

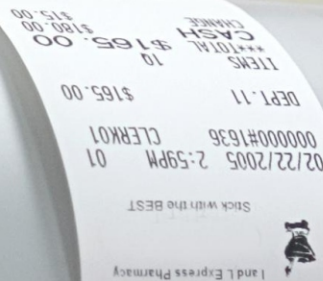


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# WAYS TO SUCCEED IN RETAIL



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# Content


**Integrated System for effective retail** **4**

A photograph of a retail checkout counter with a cashier and a customer. The counter is equipped with a computer monitor and a scanner.

**Loyalty & Customer** **5-6**

A photograph of a smiling man and woman standing together, each carrying large, colorful shopping bags. The word "connect" is faintly visible in the background.

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A close-up photograph of two people's hands interacting with a tablet device.

**Multichannel Retailing** **8**

A photograph of a woman looking at a laptop screen while holding a yellow credit card.

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A close-up photograph of a hand pointing at a tablet displaying a data dashboard with charts and graphs.

## Preface

The business implications of an integrated retail management solution is indeed immense. In the contemporary business world where liberalization, privatization and globalization are the orders of the day, most retail businesses around the world operate under fiercely competitive market conditions. Such intense competition has led to wafer-thin margins in this sector. In order to remain competitive, the retail organizations who are surviving cannot afford systemic inefficiencies or delayed decision-making. Both activities, be it increasing efficiencies in business processes or the ability to take prudent decisions quickly requires an in-depth awareness of the business. A retailer should know “the complete picture” that indicates the true state of their business.



## Integrated System for Effective Retail Management

A retail organization can be a small chain of retail stores in the neighborhood all the way to an organization with a global presence and a network of thousands of stores. Whatever the size of the organization, management of a distributed retail chain is indeed a monumental task. An integrated retail management solution benefits the retailers in better management of their enterprise wide operations spanning the entire globe.

A retail system for an integrated retail management solution with a robust backend and in conjunction with an enterprise application can work together hand in hand to ease up on challenging processes of retail management and also offers a one stop solution. An integrated platform equips retailers to manage their business in an effective and efficient manner by providing accurate, real-time information. An integrated platform also makes the task of keeping track of all the transactions much easier for retailers. An integrated retail solution also allows automatic recording of the transactions in a real-time environment. They have become indispensable tools for achieving profitability not only for the mid-market retailers but also for large multinational retail organizations. The major competitive benefits of using an integrated retail management system in modern day retail include:



### Integrated Retail Management-

Retail functionality makes management much more efficient and sophisticated by utilizing the best suited, easy-to-use technology offered by the modern day information systems (IS). The integrated retail management information systems facilitates faster and better management decisions by providing crucial information in a timely manner, which helps businesses minimize data entry errors for greater customer satisfaction and more repeat business.

**A successfully integrated retail ERP system has been found to deliver high ROI despite their high initial and maintenance costs.**

**Intuitive Interface** – The integrated retail management system offers users an intuitive interface that makes it easier to interact with the software suite. This enhances the adaptability of the enterprise application, and is critical to making the integrated retail management system popular with the non-technical users.

**Accurate deployment & utilization of the resources-** An integrated retail management system allows an organization to utilize its resources in an optimal manner. This optimization increases efficiency in the system, leading to reduced costs and higher profits.

**Reduction in the overhead and inventory-** An integrated retail management system allows the organization to reduce overhead and excess inventory holding costs for leaner operations.

**Availability to promise-** An integrated retail management systems allows organizations to commit to timely deliveries and respond to inventory constraints for greater customer satisfaction.

**Bringing mobility in retail-** An integrated retail management system offers integration of the various information systems (IS) that are integrated with Radio Frequency (RF) and mobile devices. This new age of retail is more mobile & agile with new solutions that integrate Point of Sale, warehouses and head office directly to the client in all possible ways.

**Easy scalability and adaptability-** An integrated retail management systems offers the ability to easily scale operations as the scope and size of the organization continues to grow. Additionally, it also enables the integration with different technologies as well as the legacy systems running at the business associates or partner's end.

## Loyalty and Customer Connect

Developing loyalty among customers and engaging with them can foster a long-term relationship. If customers realize this affinity, chances are that they may come back and end up doing repeat business.

**The ultimate dilemma is – How will I succeed in the customer engagement process?**

There are four principles that can help any retailer big or small foster customer loyalty. Procuring repeat business and engaging customers with your business system is the easiest way to grow your business. It can also help create a competitive edge to remain competitive in the marketplace.

Within a business, implementation of an integrated retail management system can also achieve high adoption by employees that can quickly see tangible results of solution.

### 1) Quality is the Vital Component

At a primary level, customers turn to retailers to satisfy an unmet need. Satisfaction then is the difference between customer expectation and service delivery. Due to this concept of satisfaction, products evolve as per customer expectations. Changing sales techniques or introducing better packaging cannot single handedly bring about a change in customer outlook- the fundamental business concept that businesses need to realize is to have a balance transaction: *A customer expects appropriate return for their spend.*

Retailers must remember that it costs between 5 and 10x more to attract a new customer than to keep an existing

All of these factors influence the first time purchase, but another major factor that influences repeat purchases is quality.

### 2) Servicing clients beyond their expectations- 100 good experience vs. one bad one

The customer experience is integral for many retail brands – it is an integral component of the companies' competitive offering. When a customer enters a shop, proactive retailers focus making that buying experience a memorable one. From greeters at the security check-in to the checkout personnel, the retail store team must have one uniform mind when it comes to customer service. The customer has to feel special, important and engaged.

However, businesses must be cognizant that for every hundred great customer experiences, it only takes one to negatively impact the relationship. A bad experience may turn a loyal customer away to a competitor, making it imperative to focus on ways to exceed expectation and build more opportunities for repeat business.

**A generation ago, customer loyalty was a different game, so now one has to be :**

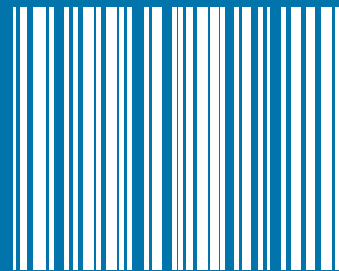
- a. *Proactive in response to client queries, comments & complaints. Hence if a complaint is resolved quickly, you can actually grow loyalty*
- b. *Drive product development to offer more value for less cost*
- c. *Loyalty must win rewards - Hence they should be given a chance to win rewards*

**A survey depicts that**

**60% - 80%**

**defecting customers**

**describe themselves as "satisfied" or "very satisfied" just before they leave**



### 3) Engage your clients in a two way dialog

The marketplace today is more complicated than ever and is not limit to product quality and customers experience in traditional brick and mortar stores. The new retail customer experiences customer touch points across a number of providers. Better management of customer interacting with the company requires greater management skill and quite often, new ways of assessing and implementing improvements. Engagement strengthens your company's relationship with your customer by providing an open channel for communication and feedback. An engaged customer is likely to become a loyal customer and will often support a business in trying times because of the relationship they have with the brand. Engagement drives your customer beyond loyalty to make it an active participant & promoter of your product. Engaged customers will want to share their feedback – through all available touch points & retailers should be prepared to handle and facilitate it. All of this translates into a more engaged customer who will spend more money with your company over time.

*Companies are using customer feedback to improve their business. They're using it for:*

- Innovative product development
- Retail analytics to determine-satisfaction, loyalty and engagement
- Ascertain factors that drive customer purchases
- Identify loop holes in their processes
- Utilizing web as medium to increase awareness among clients

### 4) Pro-active surveys

Surveys help to gain insight into how a customer feels about your service and are helpful in identifying underlying problems that need to be addressed to improve the customer experience.

In probing information from the customer base and is a time-tested proven way to peep into a customer's mind and draw feedback from your efforts. Not only do customer surveys help in consolidation of customer expectations, they can be used for problem identification and solving. Questions with simple options chose from such as "convenient/inconvenient" or "satisfied/unsatisfied" deliver quantifiable results while open ended follow-up questions provide a rich insight into more complex questions. Questions with simple options chose from such as "convenient/inconvenient" or "satisfied/unsatisfied" deliver quantifiable results while open ended follow-up questions provide a rich insight into more complex questions.

*Surveys must be short, precise and well structured*

*A random sampling done at different timings, yields better results*

*Create summary survey indices that can be displayed graphically and tracked over time*



## Go Mobile

### 1) Clinch the next frontier

The adoption of mobile devices amongst consumers in the last few years is staggering and forecasts suggest that this trend will continue. Consider this – 40% of all U.S. adult consumers have downloaded at least one mobile application, over 2 billion apps have been downloaded in over 2 years, roughly 80 million U.S. mobile web users and it's expected to surpass 135 million over the next 4 years. Smartphones are also expected to become the largest segment amongst cellphones this year; priority should be given to this group based on their size and influence.

### 2) Its Personal, make it count

A smartphone is the ultimate personal device for owners and it presents businesses with multiple opportunities to connect with customers. The most significant aspect for businesses is to get connected with shoppers in a real-time environment and on a one-on-one basis. However, the adoption of mobile initiatives are equitable; marketers need to increase their “connections” with customers- something that mobile inherently provides, by acting NOW.

# Go Mobile

1. **Clinch the Next Frontier**
2. **It's Personal, Make it Count**
3. **ACT Now....**

### 3) ACT Now...

Mobile commerce is still considered a technology in emergence but early results show that it is a natural follow-up to electronic commerce. Whether it is a mobile app or a mobile coupon – retailers need to be agile and adaptable to fast changing technologies; while at the same time be prudent decision-makers and transfer as trends emerge, evolve and mature. Loyalty marketers are swiftly adopting smartphone games, typically with a branded app or mobile website.

However it is necessary for marketers to develop a full-fledged mobile strategy, adopt a mobile loyalty platform and interweave “mobile” as a key part of their cross-channel loyalty solution. Marketers will need to segregate and adopt a phased out mobile strategy as follows:

*Basic:* Replace traditional loyalty cards/key tags and provide means to accumulate and redeem rewards – SMS couponing, online enrollment

*Progressive:* Provide customers access to their transaction history, member-only content; deliver rewards via apps/2D barcodes; deliver promotions; provide ability to redeem offers

*Advanced:* Connect with members in real time and with greater efficiency via push notifications (instead of email); location specific services and two-way communication vehicles regarding program updates, upcoming rewards/perks/events and collating customers.

## Multichannel Retailing

Multichannel retail is a hotly discussed topic nowadays due to the advent of online stores and mobile technology although it is not something new. Ecommerce and mobile commerce are the latest additions to the multichannel mix and are fresh and interesting avenues for retailers to explore. However, the concept of multichannel retail existed long before the modern day shopping cart came into existence; its roots lie way back to the mid of the 19th century. The simplest way of defining a multichannel retail is that they cater to the public via multiple distribution channels – through mail order catalogues, brick and mortar stores, online, and via mobile technology; the latter two being the most recent, and currently exponentially growing channels.

This new form of retailing gives retailers a deeper penetration into markets with opportunities to get their product noticed by clients, which they may have missed in traditional channels. This allows retailers to generate higher revenues that undisputedly remain the sole objective of any business. Customer loyalty is one of the biggest challenges in today's retail market regardless of whether you're a single or multichannel retailer, therefore the more opportunities you have to get customers engaged with your product, the bigger your advantage. Consumers are now bombarded with some many messages persuading them to buy a product, if retailers don't take this seriously, they are effectively conceding defeat to the opposition.

Integration is one of the primary challenges to multichannel retailers in the eternal battle for customer loyalty. When a customer makes contact with a retailer-whether it be online, via mobile application, via catalogue, or in store- it's important that they are treated in the same way; and that the high level of service that a customer received face-to-face is replicated via other channels. To provide that service, the retailer must have an integrated platform for retail, an efficient retail management solution that ensure the right product is in the right place at the right time, which is absolutely critical.

For example, there is no point in having complex website that seeming allows the customer to buy products if it's not possible to guarantee timely delivery. A bad customer experience wouldn't just put off the customer from visiting the website again, it would probably also deter them from shopping in the retail stores or using their catalogue. So while multichannel retailers are able to get to more customers, the achieving a consistent experience become more difficult. Planning the multichannel approach is the next big task, and allocation of resources is of utmost importance.

However it's absolutely vital that retailers plan how the multichannel system is going to work for their business and how they're going to deploy their resources. These resources include products, people, marketing and IT systems and each resource needs to be spread across each channel.

IT acts as a facilitator for retailers, in the sense that it makes processes better and can improve business practices. It's untrue that without IT you cannot have a brick and mortar store; physical stores have existed long before the advent of the modern computer and the ecommerce. However, internet shopping and mobile retailing have obviously been facilitated by this technological advancement. Retailers have sometimes been classified as being late to adopt different technologies; they have tried a development when it was no longer cutting-edge and its real advantages have been proven. For example, when the internet was first used to sell products and services not everybody had a home controller so many thought this route to market would not succeed because there were not enough computers in the hands of consumers. Nowadays, retailers who have adopted this technology and are managing their online stores are making a great deal of money.

It is difficult to say where multichannel retail is going next. What is important is that IT providers should always be looking at their product from a retailer's perspective and understand how the product underpins multichannel retailing.



## Dashboards & Analytics

Retailers often struggle with operational visibility, uncountable transactions and the customer experiences. For a business to survive in this competitive landscape, it's critical to be able to effectively analyze customer behavior, identify product and service demands and accurately plan sourcing, procurement, supply chain, assortment, and day-to-day channel operations. Equally important is the retail management system; it should provide key business leaders and managers with up to date and accurate performance information with a particular need to view highly detailed information to transaction level detail, on demand.

Knowing what is happening in your business right now is the first step to making smart decisions. Giving that insight to people across your organization ensures that they prioritize goals and activities based on actual performance.

*Four primary things that drive the retail business and are required to monitored & managed*

CPCS | Customer | Product | Channel | Supplier

Without the aid of dashboards, a retail manager might be able to track data that is pertinent to their distribution center, group of stores, or merchandising group but they will miss the overarching trend. Therefore, business analytics must broaden the user's depth of understanding while empowering them to dive deeper into their own responsibilities.



### The Ultimate performance monitoring tool

Predictive analytics can be used to scope the degree to which answers from a query relate to particular goals. Tactical knowledge of action items that impact an outcome can discourage the wasting of resources on ineffective programs, and competent statistical modeling reveals the insight of which tactical options have the most impact.

Dashboards help retailers gain summary of their data to attain a structured, searchable and quantifiable body of information that can be applied to drive critical business decisions. A retail analytic tool/dashboard is expected to do a lot more than collect data, it has to get accurate insights. An easy & strategic approach has to be adopted to collect the data as building blocks and determine the data in a specific format that can be chosen from standard layouts. Dashboards should employ a common approach and be somewhat standard for each role across the organization, while accommodating individual preferences. A personalized dashboard captures what is most important to the individual user.

#### Benefits of retail analytics with dashboards:

- *Analyzes data using to reveal the most important areas of focus*
- *Helps in employing statistical methods including correlation, multiple regression, factor analysis, and legit models to give detailed insight into data*
- *Recognizes the important areas of focus that may change over time to respond with changes in the economic, competitive, and demographics*
- *Makes open-ended feedback intuitively searchable*
- *Helps to structure quantitative feedback into a graphic drill-down or rollup report*

# Your Success is Our Success

Whatever you do, the ultimate goal should be oriented to optimize business outcomes specific to your circumstances. Our consolidated effort here is to help orient a retail organization to focus on customer satisfaction, loyalty and engagement to increase revenues. In the modern economic landscape, strategic integrated efforts to gain loyal customers and take your retail business to the next level is a challenge which you can handle with CitiXsys retail suite of applications.

Vision33 ([www.vision33.com](http://www.vision33.com)) is the largest SAP gold channel partner in North America with more than 600 customers and 19 offices throughout North America. Vision33 also has the largest team of certified SAP Business One Consultants across North America meaning you can get support from coast to coast. With over 10 years' experience in SAP Business One implementations, Vision33 is a premier implementation partner for ERP software solutions for small to mid-sized enterprise; no other partner offers the same level of customer service combined with a deep level of understanding of your business processes.

Over the past 10 years Vision33 has helped many retailers to implement an integrated retail management solution for their growing business. No matter what kind of retail business you run, Vision33 can help you implement a retail solution that is specific to your needs and offer you the support to help your business flourish.

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