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WAYS TO
SUCCEED
IN
RETAIL

Content

Preface

The Business implications of an Integrated Retail Management Solution is immense indeed. In the contemporary business environment where liberalization, privatization and globalization are the order of the day, most of the retail businesses around the world operate under the fiercely competitive market conditions. Such competition has led to wafer-thin margins in this sector. In order to remain competitive, the retail organizations surviving on thin margins cannot afford the luxuries of systemic inefficiencies or delayed decision-making. Both activities, be it increasing efficiencies in business process or the ability to take prudent decisions quickly requires an inside out awareness of the business. A retailer ought to know the 'complete picture' that indicates the true state of his retail business.

Integrated system for effective retail management

A retail organization can be a small chain of retail stores in the neighborhood or may include an organization having presence around the globe as a network of thousands of stores. Management of such a distributed retail chain is a Herculean task indeed. An integrated retail management solution benefits the retailers in better management of their enterprise wide operations spanning the entire globe.

A special Retail System for an Integrated Retail Management Solution with a robust back-end and in conjunction with an enterprise application works together hand in hand to ease up the challenging processess of retail management and offers a one stop solution.

An integrated platform equips the retailers to manage their businesses in an effective and efficient manner by providing cohesive, consistent and relevant information. It makes the task of keeping track of all the transactions much easier. An integrated retail solution allows automatic recording of the transactions in real-time environment. They have become indispensable tools to survive and increase profitability not only for the Mid Market Retailer but also for a large multinational retail organization. The major competitive benefits of using an Integrated Retail Management System in the modern day retail include:

An Integrated Retail Management System makes management of a retail business a lot efficient & sophisticated by utilizing the best suited easy to use technology offered by the modern day Information Systems (IS) in an integrated and consistent manner. The Integrated Retail Management Information Systems facilitates faster and better management decisions by providing crucial information in a timely manner which helps businesses run error free and with ease leading to greater customer satisfaction and repeat business.

A successfully Integrated Retail ERP Systems has been found to deliver high ROI despite their high initial and maintenance costs.

Intuitive Interface – The Integrated Retail Management System extends an Intuitive Interface to the users that make it very to interact with the software suite. This enhances the adaptability of the enterprise application and is critical to make 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 optimum manner. This optimization raises efficiency in system subsequently translating it into reduced costs and correspondingly higher profits.

Reduction in the overhead and Inventory – An Integrated Retail Management System allows the organization to considerably reduce the overhead and excess inventory thereby reducing the excessive costs to the company.

Availability to promise – An Integrated Retail Management System allows the organizations to commit timely deliveries & respond to any challenges or constraints in inventory management and thereby extend timely response to any customer demands.

Bringing mobility in retail – An Integrated Retail Management System offers integration of the various Information Systems (IS) that is integration with RF devices and mobiles. The new age retail is more mobile & agile with the new solutions that integrate Point Of Sale, warehouse & Head Office directly to the client in all possible ways.

Easy scalability and adaptability – An Integrated Retail Management System offers easy scalability options as per the size and scope of an organization and is adaptable to the future growth. In addition it also allows integration with the different technologies as well as the legacy systems running at the business associates or partners' end.

Loyalty and Customer Connect

Developing loyalty among customers and engaging with them can initiate a relation that is long term. If customers realize this affinity, the chances are that they may come back & end up doing repeat business.

The ultimate dilemma is- How will I succeed in this Customer engagement process?

We believe these four principles can help any retailer small, medium or Large foster loyalty inside the organization & with customers as well. Procuring repeat business & engaging a customer with your business system is the easiest way to grow your business. It can impart a razor sharp edge to your business ripping the competition through.

Implementation of these ideas and concepts can help a retailer cultivate a loyal culture among employees as well as customers & one can quickly see tangible results. Sequentially following these concepts each day can help you begin with a calculated approach each day with great excitement and enthusiasm.

Quality is the Vital Component

The most important criteria that leads a client turn to a Store is need followed closely with Quality. *Satisfaction* is the difference between customer expectations and service delivery. Owing to this, products are evolved as per customer expectations. Trying various Sales techniques and good packaging cannot bring about a change on customer outlook - The

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

fundamental business concept that business needs to realize is to have a balanced transaction: *A customer expects an appropriate return for his spend.*

All these factors influence first time purchase, but major factor that influences the repeat footfall is due to quality.

Servicing clients beyond their expectations- 100 Good Experiences Vs. One Bad One

Sales for any company have to be a priority, especially when economy is in a slump. Therefore, when a customer comes in to shop, a smart retail organization needs to focus on making that buying experience as pleasant & memorable as possible.

From greeters at the security check-in - To the checkout personnel, the retail store team must have one mind when it comes to customer service. The customer has to feel special and important and engaged.

Keeping this in thought, one bad experience can wipe away literally years of good customer service. The one bad memory killing the 100 good experiences is not that far out a concept and should be central to the management of a retail operation. Because a bad memory at store can turn your loyal customer to your competitor as he is just a click away. By exceeding expectations one ends up building 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
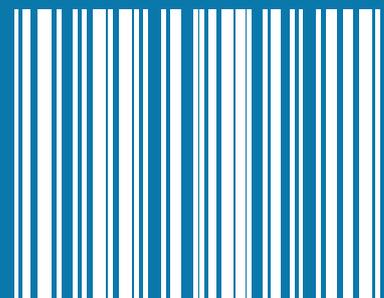
Engage your clients in a bidirectional dialogue

The marketplace today is more complicated than ever and does not limit to product quality & customer's experience at store. The new retail customer has access to varied "touchpoints" or interactions with a number of providers. Customer experience does matter, and it can be managed for nearly every type of customer interaction possible. This 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 a level up than a satisfied client & definitely more loyal. Their association with your organization is unmatched & they often go out of the way to show the same. They also support you during both good and bad times because they firmly believe your quality & find it way superior to what others have to offer. Engagement drives your customer beyond loyalty to make it an active participant & promoter of your product. And engaged customers will want share their feedback – through all available touch points & retailer should be prepared to handle it. All this translates into a more engaged customer who will spend more money with you 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

Pro-active Surveys

Surveys help in imploring information from base of customers and is a time-tested proven way to peep into a customer mind and draw a feedback for your efforts. Not only the customer surveys help in consolidation of customer expectations they can be used for problem identification or problem solving. Questions with simple options to choose from such as "convenient/ inconvenient" or "satisfied / unsatisfied" deliver calculable insight for problem identification. Open-ended follow-up questions provide a rich insight into problem solving.

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

Social Media

It was a mere half-decade ago that loyalty marketers began to start investigating seriously into how social networks and loyalty relate to one another. The rising power of social networks and customer word-of-mouth forced them to acknowledge its impact & importance since it has shown an inordinate effect in a short span of time.

Nurturing and leveraging virtual consumer networks has now become a prime evolutionary trend in loyalty over the next few years. Obviously, consumer use of social media has exploded since then, led by the seemingly boundless popularity of Facebook, followed by Twitter, YouTube, LinkedIn and blogs, as well as the more recent location-based success stories such as Foursquare and raise-your-hand-together models such as Groupon.

Research depicts that in 2010 worldwide internet users spent nearly a quarter of their online time on social networking sites and blogs, an increase of almost 19 % over 2009. Thanks to the iPhone and other smartphones, the use of social networks through the mobile phone is increasing at a rapid clip. These trends are bound to show a rapid increase with the number of mobile social network users to double between 2010 and 2015 i.e. from around 40 million users to close to 80 million.

Engaging social media to churn loyalty

Marketers need to integrate "social" into their cross channel loyalty program efforts and ensure it is given proper attention from all channels. Hence-

Reach out to them: Social media from the very beginning offered many natural connections to loyalty marketers seeking to cultivate customer loyalty. With its emphasis on word-of-mouth, sharing, linking, "friending" and "liking," social media provides dominant & dynamic tools to implement such core loyalty principles as relationship-building, customer service, personalization and data gathering/analytics.

Develop a Strategy: Social web provides the ideal platform to nurture higher engagement and advocacy. The need for the evolution of a dialogue to a 'Trialogue'- where the members' social networks become a part of the retailer – consumer conversation, is of great importance today and in times to come. Most brands already have some sort of social web presence, but it is not an integral part of their loyalty program. Marketers need to begin their efforts by setting up a fan page; an online community; and provide access to relevant information, promotional offers, exclusive online only events/contests. This should then evolve, as

Set up a Facebook Store

- *Allow earn, burn, purchase & donate*
- *Integrate loyalty & brand fan pages*
- *Have exclusive offers & promotions via Facebook to Fan comments*

Reward Social Interactions

- *Socially active members to have a star status, in addition to reward points*
- *Status points can be translated to social currency (like Facebook credits) or converted into "money can't buy gifts", e.g. lunch or an exclusive memorabilia or badge*
- *Engage fans on socially active themes with special rewards*
- *Acknowledge & respond to Fan comments*

Engage into trialogue

Develop a 3-way dialogue where the brand has easy access to the best customers, the customers have easy & direct access to the brand, and the customers can talk to each other freely from which both customers and the brand can extract value

Groom Brand Advocates

With transactional and social interaction data available, loyalty marketers can spot community managers and brand loyalists, their help can be leveraged to spread out a positive word to enhance brand image with success stories. With quantification of ROI on social media initiatives being a challenge for all marketers, it is important for loyalty marketers to begin connecting in measurable ways with their best customers. Marketers thereby should identify their brand loyalists, take them seriously (because they can elevate or tear down a brand), and engage with them continuously.

Social media clearly offers transformational loyalty-marketing opportunities to retailers, but all of its unique benefits are yet to be tapped. And, as with any loyalty effort, gaining consumer trust, and providing a good value proposition—and a superior product or service—are essential. In Retail market the businesses that shall bring disciplined decision-making, strong buy-in from the top, constant efforts at measurement and proof, and willingness to experiment that will win in connecting social media and loyalty and move to the next stage of success in the social media space.

Social media offers the opportunity to see customers as more than just numbers. Through trialogue, social tools help bring customers to life—which helps loyalty marketers learn the right ways to reach their goal of building long-term relationships.

Go Mobile

1. Clinch the Next Frontier

Customer adoption of mobile is mindboggling, with forecasts suggesting it will only grow exponentially. Consider that - 40% of all U.S. adult consumers have downloaded at least one mobile app, >2 billion app downloads in just over 2 years , ~80 million US mobile web users & expected to surpass 135 million over the next 4 years . Smartphones are expected to become the largest segment amongst cell phones this year, it is obvious that smartphone users have to be lured by marketers. Although that does not mean that the feature phone users have to be ignored, but smartphone users take priority considering their usage behavior.

2. It's Personal, Make it Count

A smartphone is the ultimate personal device for each owner and it presents marketers with opportunities to connect. The most significant aspect for a marketer here is to get connected with a vulnerable shopper in real time on an one-on-one basis. However, the adoption of mobile initiatives is equitable, marketers need to increase their "connect" 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's a mobile app or a mobile coupon –marketers need to be agile and acclimatize to fast changing technologies; while at the same time be prudent decision-makers and transformers as trends emerge, evolve and mature. Loyalty marketers are swiftly adopting the smartphone game, typically with a branded app or mobile website. However it is compulsive for marketers to develop a full-fledged mobile strategy, adopt a mobile loyalty platform & interweave "mobile" as a key part of their cross-channel loyalty solution. Marketers will need to segregate & 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 games/events/content; deliver rewards via apps/2D barcodes; deliver promotions; provide ability to redeem offers

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

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Multichannel Retailing

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

This form of retailing gives retailers deeper penetration into market with opportunities to get their product noticed by clients, which they may have missed on traditional channel. This allows them 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.

The key benefit for retailers of being multichannel is that it gives them more opportunities to get their product in front of customers whom they wouldn't have been able to reach with a single channel. This allows them to increase revenues and profitability, which is fundamentally what being in business is all about. 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 so many messages persuading them to buy that, if retailers dont 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 a mobile application, via a 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 receives 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 ensures right product in the right place at the right time which is absolutely critical.

For example, there's no point in having a fancy website that seemingly allows the customer to buy products if the items never turn up. That bad experience wouldn't just put off the customer from visiting the website again, it would probably also deter them from shopping in the retailers stores on the high street, or using their catalogue. So whilst multichannel retailers are able to get to more customers, the chance of getting it wrong is also greater.

Planning the multichannel is the next big task, and allocation of resources is of utmost importance.

However it's absolutely vital that one plans how multichannel is going to work for his business and how they're going to deploy the resources. These resources include products, people, marketing and IT systems, which need to be spread across each channel.

Information Technology acts as a facilitator for retailers, in the sense that it makes processes better and can improve business practice. It's not true that without IT you wouldn't have bricks and mortar retailing, because this existed and was part of the retail landscape many years before there were computers. However, internet shopping and mobile retailing have obviously been facilitated by technological advancement. Retailers have sometimes been classified as being late to adopt different technologies; historically they have tended to try a development when it was no longer cutting-edge and its real advantages had been proven. For example, when the internet was first used to sell products and services, not everybody had a home computer, so many thought this route to market wouldn't take off because there weren't enough computers out there. Nowadays, retailers who have adopted this technology and are managing their online stores well are making a great deal of money.

In terms of where multichannel is going, it's very difficult to say. If we wound the clock back ten years to the year 2000 and were asked to forecast the technology that would be in use in 2010, at best, we might have got it approximately right. What's important is that IT providers should always be looking at their product from a retailer's perspective and understanding how the product underpins multichannel retailing.

Dashboards & Analytics

Retailers often struggle with operational visibility, the sole reason for it being uncountable transactions and several touch points. For businesses to survive in this competitive world, it's critical to be able to effectively read customer behavior, identify product and service demands and accurately plan sourcing, procurement, supply chain, assortment and day-to-day channel operations. On parallel focus the retail management system should be intelligent enough 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 entire 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 Include-

| CPCS | Customer | Product | Channel | Supplier |

Without the aid of dashboards, a retail manager might be able to track data pertinent to their distribution center, group of stores, or merchandise group but they will miss the overall trend. Therefore, Business Analytics must broaden the user's span of understanding while empowering them to drive deeper into their own responsibilities.

The Ultimate performance monitoring tool

Predictive analytics can be used to ascertain the degree to which answers from a query relate to particular goals. Tactical knowledge of action items that impact an outcome discourages 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 used to drive critical business decisions A retail analytic tool/ dashboard is expected to do a lot more than just collecting data, it has to get correct insights. An easy & strategic approach has to be adopted to collect the entire 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 and responsibility across the enterprise, while accommodating individual preferences. A personalized dashboard captures what is most important to the individual user.

Benefits of Retail analytics with dashboards:

- *Analyze data using a statistical technique to reveal the most important areas of focus*

- *Helps in employing statistical methods including correlation, multiple regression, factor analysis, and logit models to give detailed insight into data*

- *Recognize the important areas of focus that may change over time to respond with changes in the economic, competitive, and demographic environment of retail business*

- *Make 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, orienting 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 next level is a challenge which you can handle with iVend Retail Suite of Applications.

Retail Technology Solutions from CitiXsys are making retailers profitable by enhancing consumer experience.
With thousands of retailers in 45+ countries, CitiXsys focuses on agility by delivering quality software applications.

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