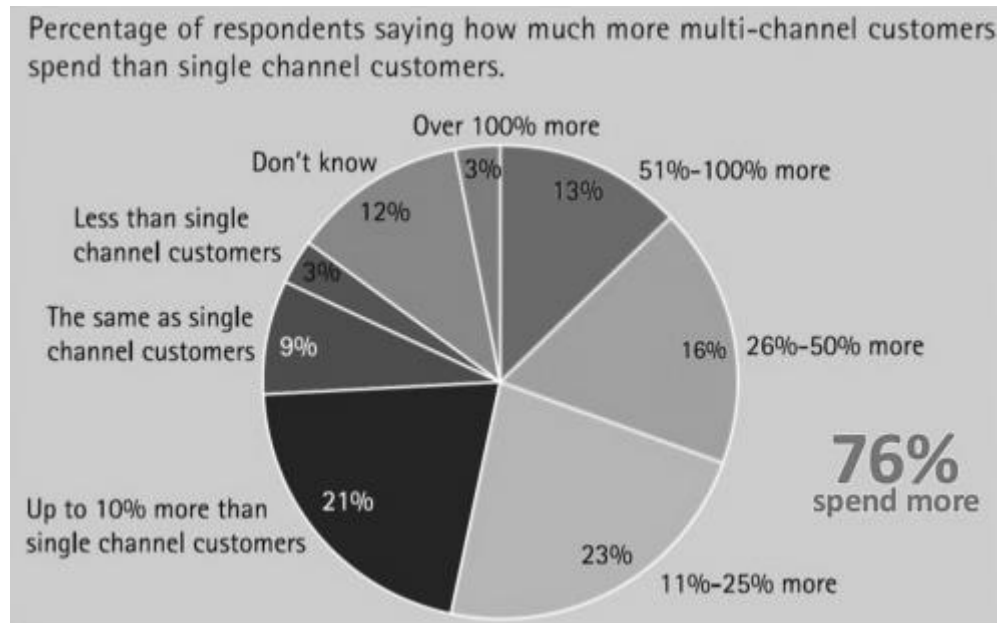
SOURCE: Accenture European eCommerce Survey

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STORES STILL ARE KING IN OMNI SHOPPING

While consumers engage across channels, they're still heavily influenced by traditional retail

95% of consumers are using multiple channels to "shop" [1]
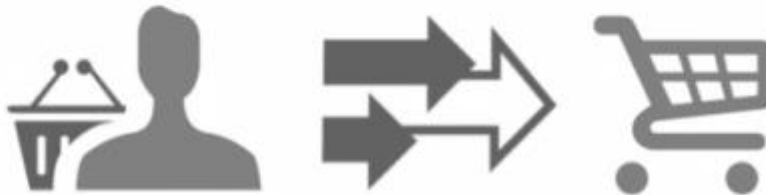
93.5% of total retail sales come from brick-and-mortar [2]

66% of customers purchasing online use a physical store before, or after, the transaction.

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WHICH IS DRIVING THE E2B REVOLUTION (eCOMMERCE – TO – BRICK)

WARBY PARKER

BONOBOS

BIRCHBOX

STORES ARE TRYING TO KEEP UP

The past: Store 1.0	The recent past: Store 1.5 e-commerce	The present: Store 2.0 multi-channel	The future: Store 3.0™ omni-channel
Customers will come to us	We need to sell online	Many customers shop across channels	Relevant products and services anywhere

SOURCE: Deloitte, Store 3.0

AND NEED TO EVOLVE EVEN MORE
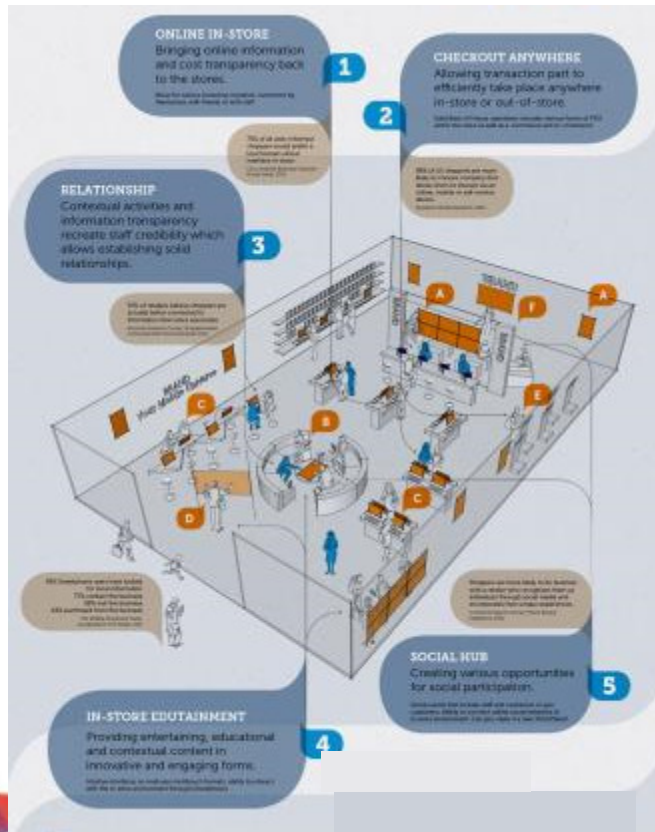
SOURCE: iQmetrix, Designing The Next Generation Retail Places

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BUT STORES AREN'T KEEPING UP

Omni-Channel Ideal vs. Retailer Realities

Nearly three-quarters of customers regard in-store stock level information as critical for their purchase decision. 71%

But only about a third of retailers offer in-store stock-level information today. 32%

Half want to collect orders in store. 50%

But less than half of retailers offer in-store pickup. 36%

Many expect orders to be ready for pickup within 1 hour. 41%

Only slightly more than half of retailers fulfill that expectation. 55%

ITEM PICKUP

39% of consumers say that they are unlikely or very unlikely to visit a retailer's store if its website does not provide physical store inventory information.

But 40% of retailers reported that they are having difficulty integrating back-office technology across all of their channels.

INVENTORY

Nearly half of companies already have a dedicated omni-channel team.

But nearly all reported barriers to successful execution. 94%

SOURCE: Customer Desires vs. Retailer Capabilities: Minding the Omni-Channel
Commerce Gap – Forrester Research on behalf of Accenture & hybris software

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MIX & MATCH SHIPPING OPTIONS

E-COMMERCE/MOBILE DISTRIBUTION CENTER

RETAIL DISTRIBUTION CENTER

SHIP FROM STORE
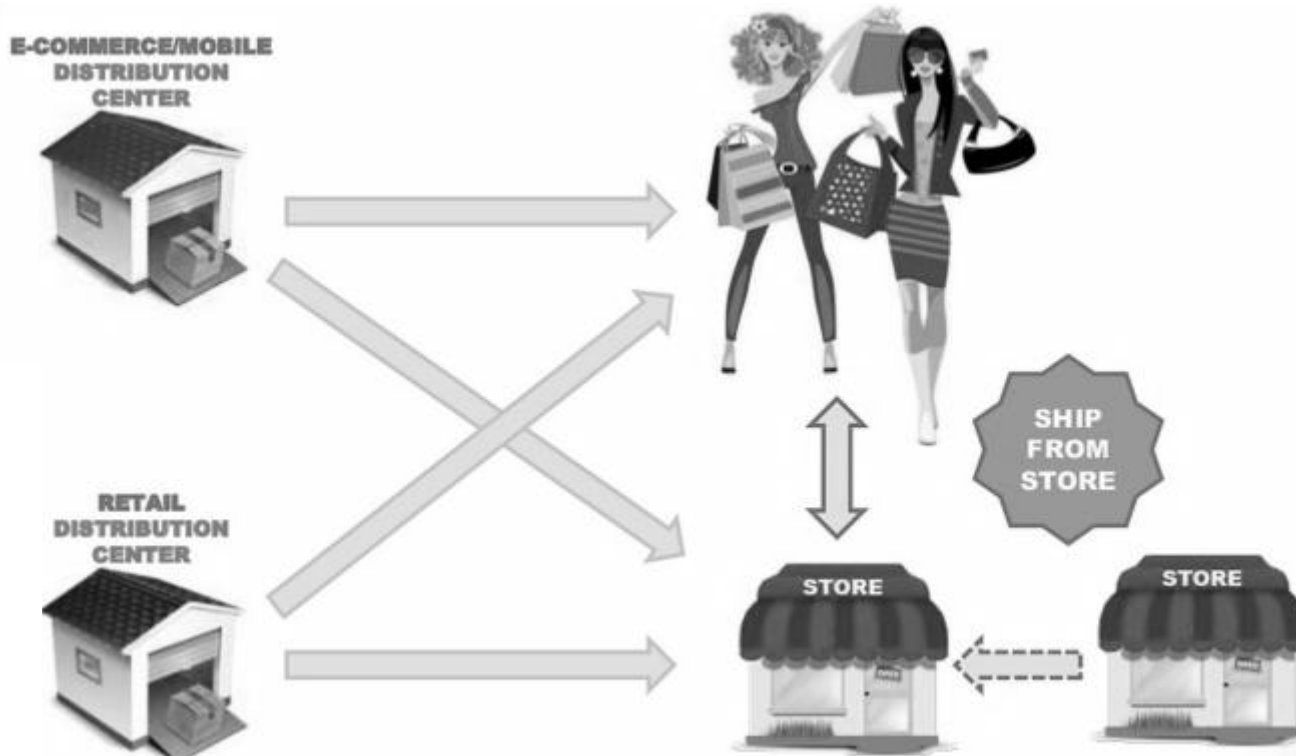
STORE

STORE

KEY FULLFILLMENT TRENDS

Inventory Look In-Store   Ship From Store   Pickup In Store   Vendor Drop Ship

OMNI
EXAMPLES

AT HOME OR IN-STORE REGISTERY: ex. CRATE & BARREL
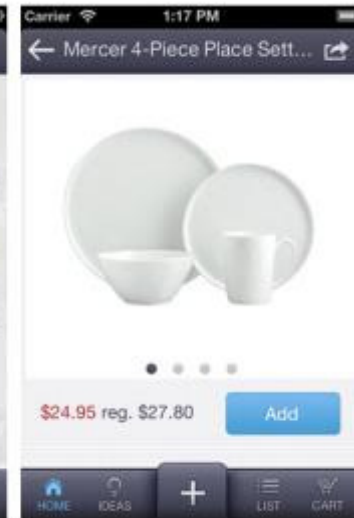
VIRTUAL REGISTRIES: ex. JIFITI

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ONLINE-TO-OFFLINE INV: ex. OASIS

IN-STORE KIOSKS: ex. Sephora

IN-STORE PERSONALIZATION: ex. SELFRIDGES

IN-STORE PERSONALIZATION: ex. NEW BALANCE

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IN-STORE ASSOCAITE APPS: ex. TULIP RETAIL

Empower Your Store Associates in an Omnichannel World

Tulip's **Product**, **Customer**, **Knowledge Library**, and **Mobile POS** modules give your store associates informed and consistent omnichannel access from anywhere in the store.
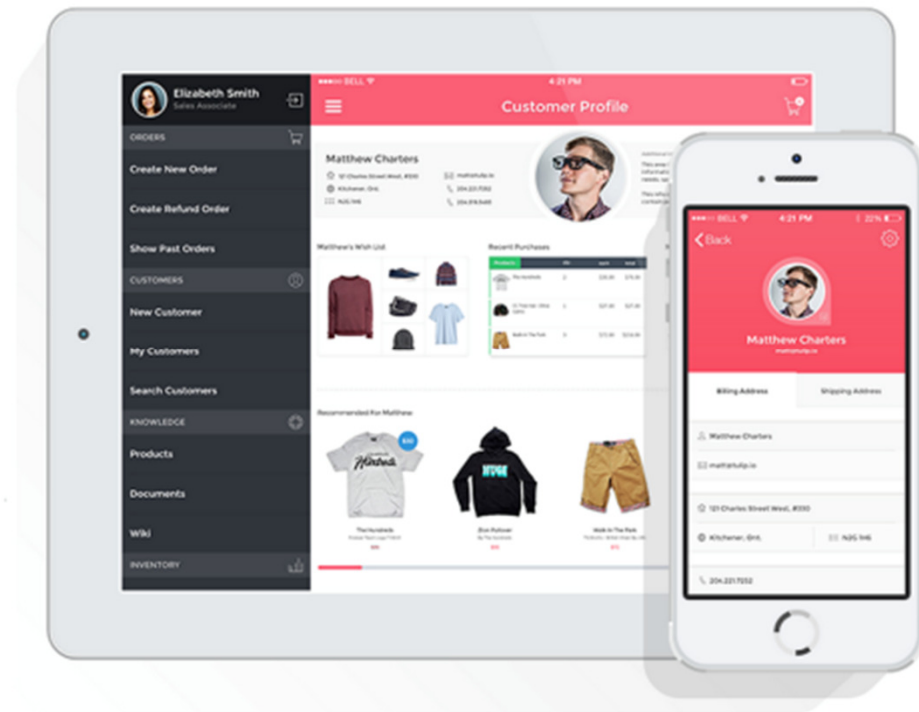
©2015

SHOPABLE STORE FRONTS: ex. KATE SPADE SATURDAY

RFID + INTERACTIVE SCREENS: ex. BURBERRY - 121 REGENT ST.
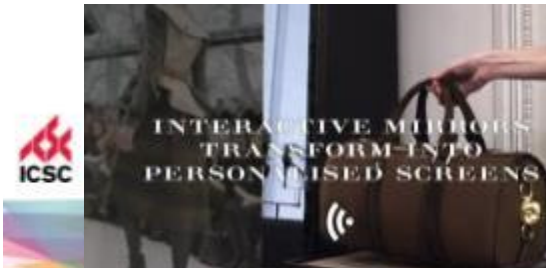
SMART MIRRIOR: ex. ALEXENDER MCQUEEN
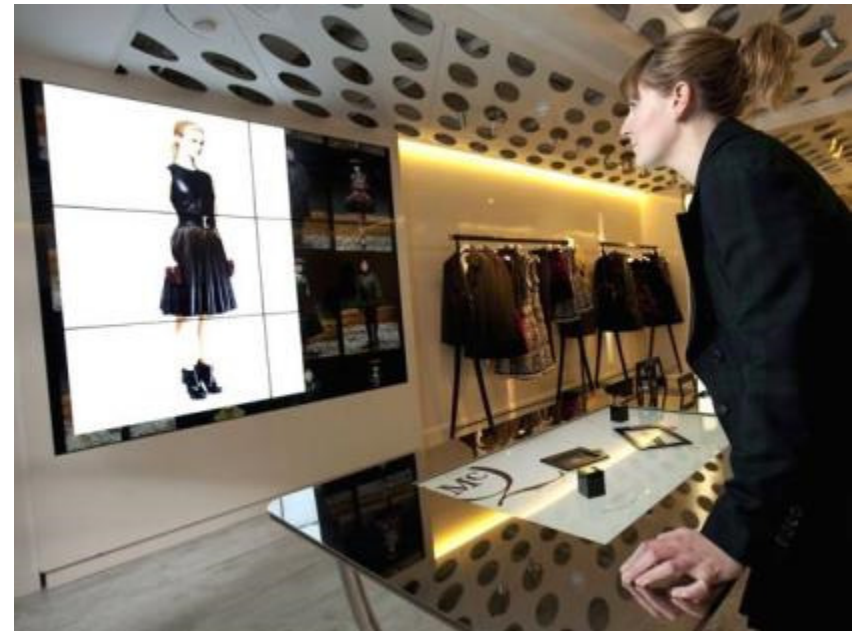
MOBILE APP AR – ex. TIFFANY & CO.

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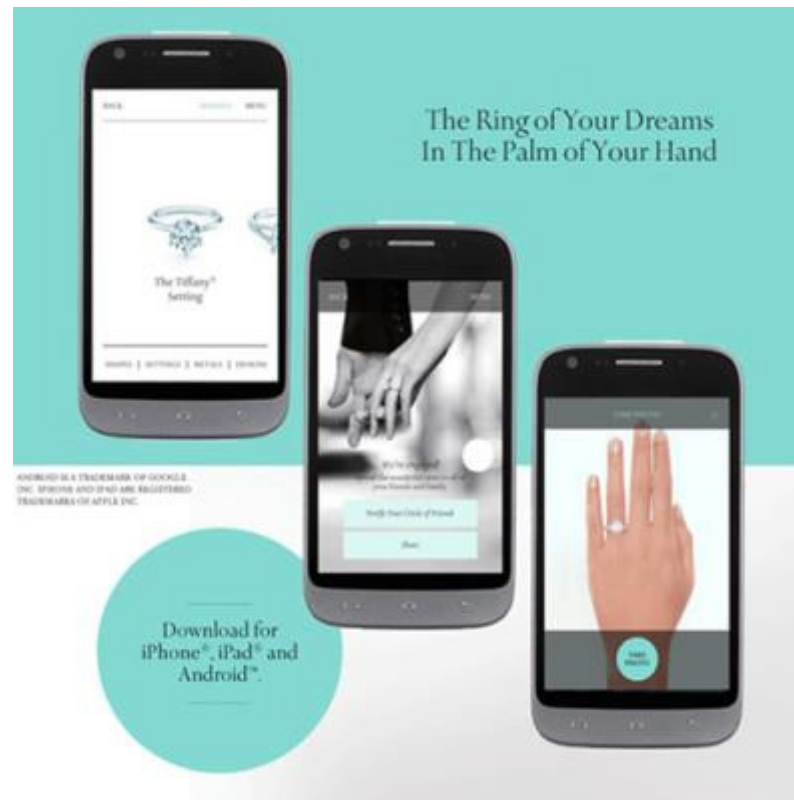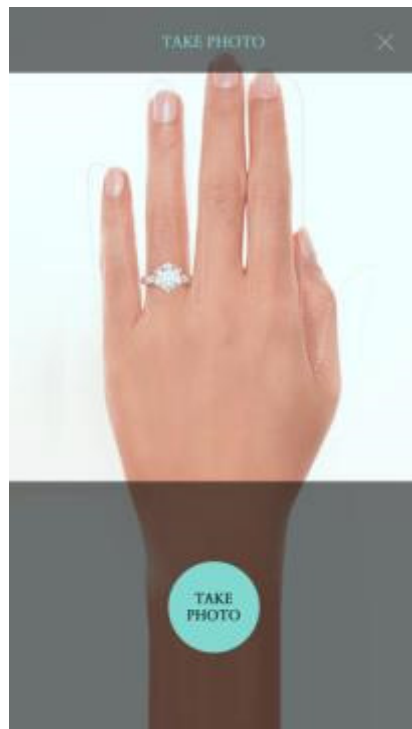
IN-STORE ENDLESS AISLE – ex. SAXX
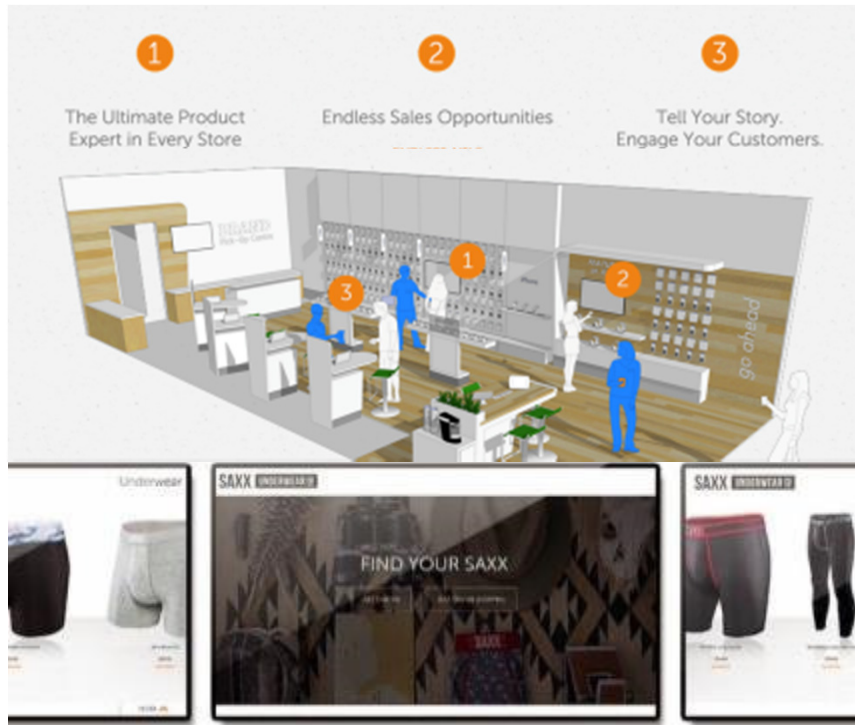
IN-STORE AR – ex. TOPSHOP

BOGO: ex 1. CURBSIDE
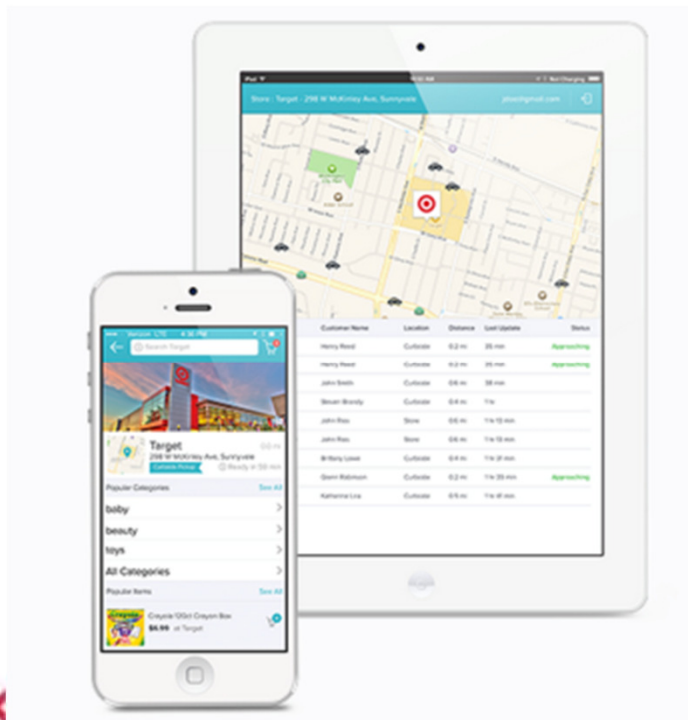
How it works.

The Curbside app allows you to find and buy products available at nearby stores such as Target.
When your order is ready to pick up, we notify you.

Find and buy products	In-store pickup	Curbside pickup
products that are available for pickup today from local stores.	Your order will be waiting for you. Just head inside to the designated area.	At stores where Curbside Pickup is available, you don't even need to park - we hand your order to you as you pull up.

BOGO: ex 2. COLLECT+

SAME DAY DELIVERY: ex. DELIV

SINGLE POINT OF COLLECT, SHIP & RETURN – ex.DOODLE

How it works for the shopper

Collection

| Receive E-mail Notification | → Take Mobile with Barcode to Store | → Scan Barcode in Store | → Activate Pick-Up | → Status Appears on Screen | → Go to Counter | → Collect Parcel |

Returns

| Go to Website | → Take Parcel to Store | → Staff can Pack Item | → Complete Transaction | → Generate Barcode | → Weigh | → Scan Parcel |
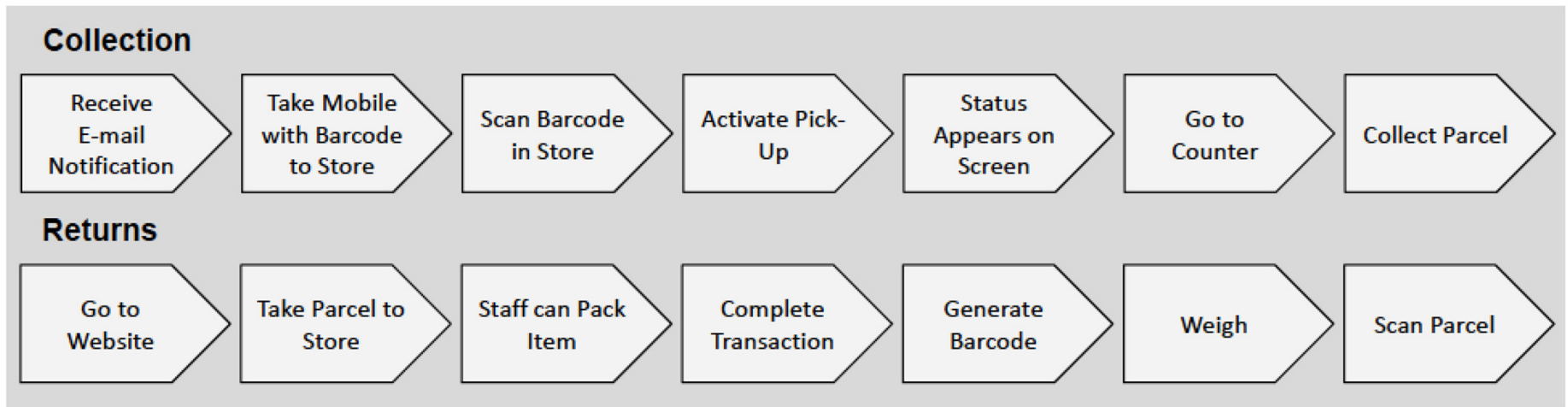
IN-STORE DRESSING ROOM DELIVERY – ex. HOINTER

CHECK IN-STORE INVENTORY FROM THE STORE: ex. 1 BLOOMINGDALES

INTERACTIVE FITTING ROOMS: ex. REBECCA MINKOFF

RESERVE FROM HOME: ex. BANANA REPUBLIC & GAP
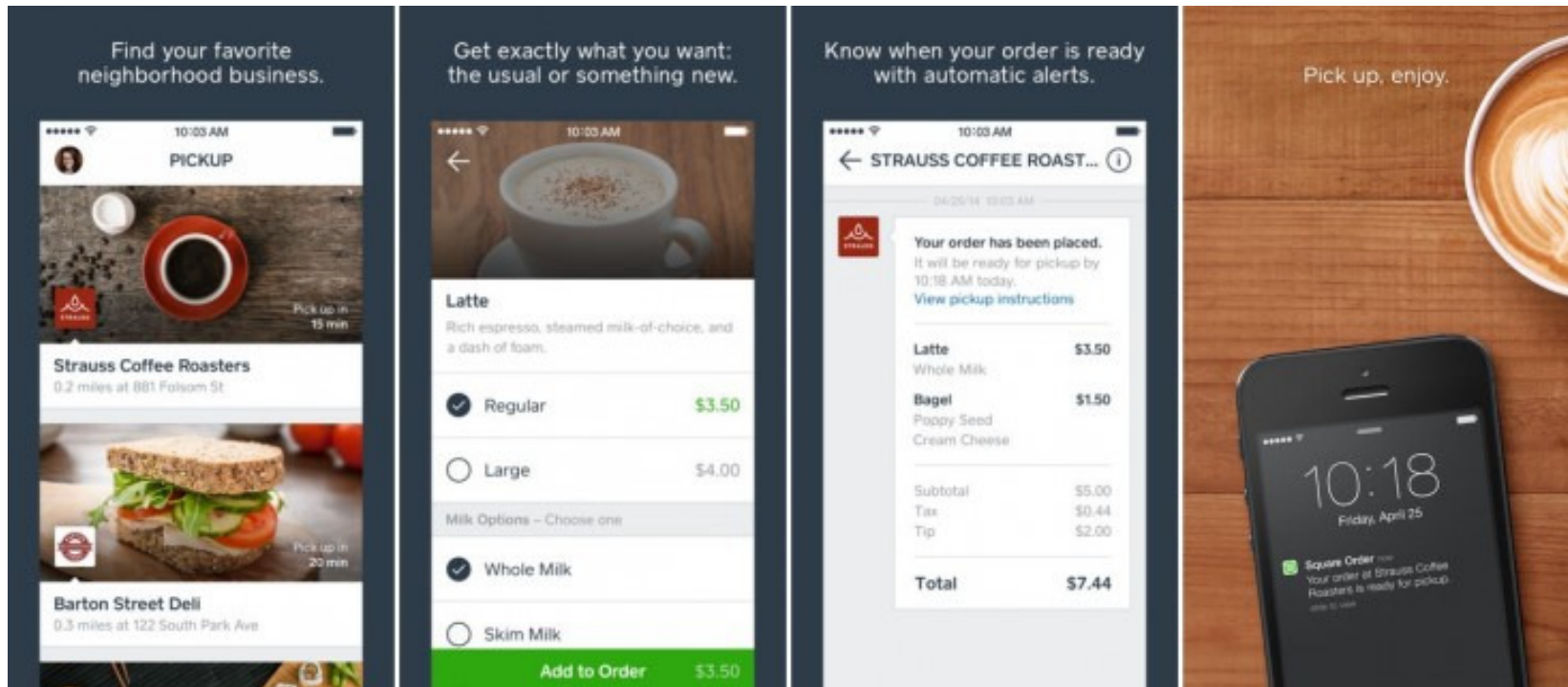
ORDER FROM HOME: ex. TARGET
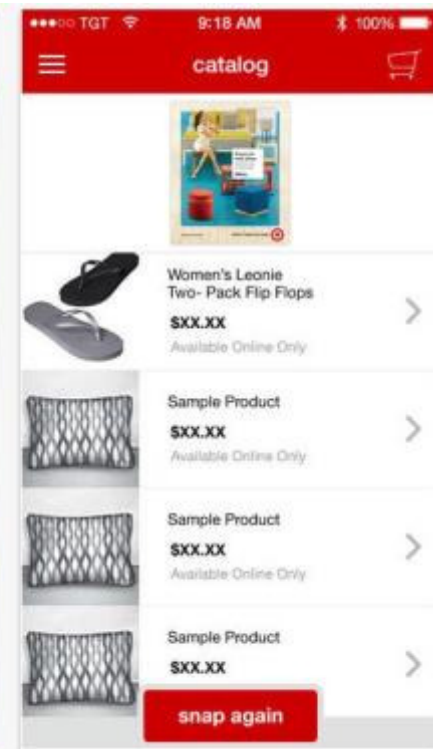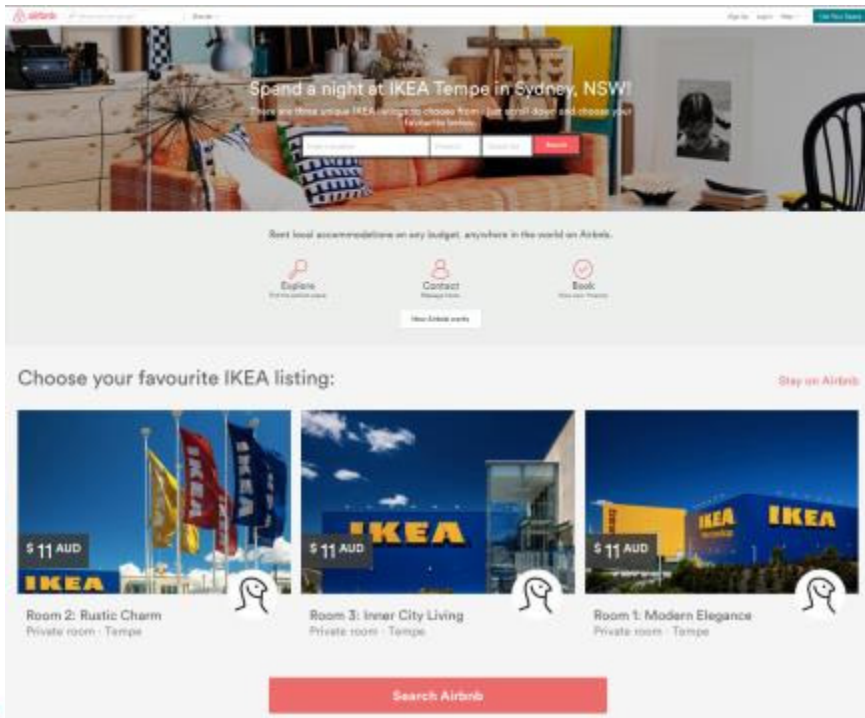
ORDER AHEAD: ex. SQUARE

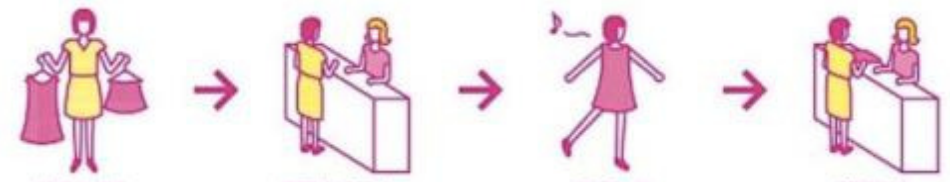# INSTORE + ONLINE POS: ex. SHOPIFY

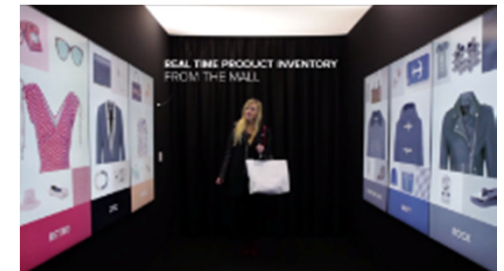# IN-STORE EXPERIENCE: ex. URBAN OUTFITTERS

IN-STORE EXPERIENCE: ex. IKEA

IN-STORE TRIAL: ex. GU JAPAN

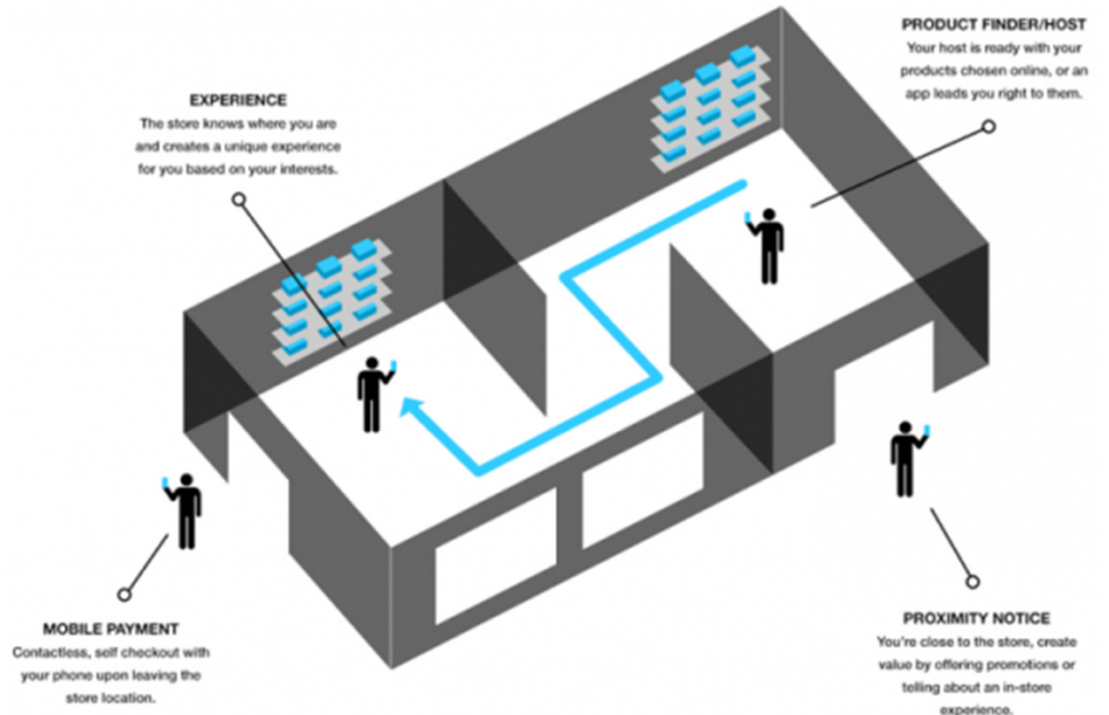# IN-MALL STORE INVENTORY SEARCH:
ex. DigitasLBi

STORE TO PHONE: ex. HOUSE OF FRAISER

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IN-STORE MESSAGING: ex. SWIRL

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COMMENTS?**

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3. Select this course:
   Omni-Channel Presence and Personalization