

Top 5 Omnichannel Commerce Mistakes Retailers Make





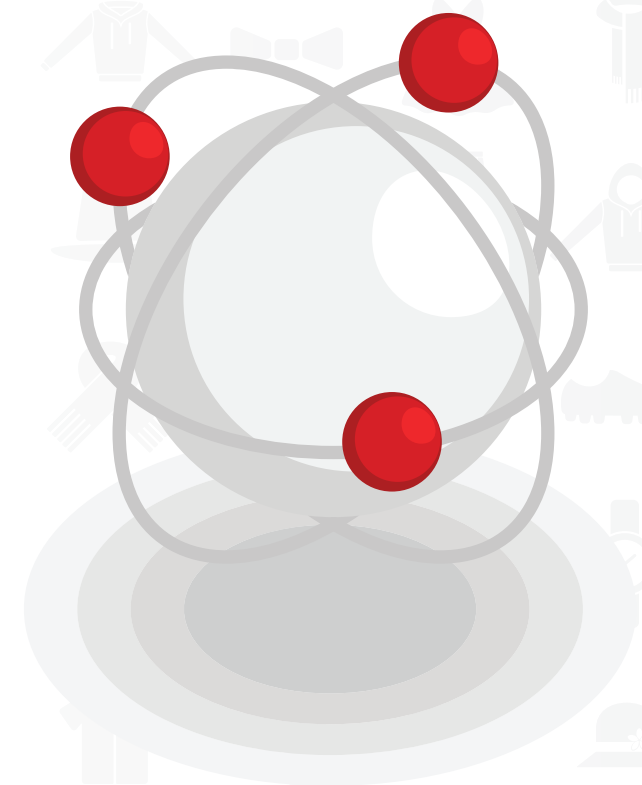
Retailers across the world are struggling to consolidate their online and offline channels into a single, holistic retail approach focused on customer experience. Customers have stopped differentiating between online, mobile, social or store - they demand a consistent experience whenever and wherever they choose to interact with your brand. While leading retailers recognize this shift and are taking steps to adapt to these expectations, many struggle when it comes to implementation.

At HotWax, upon working with many retailers, we've found that many of them experience the same key challenges, particularly when restricted by legacy eCommerce software. In this whitepaper, we walk you through the 5 most common mistakes retailers make when transitioning to a unified, customer-centric retail approach.



1 Organizational Silos

The first and most critical failure in omnichannel implementation is inconsistency across customer touchpoints. A [recent study by Periscope](#) shows that 78% of retailers admit there is no unified brand experience across their channels. While technology is certainly a major reason behind this disconnect (more on that later), the problem runs deeper than software. When asked about their primary challenges, 48% of retailers blamed a siloed organization. At HotWax, we see this on a consistent basis, particularly at organizations that have previously relied on a traditional, channel-specific approach to customer experience.

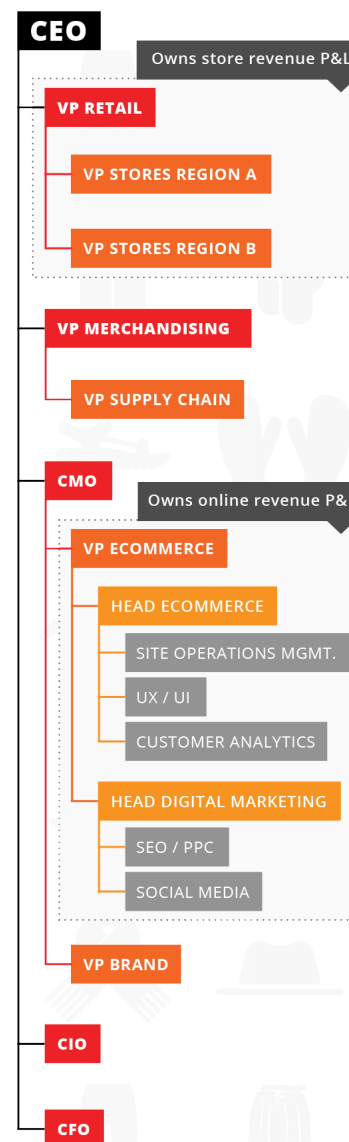




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For many retailers, implementing an omnichannel solution requires a conceptual paradigm shift. You need to be prepared to undergo a significant organizational change to make sure that every member of your company, from the C-level executives that are driving this initiative to the store managers engaging with customers on a daily basis, are aligned. The most successful retailers restructure their organizations to eliminate or bridge channel silos and unify all staff members around the customer. In our experience, this requires merging departments and creating cross-functional omnichannel leadership teams to steer the ship.

A typical channel-centric retail organizational structure is shown to the right.



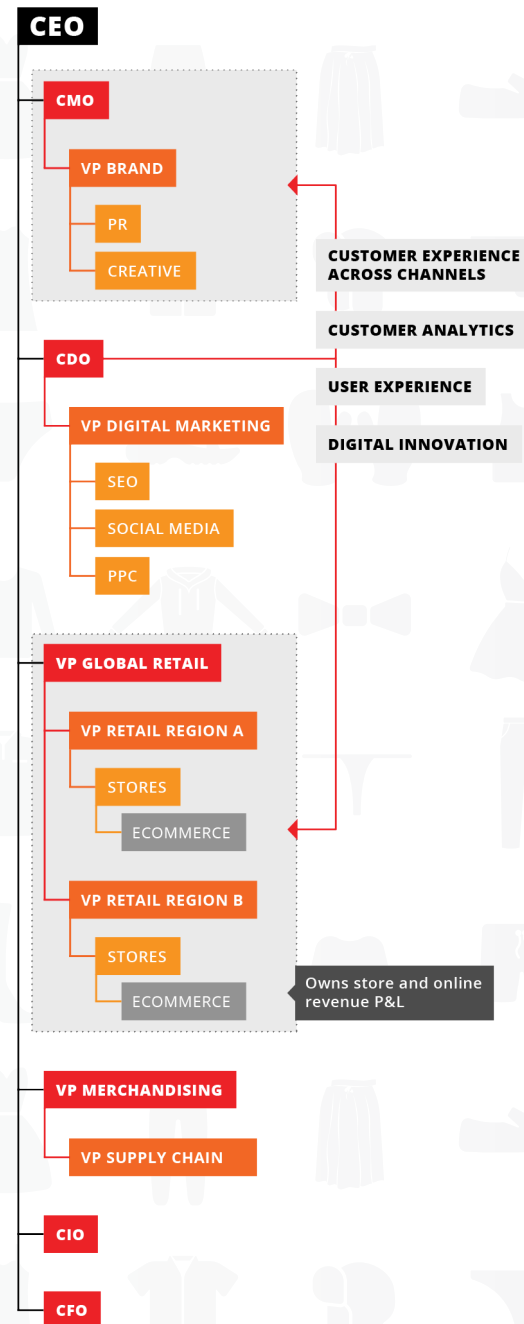


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Operating your in-store and online businesses separately is based on an antiquated view of retail operations and will hinder the delivery of an omnichannel experience. eCommerce leaders in particular often experience difficulties communicating and integrating with their brick-and-mortar counterparts due to departmental road blocks.

Introducing a new organizational structure like the one to the right keeps the customer at the center of all business activity.

Many organizations jump straight into their omnichannel transformation without making some of the fundamental business decisions and changes necessary to support their desired customer experience. The organizational structure recommended above allows for a channel-agnostic P&L and supports customer-centric performance KPIs for employees. While technology is certainly at the center of the omnichannel experience, your organizational structure is ultimately going to determine whether your initiative succeeds or fails.



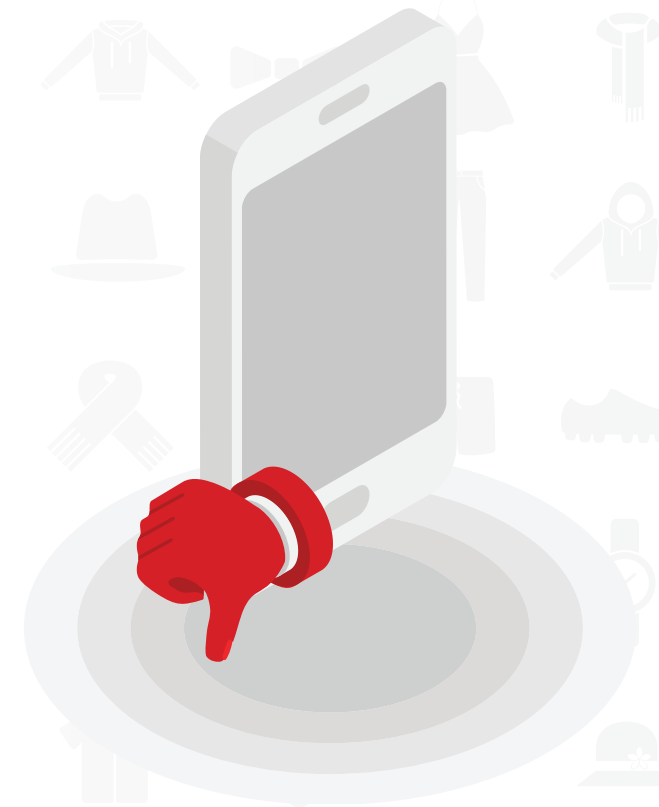


2 Poor Mobile Experience

Your customers are shopping on their phones.

[Studies show](#) that 90% of customers use their mobile devices at some point when shopping in-store, so your mobile storefront or app has a major impact on their purchasing decisions. In other words, there is no excuse for a poor mobile experience!

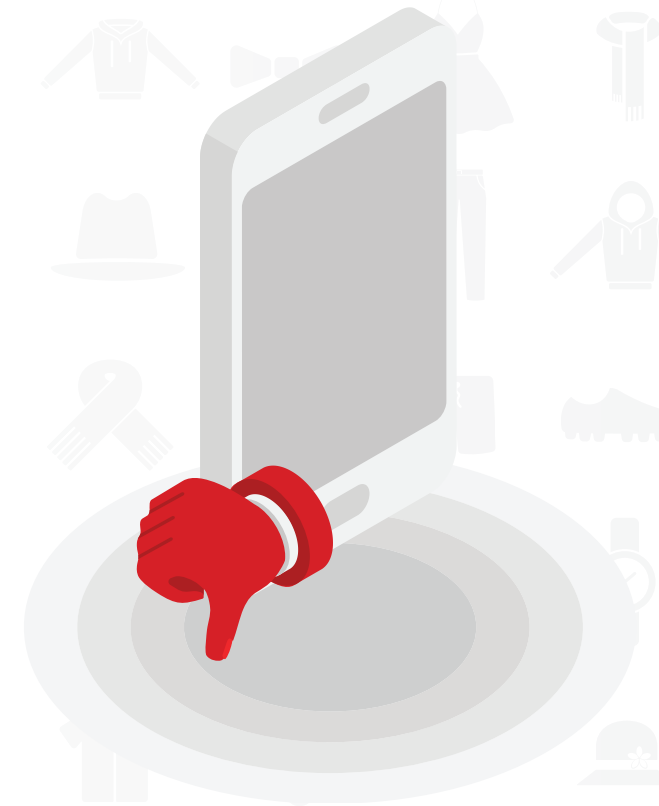
A major problem when it comes to mobile experience is load time. According to the 2019 Page Speed Report from Unbounce, nearly 70% of consumers say page speed impacts their willingness to buy. What's worse, consumers are less likely to give you another chance after even one bad mobile experience. 15% said they would visit a competitor's site and 12% would tell a friend about their negative experience. To test your mobile site speed, you can always use [Google's "Test My Site"](#) feature for a quick analysis. Native apps still should have a place within the digital ecosystem.



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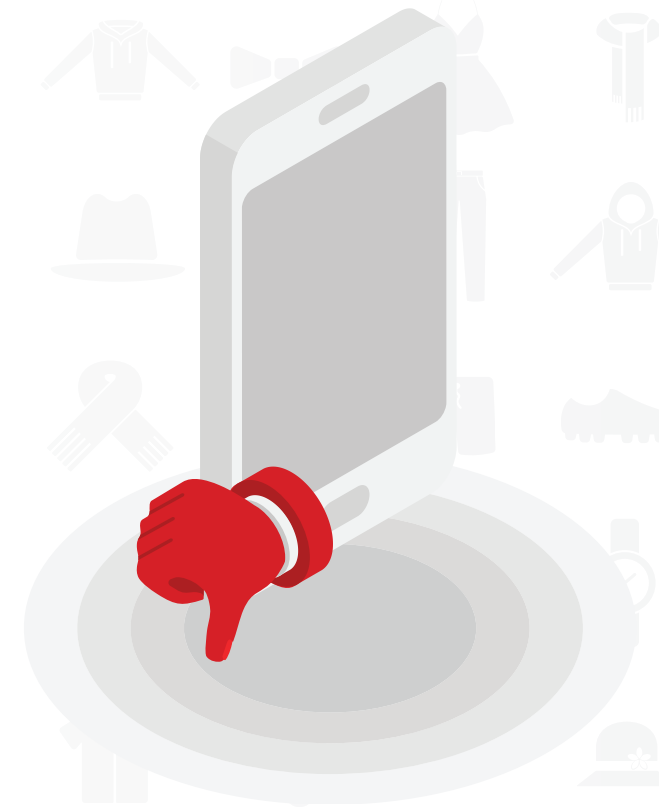
While it's best to provide customers with the option to check out on your mobile website without having to download an app, loyal customers will generally download your app to gain loyalty deals, save wish lists, or have quicker access to your products in general. Make sure you invest in these native apps to increase personalization and engagement, thereby maximizing the probability of conversion.

When evaluating omnichannel solution providers, it's best to opt for platforms that are pre-integrated with technologies like Progressive Web Apps (PWA) to enable faster loading and processing on mobile devices. In addition to mobile commerce, it's also important to deploy mobile technologies in-store to engage customers and move to touchless in-store mobile payments. Make sure the vendors you're considering provide a complete mobile point-of-sale solution to streamline the checkout process.





Secondly, you want to make sure your content is mobile-friendly. In a rush to launch mobile storefronts and apps as quickly as possible to satisfy demand, retailers often try to duplicate their online presence into their mobile apps, which simply doesn't work. If the content isn't optimized for a mobile device, meaning the proportions or sizes aren't right, it creates a terrible customer experience. Beware of the cluttered screen with multiple buttons and call-to-actions that confuse and disorient the visitor. Before launching mobile, it's important to make sure flow and browsing are as seamless as possible.





3 Falling Behind on Click and Collect

Click and collect (or BOPIS - buy online pick-up in-store) is the hottest trend in omnichannel retail, for good reason. Premium retailers provide a variety of purchase, pick-up, and return options because, frankly, consumers are demanding unprecedented convenience and flexibility from their shopping experience. If you're not already offering these options to your customers, it's time to start! Studies show that [63% of brands worldwide](#) are considering offering some form of BOPIS in the upcoming year. Falling behind on click and collect will mean falling behind on customer satisfaction.

Picture this retailer's nightmare: your customer is about to check out on your website but abandons the cart altogether when they see the costs associated with fast delivery. Shipping costs are an unexpectedly common [deterrent for online shoppers](#), with 95% of eCommerce shoppers admitting that delivery fees impact their purchase decision and 36% abandoning their carts. In-store pick-up allows you to reduce or eliminate these shipping costs for your consumers and, by extension, maximize online sales.





3 Every retailer in the world has heard of the “[retail apocalypse](#),” and is doing everything possible to avoid it for their own brand by incentivising in-store visits. BOPIS increases foot traffic at your brick-and-mortar locations by converting eCommerce-only transactions into in-person interactions. Once your customers have entered your store to pick up their order, your store associates can try to up-sell to increase their total order value. If possible, deliver-from-store can also reduce costs while increasing customer satisfaction.

Unfortunately for retailers, click-and-collect is only easy for the customer. If your infrastructure isn't built to accept and fulfill omnichannel orders, you're better off giving up on BOPIS altogether. Evaluate your current systems to determine whether your retail platform or partner supports unified commerce and whether your logistics team is prepared for the order management complexities associated with omnichannel fulfillment.





4 Omnichannel Data Integration

When embarking upon the omnichannel journey, it is critically important to start by analyzing your current tech stack and selecting an omnichannel solution with the integration capabilities necessary to unify your existing technical silos. This is much easier said than done. When asked about their primary challenges to achieving a consistent brand experience, 67% of retailers named lack of customer analytics across channels and 45% were concerned about their inability to identify customers across shopping trips.

Many organizations lack the necessary analytics tools to correctly attribute and track performance across channels or follow customers on their shopping journey, providing a customer 360 view in real time. This is generally because retailers rely on a patchwork of systems and software to create their omnichannel experience, which limits or complicates the possibility of integration and communication.





4 [A recent study from PwC](#) found that over 40% of retailers cited software integration and incompatibility as the leading causes of omnichannel struggles, and 21% pointed to issues with aging legacy software that was difficult to integrate with newer systems.

It is critically important, when analyzing omnichannel solution providers, to ask them how their platform integrates with your ERP, like Microsoft Dynamics and Netsuite, or legacy eCommerce systems, like Shopify and Magento, and whether they've performed these integrations for retailers in the past. It's always best to work with a provider that can leverage API architecture to seamlessly integrate with existing business systems while also ensuring ease of future innovation. Managing all systems and channels from one platform will make it infinitely easier for your organization to provide a consistent shopping experience.





5 Maintaining Antiquated Store Crediting Frameworks

Companies that fail to implement a comprehensive store crediting framework risk the delivery and success of their entire omnichannel initiative.

First things first, let's define what we mean by a store crediting framework. Put simply, it's a policy intended to reward stores and its associates for driving or assisting sales and generating revenue. This has traditionally been very straightforward: the store receives credit when an order is placed and fulfilled by that location. That's no longer going to cut it.





The first step to achieving a truly omnichannel approach is to eliminate channel-based performance reporting. In organizations where stores receive credit for online sales, store managers and associates know that the shopping channel used is irrelevant to their compensation. As a result, they act in a channel-agnostic way and engage with customers to promote your brand and maximize sales. Without a store crediting framework for omnichannel retailing, store associates may view online sales as a threat to their job security. Being on the front line of consumer interactions, such behaviors will negatively impact the in-store shopping experience for shoppers. Therefore, store associate incentives must be tied to corporate revenues, profitability, and customer experience.





ONLINE ORDERS

Omnichannel Journey	Fulfilment Flow	Sales Crediting Framework	Incentivizing
Standard online order	Item is shipped from DC/supplier to customer's address, which is in the geographical territory of Store A	Store A gets 100% sales credit	Store associates do not get any commission.
Click and Collect/BOPIS/ Try and Buy	Store A uses its inventory to fulfill the order	Store A gets 100% sales credit	Store A associate who fulfilled the order gets commission
Fulfill From Store	<p>(A) Store A ships the item to a customer in its geographical territory</p> <p>(B) Store B ships the item to a customer in Store A's geographical territory</p>	<p>(A) Store A gets the 100% sales credit</p> <p>(B) Both Store A and Store B get 50% of the credit.</p>	<p>Store A associate who fulfilled the order gets commission</p> <p>Store B associate who fulfilled the order gets commission</p>
Ship To Store for pick-up (Stock transfer from another store)	Store B transfers its inventory to Store A for pick-up	Both Store A and Store B get 50% of the credit.	Both Store A and Store B associates get 50% of the commission
Ship To Store for pick-up (Stock transfer from DC)	DC transfers its inventory to Store A for pick-up	Store A gets 100% sales credit.	Store A associate who fulfilled the order gets commission

IN-STORE ORDERS/ENDLESS AISLE

Omnichannel Journey	Fulfilment Flow	Sales Crediting Framework	Incentivizing
Order captured in-store and fulfilled from DC/Supplier	Store A captures the order and DC/Supplier ships the item to the customer's address	Store A gets 100% of sales credit.	Store A associate who captured the order gets commission
Order captured in-store and fulfilled from another store	Store A captures the order and (a) Store B ships the item to the customer or (b) the customer picks the item up from Store B	Both Store A and Store B get 50% of the credit.	Both Store A and Store B associates get 50% of the commission



Now that you're aware of the most common challenges faced by retailers such as yourself, it's time to take a hard look at your own omnichannel experience. How does it compare to your competitors'? How well does it cater to customer expectations? How many of the challenges named in this whitepaper are you currently experiencing?

[Request a consultation](#) with the HotWax Commerce team to discuss your upcoming initiatives with industry experts and discover our best-in-class solutions.