Fit■■forCommerce™

The Brains Behind Omnichannel Retailing: Uncovering the Real Omnichannel Operational Challenges and Keys to Success

FitForCommerce Whitepaper Series

The concept of the always-connected consumer is quickly becoming a reality and retailers are rushing to find ways to meet the ever increasing demands of today's shopper. FitForCommerce set out to uncover the real challenges of omnichannel retailing from the retailer's perspective—to better understand which areas of omnichannel strategy and execution retailers consider most important and what concerns them most. This paper details the key findings and provides recommendations for building the infrastructure and operations for successful omnichannel retailing.

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Introduction

Today's shopper has high expectations - she wants to be able to choose how, when and where to get product information, make a purchase and how her order should be fulfilled.

Omnichannel is all the buzz these days. The concept of the always-connected consumer is quickly becoming a reality and retailers are rushing to find ways to meet the ever increasing demands of today's shopper. Consumers expect a seamless, consistent and branded experience across all channels, which presents new complexities to managing all touch points. Customer orders, inventory levels, product information and fulfillment data need to be shared across all channels to create a true omnichannel retail experience.

Retailers are quickly realizing that their ability to adapt to this new retailing paradigm is crucial However, this shift to omnichannel retailing comes a with whole new assortment of technical and operational challenges, adjustments and investments that need to be made in order to deliver a seamless customer experience.

At FitForCommerce we typically find that the majority of retailers focus most efforts and resources on the front-end experience. However, it is becoming more and more evident that the bulk of the most critical work in an omnichannel environment is being done "behind the scenes." The order management system is one of those behind the scene systems. It is the brain that orchestrates and facilitates transparency and seamless transition between channels. If the retailer's systems and processes are not equipped to facilitate these omnichannel processes, it can result in a less than ideal customer experience with detrimental impact on sales and long-term customer loyalty.

Uncovering the Challenges of Omnichannel Retailing

FitForCommerce set out to find structured insights on the real challenges of omnichannel retailing from the retailer's perspective. With the "FitForCommerce Omnichannel Operations Survey," we conducted a series of quantitative interviews and surveyed 70 retail executives involved in omnichannel operations.

This paper lays out the operational aspects of omnichannel retailing and the role of the order management system in enabling a smooth customer experience across all channels. What are the requirements of today's order management system and what should retailers consider from both a technology and operational perspective?

From Single Channel to Omnichannel

What Does Omnichannel Really Mean?

It was not that long ago that retail was synonymous with brick-and-mortar. Then came direct-to-consumer catalog sales and call centers, online retail, followed by mobile and social and even in-store digital initiatives. These new sales and marketing channels have added additional layers of customer interaction and purchasing options, but have also created operational complexities. What was once a single channel has become omnichannel and retailers have been forced to deploy strategies with deeper integration between customer touch points.

"No matter when or how a customer is in contact with our brand, she should be **treated the same way***. She is not a web customer or a retail customer. She is a Steve Madden customer."*

Mark Friedman
President of Ecommerce
Steve Madden

> **The Omnichannel Consumer**
>
> As consumers become increasingly savvy in their use of technology and the various shopping options available to them, they also exert more control over how, when and where they shop.
>
> Omnichannel shoppers expect to be able to interact with retailers seamlessly anytime, anywhere, and in any way they desire. Because omnichannel consumers do not distinguish between retail channels, but instead view the retail brand in its entirety, they expect to find consistent product selection, pricing, promotions and payment methods, and they expect the ability to switch between channels at any time in the shopping process, hassle-free.

While the line between multichannel and omnichannel retail can seem blurry, there is a key distinction that separates the two. The multichannel retailer operates in more than one channel, for instance brick-and-mortar and online. While key components such as pricing and brand messaging may be coordinated across channels, it is not unusual, especially in larger companies, that each channel is managed as its own business unit.

In a true omnichannel retail environment, the concept of managing each channel as a distinct business is removed. Instead the retailer strategically and operationally coordinates all key components to deliver a seamless and consistent customer experience no matter which retail channel the consumer is interacting with, and regardless of the purchasing stage. This coordination generally includes cross-channel marketing to drive customer traffic and sales to the most opportunistic destination, enterprise fulfillment and customer relationship-building tools.

It's a Brave New Retail World

FitForCommerce was founded on the notion that a high percentage of retailers were struggling with launching or optimizing their online channel. One of the biggest challenges retailers were experiencing, was selecting the right ecommerce systems to best leverage their online channel. Ecommerce platform selection remains a significant challenge to most retailers; however, today the priority is not only to address the ecommerce channel alone, but also how to efficiently execute an omnichannel strategy, while yielding the highest return on investment.

It is our experience that successful omnichannel retailing is not just about adding new channels. True omnichannel retailing requires an organizational disruption of internal silos and technical alignment.

Breaking Down Barriers

From an operational perspective, omnichannel retailing means breaking down the barriers and offering functionalities that reach across channels, including order capture, fulfillment, sharing of inventory and using customer data from all channels to market to and serve the customer.

At FitForCommerce, we strongly recommend that retailers take a step back and look at their entire organization in a more cohesive and holistic manner and tear down the walls between channels. Retailers must evaluate the relationship they have with their customers in terms of cycles of engagement and strive for a customer experience that is seamless, regardless of which channel the customer is interacting with at any one point in time. Key areas of focus should include the merchandise offering, marketing messaging, fulfillment and returns between channels, and access to full order history for customer service.

The Challenges of Omnichannel Retailing
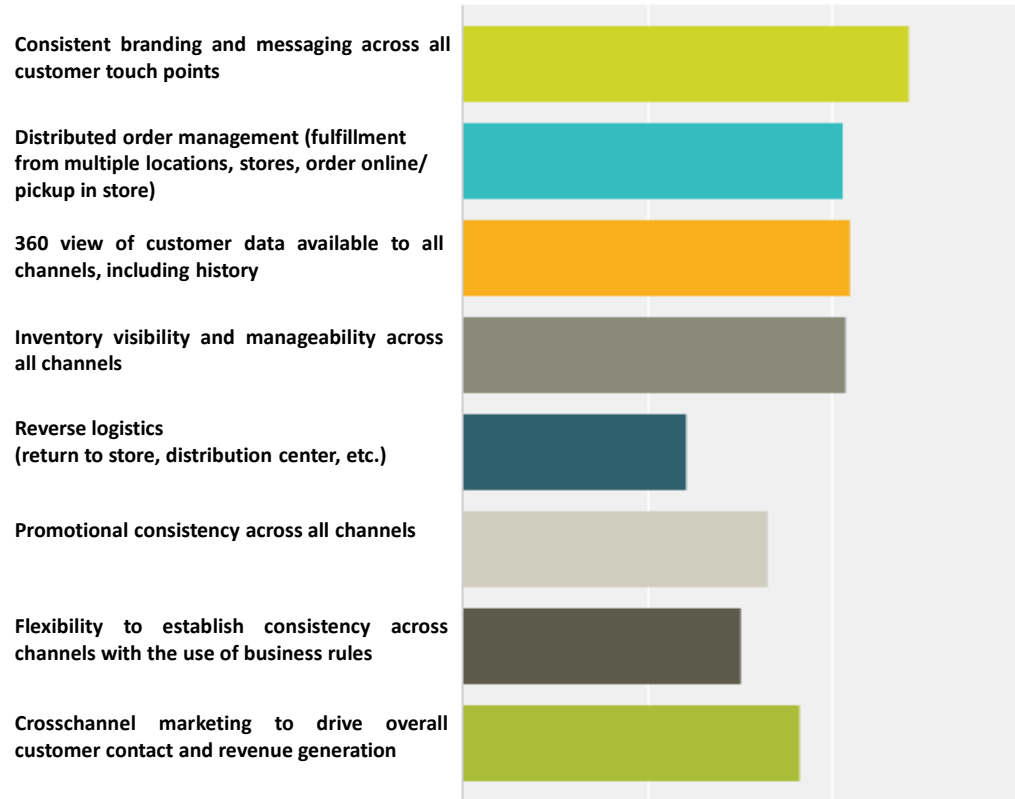
A Holistic Approach to Omnichannel Consistency

Since branding and messaging is the first layer of interaction with a retail brand, many retailers view this as the most important area to focus on first. Via branding and messaging, retailers promise that the shopping experience will be consistent across all channels. However, since the overall consumer shopping experience comprises a series of factors, if the actual process is indeed not consistent at all touch points, the retailer will fall short in delivering on the perceived brand promise.

While the perceived brand experience can be simulated across channels, true consistency is really tested on the backend. Consistency means, for example, having the same product selection and information, being able to purchase via one channel and

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80%

*of FitForCommerce clients in retail and brand manufacturing **sell via two or more channels.***

"Customers do not think about retail channels as long they get what they are looking for and the service quality meets their expectations. Likewise, they do not care if an order is shipped from a distribution center or a retail location as long as the process is seamless and delivery is timely. They do, however, care about having options such as the ability to buy online and pick up in stores."

Milton Pappas
President of Ecommerce
The Jones Group

return a product via another, being offered the same pricing and promotions no matter what channel they are shopping and much more.

That is no small task, and it is, therefore, not surprising that the majority of retailers surveyed ranked delivering a consistent customer experience across all channels as one the most challenging aspects of omnichannel retailing.

Areas of Focus for Omnichannel Retailing Ranked by Importance

Category	
Consistent branding and messaging across all customer touch points	
Distributed order management (fulfillment from multiple locations, stores, order online/ pickup in store)	
360 view of customer data available to all channels, including history	
Inventory visibility and manageability across all channels	
Reverse logistics (return to store, distribution center, etc.)	
Promotional consistency across all channels	
Flexibility to establish consistency across channels with the use of business rules	
Crosschannel marketing to drive overall customer contact and revenue generation	

> Smart retailers are starting to realize that consistency is not all about the frontend and what customers see, but rather the total experience.

It's Not Just about the Frontend

The survey found that managing frontend and customer-facing platforms represents the greatest omnichannel challenge for the majority of retailers. Since customer-facing applications are where customers directly engage with the retail brand, they are commonly viewed as the most important elements of the omnichannel strategy.

At FitForCommerce, we see a similar tendency, where retailers allocate most resources to frontend platforms and operations. As retailers increase their channel footprint, it is not uncommon for them to expand their technology footprint by adding new frontend platforms that are managed separately. As a result, organizational operations inherently

tend to become siloed, adding additional integration complexities to the task of ensuring consistent branding and messaging across all customer touch points.

We have found that managing multiple frontend applications supported by separate backend systems is essentially what makes it so challenging. Since everything is managed separately, it becomes extremely labor intensive with a great amount of resources allocated to managing disparate systems and data flows to ensure the perceived consistency of the frontend applications.

However, our experience has shown that, in reality, the total experience is mainly driven by what happens on the backend, and the frontend applications become more of the vehicles for delivering the consistent experience. This is why building a foundation with critical backend platforms, such as a centralized order management system, is so important.

By reversing the approach—starting with the backend—retailers will discover that a solid backend foundation for omnichannel retailing will significantly decrease the challenges with frontend management and improve operational efficiencies that are vital to delivering a seamless and consistent customer experience.

Areas of Concern in Omnichannel Retailing Ranked by Order of Importance

Managing front-end and consumer-facing platforms

Managing back-end tools to support cross-channel operations

Establishing, measuring and reporting the correct KPIs to optimize omnichannel management

Coordinating customer data to drive cross-channel behavior

Managing inventory across locations (store, warehouse, dropshipper)

Disruption of existing systems and/or business operations

Leveraging investment in existing systems, i.e., avoid rip and replace
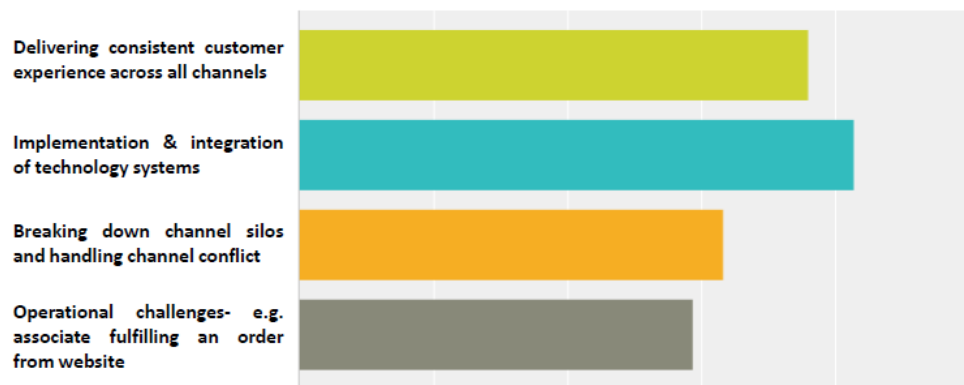
Forcing a Square Peg into a Round Hole

*"For us, technology is the hardest part of omnichannel retailing. Trying to get all channel systems to **fully integrate and share data** adequately is not an easy task."*

Global fashion brand executive with catalog, online and retail presence.

One of the greatest challenges for retailers in planning for and managing the omnichannel strategy is the implementation and integration of technology systems. It is not uncommon, as retailers evolve from single channel to multichannel, to create new business units with separate staff, technology platforms, processes and inventory. What we have found is that each channel, for the most part, works in silos with little or no integration, shared operations or flow of data.

At least that's how it has been historically. What we are starting to see is that leading retailers are quickly realizing that the old way of doing business won't achieve their goals in an omnichannel world. They understand that maintaining separate systems, distribution centers and labor devoted to each channel is not only costly, but also makes it near impossible to maintain a single view of the customer across all channels.

Top Challenges of Planning for and Managing Omnichannel Retailing

Trying to integrate multiple legacy systems and platforms that were not built for integration is like forcing many square pegs into one round hole. You might be able to squeeze them through, but it takes a lot of effort, resources, cost, and cutting corners. When retailers try to make their current technology platforms work together, it is almost as difficult.

At FitForCommerce, we have worked with many retailers who are struggling to adapt their existing technology platforms to support their new omnichannel strategies. Each system was originally designed for a specific channel and, as a result, none are ready for the omnichannel challenge. Retailers are therefore looking at new technologies and platforms that will provide complete visibility and shared data across all channels.

Delivering on the Omnichannel Promise

## Key Requirements for Successful Omnichannel Retailing

As mentioned earlier in the paper, the majority of retailers remain focused on the front end. However, retailers surveyed for this paper also agreed that key elements of a successful omnichannel strategy include operational links between retail channels and integration between technology platforms that allow for visibility into product, order and customer data across the entire retail enterprise, extended fulfillment options, as well as organizational synergy. While the frontend and customer-facing applications facilitate the customer interaction, the most important capabilities of the omnichannel approach are drivin by the backend systems.

The Most Important Capabilities for Enabling Omnichannel Retailing
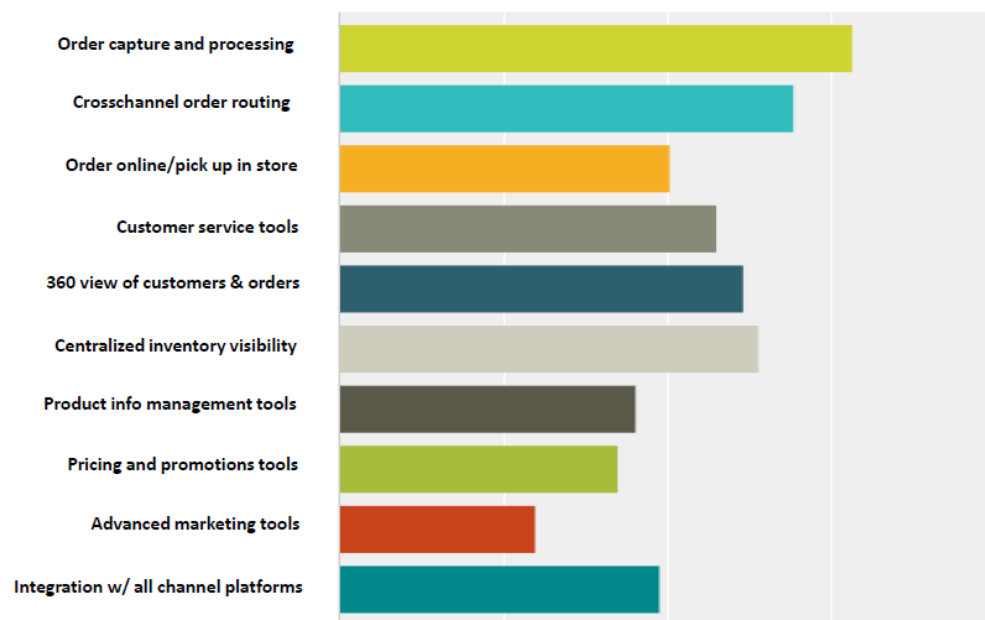
The chart above illustrates what retailers view as the most important capabilities for omnichannel retailing and the chart below illustrates the capabilities they feel they currently have. There is a significant gap between what is viewed as important and what retailers feel they can currently deliver. The section below, examines these areas in greater detail.

Omnichannel Functions Retailers Feel they Currently are Capable of Delivering
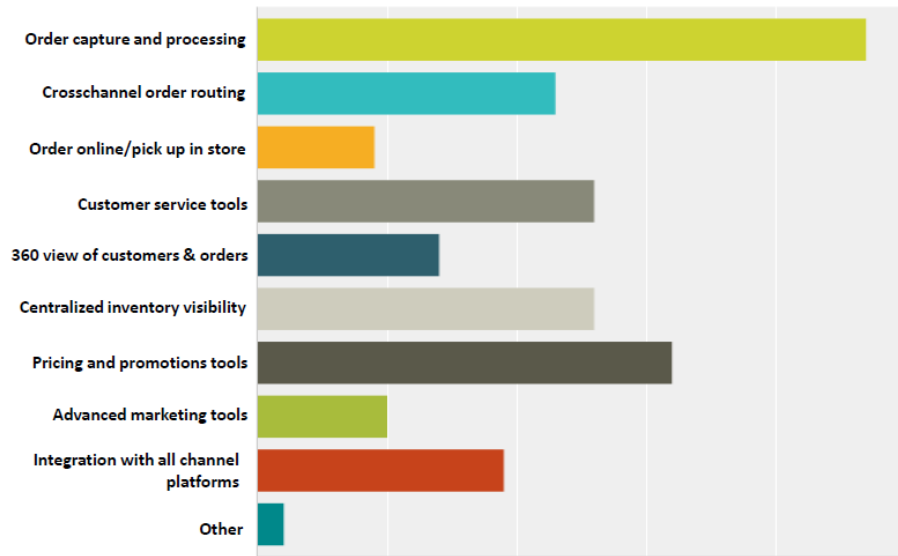
Order capture and processing

The majority of retailers agree that the most important capability for enabling omnichannel retailing is the ability to capture and process orders from multiple channels, including an order that may have started in one channel and completed in another. Online and mobile order processing should be seamless and hassle-free, call center and live chat representatives should be able to complete or adjust orders for the customer, store associates should be able to process in-store transactions as well as place online orders for customers on premise.

Inventory visibility

Since customers are expecting the same products to be available at all touch points, retailers should ensure that inventory is shared across all channels or, at a minimum that all channels have complete inventory visibility. For instance, retail associates should be able to look up inventory for an out-of-stock item at all other locations and have the ability to fulfill an order from any location or store. Likewise, with complete inventory insight and crosschannel order routing capabilities, ecommerce and mobile storefronts can display accurate stock information pulled from multiple sources. Retailers agree that inventory visibility is a key capability of omnichannel retailing, however, only 29% indicate that they currently have the integration between systems in place to enable complete inventory visibility.

Crosschannel order routing

We also found that retailers agree that a key to an omnichannel approach is to provide the ability to route orders for fulfillment to various inventory distribution sources based on business rules and algorithms, yet only 46% offer this capability. With the recent

96%

of retailers surveyed have crosschannel order capture and processing capabilities.

29%

of respondents have inventory visibility across all channels.

46%

Although a critical element, only 46% offer crosschannel order routing capabilities.

trend of retailers using physical store locations as secondary fulfillment centers, there is an increased need for centralized order management systems that can facilitate cross-channel order processing and routing.

The ability for a retailer to ship online orders from their stores helps maintain on-time order fulfillment rates, and eliminates a "lost sale" and the likelihood that the customer will turn to a competitor due to an out-of-stock situation. The store may be closer to the customer than the nearest distribution center and, therefore, will be able to get the product to the customer faster and more cost-effectively. In many instances, inventory visibility and in-store fulfillment also will help alleviate the issue of slow moving products and not having the right inventory at the right place.

CASE STUDY

One major shoe manufacturer with a large footprint of retail stores and an impressive online presence, shared with FitForCommerce that nearly all of their ecommerce orders are fulfilled and shipped from their retail locations. The benefits are twofold: overstock from the ecommerce channel is limited, and with store locations throughout the country they can ensure quick and cost-effective delivery. In terms of actual execution of this process, they have had to streamline and develop tighter integration between the online and brick-and-mortar channels. The heavy lifting happens on the back-end. Inventory visibility at all retail locations is critical and the order management system includes business rules that are configured based on availability and location that dictates where the order is routed. Store associates access the orders from a shared interface and pick, pack and ship the orders from the store. While this process requires additional training of sales staff, the outcome has been very positive and the company has avoided channel conflicts by introducing compensation incentives where the retail store receives a commission on all orders fulfilled from its location.

Order online/pick up in store

The ability to offer "buy online/pick up in store" and "reserve online/pick up in store" capabilities is ranked as a priority for omnichannel retailing. To facilitate this capability, the backend system must be able to process the order from one channel, ensure that the product is available at the retail location, and provide the necessary information to the retail staff so they can prepare the order for customer pick up. When the customer arrives in the store for the order, the retail staff must also be able to access the order and transaction details in case the customer wants to make any adjustments on site, change or add additional purchases.

360 customer view

A unified customer database powering data at all customer touch points is essential to providing a consistent customer experience. Providing every channel with access to the same customer data makes the transition between channels for the consumer seamless

18%

of respondents currently offer online order / in-store pick up capabilities.

28%

*Although a 360° view of customer data is recognized as having a significant impact on omnichannel retailing, only **28% of surveyed retailers feel that their current systems provide this level of visibility across channels.***

and consistent. Store associates, call center and live chat reps, as well as front-end systems must be able to access data about customer orders, purchasing history and preferences to enable clienteling and effective customer service. However, while capturing customer data is inherent to the online channel, capturing data at the brick-and-mortar level is a bit more challenging as in-store transactions are often anonymous.

Retailers are dealing with this challenge by introducing loyalty programs that offer incentives for customers that enable retailers to track their purchases or by asking for email addresses at the point of purchase. However, since traditional POS systems were not built for capturing advanced customer data, and the sales staff is not typically trained or incentivized to retrieve the data from customers, there is still considerable progress to be made for retailers to achieve a complete 360 view of the customer.

Furthermore, the anonymous nature of in-store shopping makes it challenging for sales associates to take full advantage of the service and sales opportunities that shared customer data provides. Some retailers, however, are increasingly finding ways to overcome this challenge by applying clienteling initiatives, such as using tablet devices to look up information while servicing customers. Other retailers are experimenting with more innovative opt-in programs, such as applications that identify customers as they enter a store and automatically provide retail staff with the purchasing history of the specific customer.

> *"In a perfect world, we would be able to automatically recognize if a customer is a VIP customer as she enters the store. The store associate would get an alert on a tablet device and easily have access to all relevant data related to that customer. We would have processes in place so the associate would know exactly what action to take—for instance, greet the customer, suggest relevant products based on purchasing history, offer applicable discounts and so on. Of course, all the actions done at the store level would be recorded and stored in a unified database so that all channels would have access to the same customer data."*
>
> Global fashion brand executive

Product content information and pricing

49%

indicated a product information management(PIM) system is important for their omnichannel program.

Because customers do not distinguish between channels, they expect to find the same product information, imagery and pricing regardless of whether they are shopping online, on a mobile device, or visiting a store. When managing multiple customer interfaces, the management of consistent product information becomes challenging, but necessary.

Additionally, while some promotions will be exclusive to certain channels, there are advantages for retailers to honor promotional initiatives across channels. While 65% of surveyed retailers indicate that they have promotional tools in place, it is not viewed as a top priority for omnichannel retailing.

Integration of all channel systems

Finally, integration of all channel systems on both the frontend and backend is in FitForCommerce's experience one of the most critical aspects of omnichannel retailing success. Thirty nine percent indicate their systems include full integration capabilities but overall, retailers rank integration and implementation of platforms as one of the greatest challenge they face. In essence, when transitioning to an omnichannel approach, if retailers implement a centralized backend system and ensure tight integration between supporting platforms, all other key requirements of omnichannel retailing will be easier to accomplish and the operational challenges will be greatly reduced.

39%

believe their systems are fully integrated.

## On the Right Track to Omnichannel Success

Are we there yet?

69%

do not think their current systems are equipped to handle omnichannel requirements.

As retailers are still trying to bring their omnichannel capabilities in line with what consumers expect, many have made significant strides in bringing their systems up to date and enabling the visibility and functions necessary to survive and thrive in the omnichannel environment. However, the survey indicates that there are still a majority of retailers who are still working with systems that are not easily integrated and where data still lives in distinct silos and is not accessible to other channels.

Do your Existing Technology Systems Support your Omnichannel Strategy?
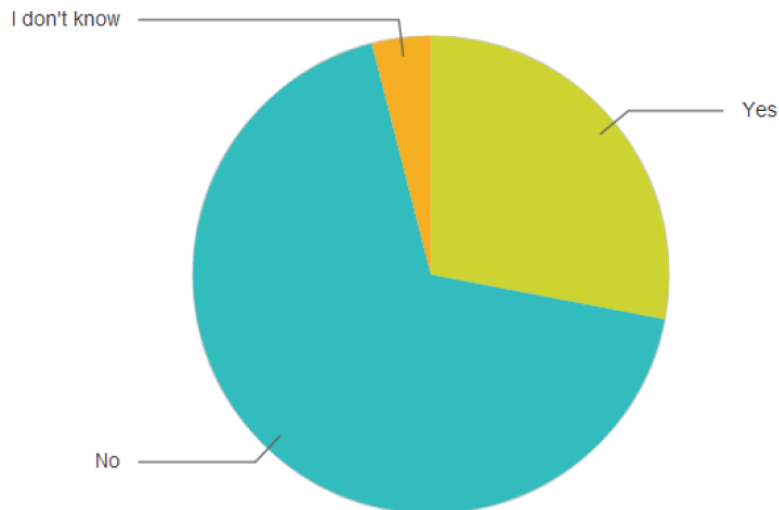
*The **ecommerce platform and order management system** rank equally **important** in enabling omnichannel operations.*

Retailers must take a close look at their current applications portfolio to understand the gaps in their technology infrastructure. They must then investigate options to close this gap and implement solutions that will best help them achieve omnichannel success and yield the best possible return on their investment.

**The Importance of Technology Platforms in Supporting Omnichannel**
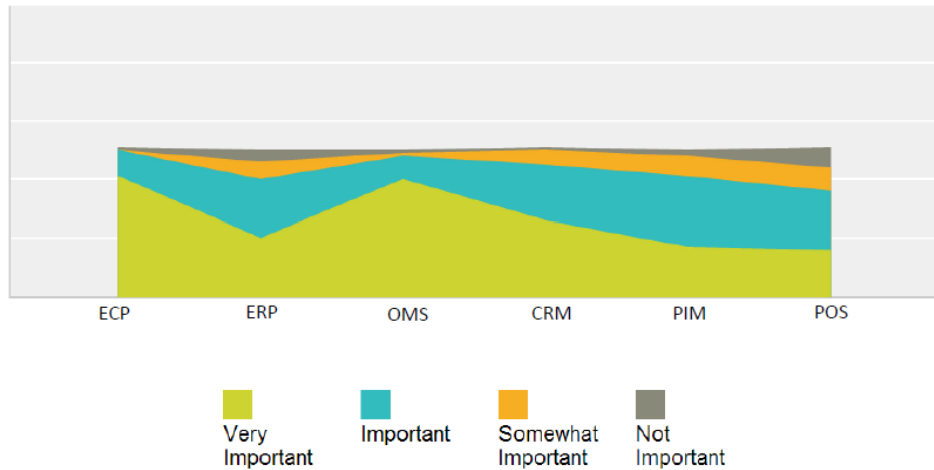
"We often experience that retailers think of order management in terms of order capturing and routing, which are indeed the main functions of an order management system. But, in reality, an order management system is really the brain behind the operations and offers capabilities that make omnichannel retail less daunting operationally."

Bernardine Wu,
CEO, FitForCommerce.

We understand that ecommerce platforms and order management systems should rank equally important in supporting and enabling omnichannel operations. However, according to the FitForCommerce Omnichannel survey, retailers are planning larger investments in the ecommerce frontend than backend systems, including order management.

Prioritized Technology Investments in the Next 12 Months
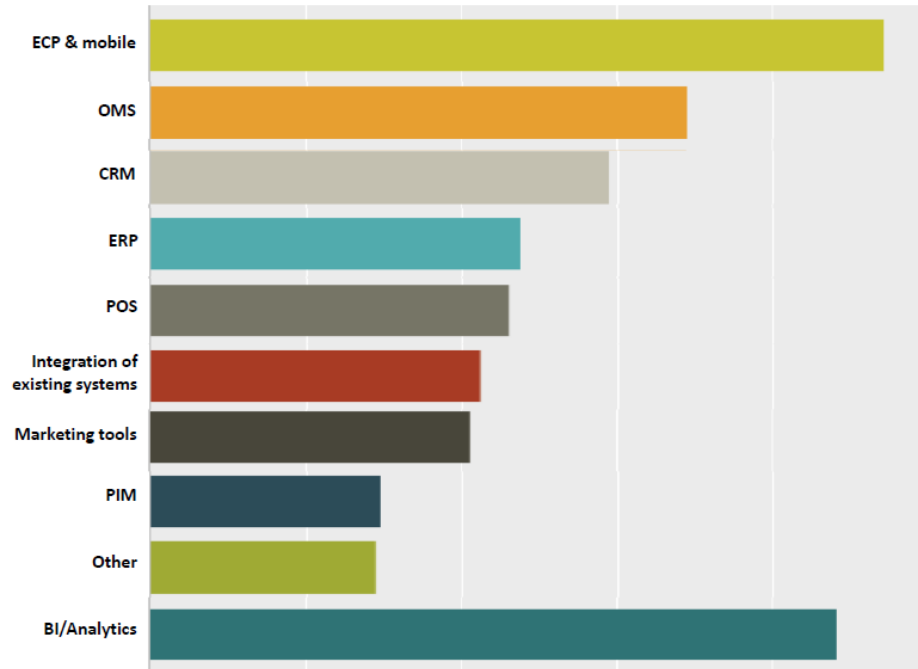
Retailers with the desire to deliver on their omnichannel strategy, must recognize the importance of the backend systems and divide their focus between the frontend and

building a solid backend foundation. It does not matter how glossy the frontend is—if there is a crack in the foundation, the customer experience will simply not live up to customer demands.

Order Management—the brain behind the scenes

In most instances, the most efficient, cost-effective and reliable way to build a solid omnichannel foundation is to begin by deploying an order management system that is fully integrated with all channel interfaces on the frontend as well as inventory, fulfillment and warehouse management systems on the backend.

The order management system, and the role it plays in omnichannel retailing, however, is often misunderstood and undervalued. Many think of order management as only the functionality that captures and processes orders and then routes orders to the appropriate fulfillment location. While these are some of the main objectives, the capabilities of an order management system built to support omnichannel retailing stretch far beyond that. In fact, most of the behind-the-scenes activities in all omnichannel operations hinge on the order management system's capabilities. In a sense, the order management system acts as a hub, because it is so closely tied to all aspects of retail operations. It is the engine that tracks and stores customer data, processes orders, allocates order distribution, and makes sure that all other systems in the retail supply chain are updated in real time with shared data across all channels.

Order Management System: the Engine Behind the Scenes

There is a significant difference in the capabilities of order management systems available to retailers today as compared to just a few years ago. Some ecommerce platforms include "light" order management functionalities, but most often these capabilities are limited and fall short in their ability to support critical omnichannel requirements such crosschannel fulfillment. And there are some order management systems that are only focused on the ecommerce channel alone and do not offer capabilities such as buy online/pick up in store.

Since there is this misconception about the total capabilities on an omnichannel-ready order management system, many retailers just rely on the order management functionalities that their ecommerce platform or ERP system provides. As a result, the backend management of omnichannel retailing offers only a portion of what a customer expects, and is much more challenging and costly than it has to be.

How Does Your Organization Capture and Distribute Orders?
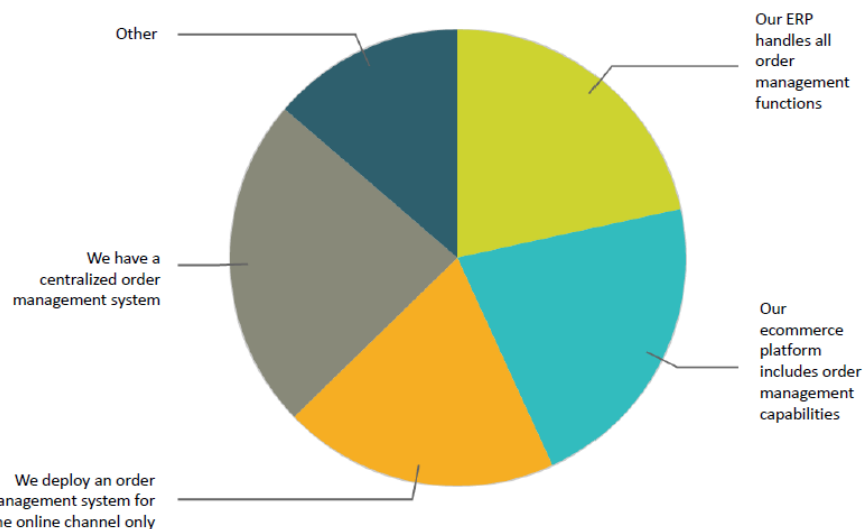
It is essential for retailers to understand the key capabilities of an order management system that can deliver functionality to support today's retail environment and be prepared for tomorrow's innovations.

Selecting an Omnichannel Order Management System

Things to look for in an omnichannel-ready order management system

As we have learned, the right order management system can have a significant impact on omnichannel retailing performance. Below is a list of fundamental requirements that retailers should consider when priming their existing order management systems for omnichannel retailing or evaluating new systems.

Technology agnostic	Is the system capable of integrating with other technology platforms throughout the retail enterprise (such as ecommerce platforms, ERPs, POS, WMS)?
Scalability	What is the system capacity? Can new order or distribution channels be added in the future? Is the system scalable to handle any order volumes to account for spikes in peak periods or natural growth?
Security	Is data encrypted? Does the system provide defined user roles and privileges? Are financial transactions SSL encrypted? Is the platform provider Payment Card Industry (PCI) compliant? At what level? Are all APIs accessed via https with authentication?
Crosschannel order capture	Is the system capable of capturing and managing orders from multiple channels including phone, online, mobile and in-store orders in any format? Does the platform provide an easy interface for entering orders manually?
Order creation	Does the system provide the ability to apply business rules for order processing, such as payments, inventory availability, address validation, fraud and so on?
Order routing	Does the system handle multiple sources of fulfillment (distribution centers, dropshippers, in store)? Does the system come with business rules for order routing (proximity, inventory availability, etc.) to automatically determine the best fulfillment option? Can you add customized business rules settings? Does the system provide order online/pick up in store capabilities?
Multi-point inventory management	Does the system fully integrate with all systems in the supply chain to enable real-time and accurate inventory visibility?
Vendor/Drop ship support	Does the system handle split orders, order sourcing (XML, email, file), inventory upload, and include order settlement capabilities?
Store order settlement and fulfillment	Does the system provide a user interface for store associates to enter in-store orders and fulfill web orders?
Return order processing	Does the system support client business rules for customer returns initiated online, in store or on phone with real-time settlement of refunds and credits as well as real-time inventory updates?
360 customer view	Does the system track customer activity and provide visibility into customer data across all channels? Does the system provide customer service capabilities to service customers from anywhere (order capture, returns, status, etc.)?
Business intelligence data	Does the system store data that can be used for business intelligence such as reports related to customer segmentation, orders, inventory, providers?

Organizational Implications

Disrupting the Organizational Design

Throughout this paper, we have focused mostly on technology and processes, however, organizational structure of the company requires attention as well. Omnichannel retailing requires a shift in how retail staff and personnel are organized and trained. The move to omnichannel retailing creates a more knowledgeable consumer, which means that store employees, call center representatives and anyone representing the brand regardless of channel need to be more knowledgeable about the products carried, inventory across channels and the brand as a whole.

For instance, in-store associates need to be able to fulfill online orders, access and log customer data, create online orders, use new customer relationship-building tools such as tablet applications and more. Since these tasks involve procedures that go beyond traditional customer servicing, it requires simple but effective technology interfaces and training of retail staff. The goal is not only to optimize each channel, but also to incent behavior that supports the omnichannel environment with financial rewards and new measurements of success.

As the brick-and-mortar stores become a part of the actual supply chain, store personnel also need to be trained in processes around fulfillment of online orders, orders that have been ordered online but will be picked up in stores and returns, regardless of the channel where the original purchase was made.

The technology systems used to access customer and order data must be easy to use for anyone at any level within the retail organization. Additionally, retail staff must be properly trained to use new technologies and processes.

Another omnichannel challenge is the potential of internal channel conflict. Many retailers have divided channels into separate business units. So, conflicts inevitably occur when trying to integrate the different channels to provide the seamless customer experience. The brick-and-mortar stores must be prepared and willing to fulfill orders made online. Some retailers overcome this by providing incentives for the physical stores with a percentage of the online sales coming their way. Many retailers now give the store credit for all online sales in their geographic area—so there is no feeling of competition. Some also incentivize retail store managers for performing certain tasks. For example, having store associates collect customer email addresses at checkout hurts the point of purchase flow, but helps to achieve crosschannel marketing programs. To encourage this shift in behavior at the retail location, store managers are increasingly getting incentives for high customer information capture.

Others completely restructure their operations, removing the siloed approach and instead putting systems and processes in place that unify all inventory across all channels. There are now even VPs of Omnichannel.

Conclusion

> Research has shown that omnichannel shoppers spend up to 15%-30% more than multi-channel shoppers, have strong brand loyalty and act as advocates for the brand.
>
> IDC Retail Insights

In essence, omnichannel retailing is not a new concept, but something that retailers have always strived for—the ability to extend their reach and develop a real relationship with customers at every touch point. Technology gives retailers the opportunity to extend the reach far beyond the traditional brick-and-mortar relationship and provides a way to turn retail into a better version of what it has always aimed to be.

But with every opportunity comes risk. And successful omnichannel execution is not a simple task. Consumers have high expectations and a retailer's ability to live up to those expectations can have significant impact on the retailer's bottom line.

Omnichannel shoppers have been shown to spend more than their single-channel counterparts. However, if retailers fail to live up to consumers' expectations at any point in the shopping cycle or at any touch point, it will reflect poorly not only on that channel, but on the brand as a whole.

In order to deliver on the omnichannel promise, retailers need to start with building a solid foundation that can support the requirements of omnichannel retailing—beginning with the backend order management system. It is essential to have all the right backend technology platforms and processes in place to enable synchronization and to orchestrate and facilitate the omnichannel execution seamlessly. Much of what is required on the backend can be accomplished by implementing a centralized order management system, with full frontend and supporting tools integration.

This white paper is made possible by the support of Jagged Peak

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Jagged Peak is a leading eCommerce solutions provider with software and services that enhance the scalability, flexibility and profitability of multichannel online businesses. Its cornerstone technology is EDGE—an enterprise-class eCommerce platform that includes a full-featured eCommerce Platform (ECP) and robust Order Management System (OMS) as well as a Warehouse Management System (WMS) and Transportation Management System (TMS). These platform elements can be deployed alone or together through a license or SaaS delivery model to form an end-to-end, cloud-based software suite that integrates the entire order life cycle with visibility across business units, distribution channels and trading partners—all while enabling the client to have complete control of its online brand. Combining its technology with a comprehensive array of eMarketing, customer support and IT professional services along with "anytime, anywhere" order fulfillment through its FlexNet™ warehouse network, Jagged Peak offers a rare and uniquely holistic approach to eCommerce. Jagged Peak's blue chip client roster includes numerous global consumer brand companies.

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FitForCommerce is a leading consulting firm, helping ecommerce and multichannel retailers and manufacturers grow their online retail operations. Our consultants bring decades of practical, hands-on experience to guide merchants in defining ecommerce strategy, selecting the right technologies, and building online marketing, merchandising and best-in-class website experiences — all using a rigorous ecommerce Diligence process and a vast knowledge base built on our work with hundreds of leading retailers.