CATCH ON
WITH THE OMNI-CHANNEL CUSTOMER

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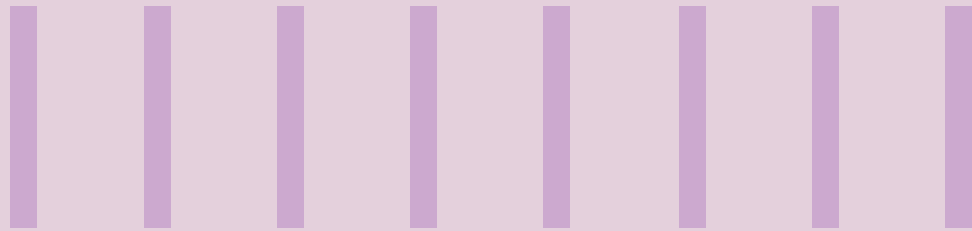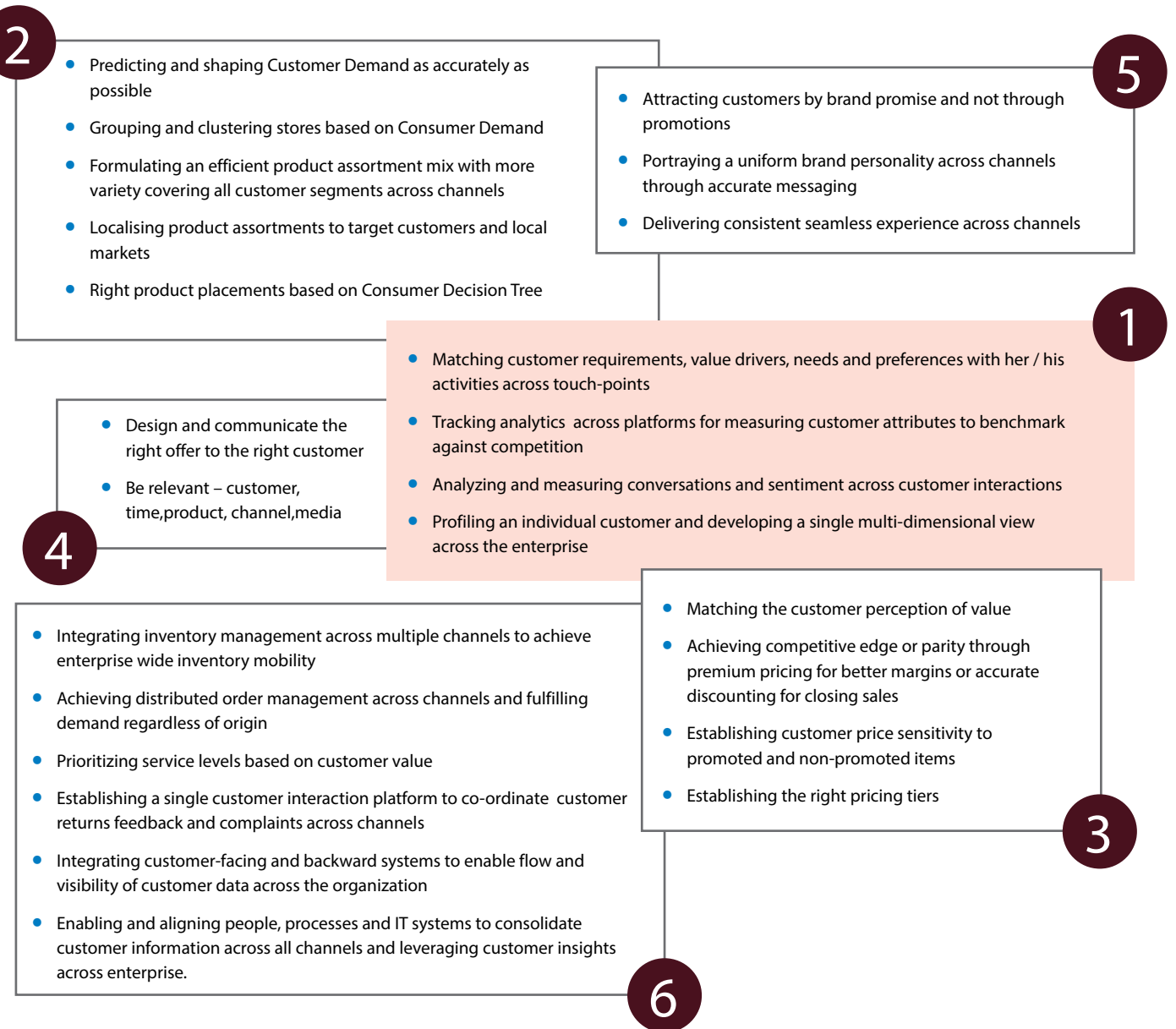Navigate your next

Introduction

Omni-channel retail is not just about providing a seamless shopping experience across physical and digital channels. Customers expect retailers to recognize them, understand their preferences, and know what they buy. Today's smarter customers demand personalized promotions and products whenever they choose to shop. Customers expect communication through their preferred channels, recognition, personalized messaging, and more. Hence, more than ever before, there is a need for customizing customer experiences through co-creation and an understanding of their emotions and aspirations.

Customer insights define omni-channel retail business processes. IT systems, new market strategies, product/service mix, employee mix, brand positioning, campaigns, channel strategies, and more depend on customer insights. Omni-channel retail is all about transforming the entire gamut of retail operations across all channels to place customer needs and preferences at the core. Smart omni-channel retailing is customer-driven and is organized around the following goals:

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- Predicting and shaping Customer Demand as accurately as possible
- Grouping and clustering stores based on Consumer Demand
- Formulating an efficient product assortment mix with more variety covering all customer segments across channels
- Localising product assortments to target customers and local markets
- Right product placements based on Consumer Decision Tree

5
- Attracting customers by brand promise and not through promotions
- Portraying a uniform brand personality across channels through accurate messaging
- Delivering consistent seamless experience across channels

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- Matching customer requirements, value drivers, needs and preferences with her / his activities across touch-points
- Tracking analytics across platforms for measuring customer attributes to benchmark against competition
- Analyzing and measuring conversations and sentiment across customer interactions
- Profiling an individual customer and developing a single multi-dimensional view across the enterprise

4
- Design and communicate the right offer to the right customer
- Be relevant – customer, time, product, channel, media

3
- Matching the customer perception of value
- Achieving competitive edge or parity through premium pricing for better margins or accurate discounting for closing sales
- Establishing customer price sensitivity to promoted and non-promoted items
- Establishing the right pricing tiers

6
- Integrating inventory management across multiple channels to achieve enterprise wide inventory mobility
- Achieving distributed order management across channels and fulfilling demand regardless of origin
- Prioritizing service levels based on customer value
- Establishing a single customer interaction platform to co-ordinate customer returns feedback and complaints across channels
- Integrating customer-facing and backward systems to enable flow and visibility of customer data across the organization
- Enabling and aligning people, processes and IT systems to consolidate customer information across all channels and leveraging customer insights across enterprise.
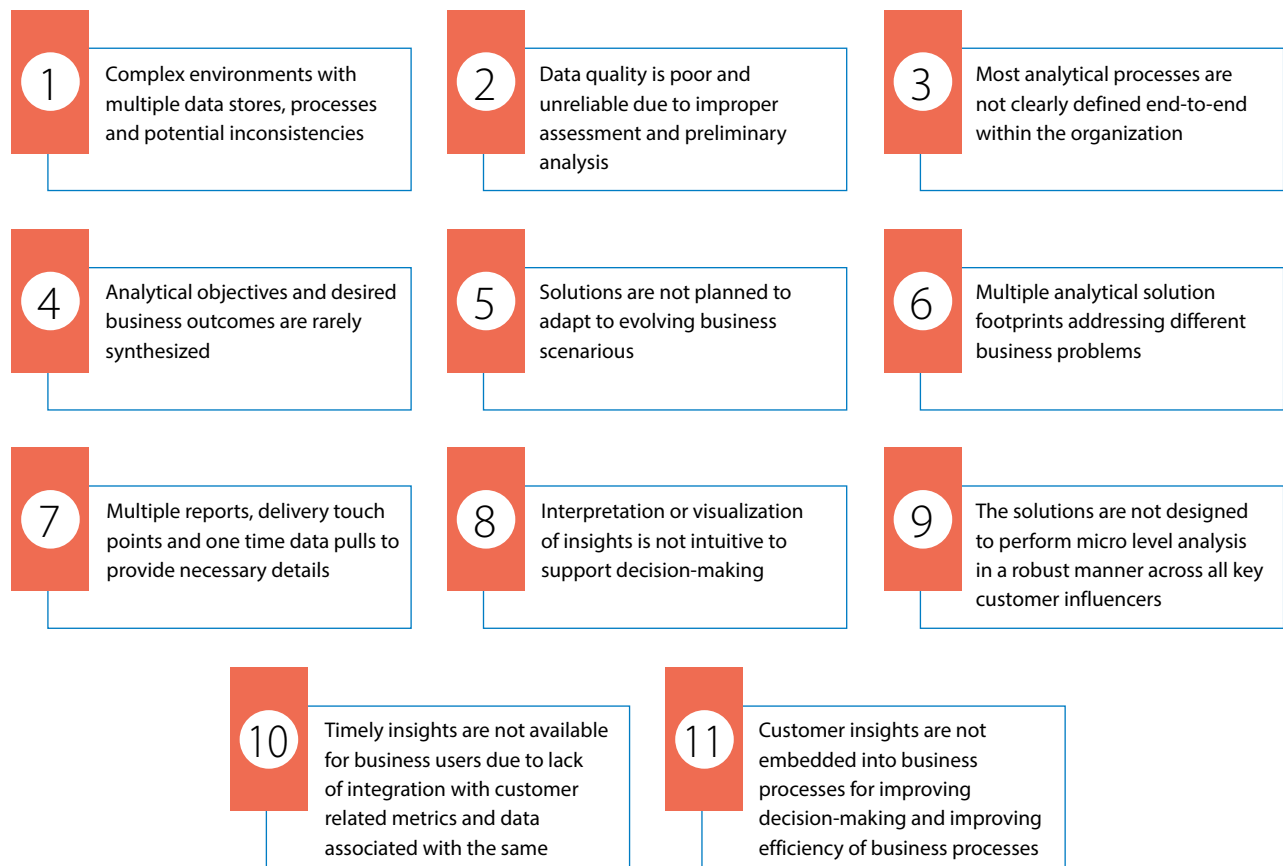
Analyzing customer preferences on the parameters of convenience, experience, expectations, product search pattern will help retailers innovate their offerings in a way that it improves responsiveness to the demand for instant gratification. At what discount would a person sign up, and how many additional products or services would he or she purchase over the next three years? How many friends could this person influence to make the same purchase?

The personalization revolution has thrown open doors of opportunities to retailers to innovate their offerings around the customers by actively listening to them, following them, and proactively predicting their behavior. Monitoring customer behavior across channels and predicting their behavior will generate multiple opportunities for retailers to be innovative and improve their ability to react quickly to market realities, engage personally with their customers to improve relevancy of promotions and campaigns, offer relevant products and services at the right price, build loyalty and relationship to retain customers, and induce customers to spend more with them than with their competitors.

Retailers require granular-level predictive and real-time analytical capabilities to analyze data garnered from recent events, customer behavior, and incorporate all the contextual information to identify individuals across channels, and to generate a holistic view of the customer and his / her circle of influence. These insights have to be embedded into the business processes for improving responsiveness to customer needs and preferences and to stay relevant. But in doing so, organizations face the following challenges:

1. Complex environments with multiple data stores, processes and potential inconsistencies

2. Data quality is poor and unreliable due to improper assessment and preliminary analysis

3. Most analytical processes are not clearly defined end-to-end within the organization

4. Analytical objectives and desired business outcomes are rarely synthesized

5. Solutions are not planned to adapt to evolving business scenarious

6. Multiple analytical solution footprints addressing different business problems

7. Multiple reports, delivery touch points and one time data pulls to provide necessary details

8. Interpretation or visualization of insights is not intuitive to support decision-making

9. The solutions are not designed to perform micro level analysis in a robust manner across all key customer influencers

10. Timely insights are not available for business users due to lack of integration with customer related metrics and data associated with the same

11. Customer insights are not embedded into business processes for improving decision-making and improving efficiency of business processes

Retail organizations looking to improve their omni-channel capabilities must develop an integrated customer analytics ecosystem to overcome these challenges and design a roadmap to create a sustainable enterprise-wide analytics-driven culture.

Building A Customer Analytics Ecosystem

A customer analytics ecosystem must have the following features:

1. **A standardized methodology to identify high impact analytical opportunities** which are prioritized based on market dynamics and consider the desired business outcomes and strategic goals, evaluate the possibility of creating a differentiated capability, and assess the feasibility of implementation based on operational readiness and enterprise-wide consensus.

2. **A systematic approach to the implementation lifecycle** to facilitate synthesis between stakeholder groups to define solution components including process, information, technology, organizational readiness, and budgeting.

3. An approach **to integrate the analytical objectives with the desired business outcomes.**

4. **A comprehensive and scalable customer analytics solution** which:

   a. Has a holistic analytical data model coupled with a data acquisition framework that supports superior structured, semi-structured, and unstructured data harmonization

   b. Has scalable analytical framework, with adherence to global enterprise standards for data security

   c. Offers intuitive and synthesized visualization that helps decision makers at various levels of the organization to analyze and respond to business challenges/opportunities on-time

   d. Is able to integrate seamlessly with the existing technology and application landscape

5. Facilitates **collaborative decision-making between various layers in the organization** using information delivery channels such as mobile, SharePoint portal and the Web to make timely fact-based decisions.

6. Has a **structured Change management process to develop an analytical culture and to drive user adoption** within all enterprise units to establish an Insights Driven Organization.

7. Has a **framework to monitor, measure, review and improve the effectiveness of the ecosystem** by measuring the performance based on metrics and researching analytical practices globally and adapting accordingly.

Conclusion

To achieve omni-channel superiority, a coordinated analytical approach across the customer value chain is required. A customer analytics ecosystem with an enterprise-wide analytics strategy and roadmap will help to deliver a single view of information and analytics for cross-functional effectiveness across business functions. Infosys with its experience of partnering with leading global retailers for more than 20 years can help you develop a customer analytics ecosystem by defining, optimizing and aligning your business strategy with analytical initiatives.

To learn more about developing a customer analytics ecosystem for omni-channel retail, please write to askus@infosys.com

About the Author

Krishnakant Kasturi (KK) is a Lead Consultant for Retail, CPG, Logistics (RCL) at Infosys. He has 13 years of cross-industry, cross-functional experience including 9 years of on-field experience in the Indian retail industry across grocery, telecom, specialty and petroleum retail. He specializes in business process improvement and customization of business solutions across retail sales operations, dealer and franchise development, CRM, loyalty programs, merchandising and retail channel expansion.

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