

# **THE PURSUIT OF SEAMLESS RETAIL**

**Why Culture, Convenience and Confidence  
are at the Heart of Commerce Anywhere**



## RETAIL SHOULD BE ABOUT CUSTOMERS, NOT CHANNELS

“Retailers have to decide if they want to serve customers the old way and disappear or the way their customers want to be served - everywhere and anywhere.”

Roberto Merlini,  
Group Marketing &  
eCommerce Director,  
Prénatal

It may seem counter-intuitive to start a paper that is ostensibly about “omnichannel” by suggesting we all stop talking about “omnichannel”, but it’s worth reconsidering our vocabulary around this topic. Customers don’t think of the retail experience in terms of channels or interactions, they consider their experience with a brand as a whole.

Retailers need to adapt in response – a reality few would disagree with – but while shoppers have more choice and flexibility in how they make purchases than ever, many brands still cannot deliver a seamless experience across the board. People shop on their mobiles, in-store, and online; they shop via mobile apps; they can even tailor product delivery and collection options to suit their needs; but delivering a consistent service on all these platforms remains a challenge.

This is why at Oracle we talk about “commerce anywhere”. It is not about the number of platforms retailers use to service customers, but about ensuring they can cater to shoppers’ changing expectations at all times and on all devices in a seamless way.

Retailers are now looking to break down the silos that have developed in their organizations over time to deliver a seamless customer experience. In this paper, Oracle explains why culture, convenience and confidence hold the key to achieving that ambition.



**Shoppers have more choice and flexibility in how they make purchases than ever**

## CULTURE

Technology has a vital role to play in building the future of retail – from point of sale through to source – but getting the technology right is only part of a wider, on-going challenge. Retailers must also embrace the cultural change that needs to happen within their organization if they are to break down silos. A seamless flow of information internally is crucial to delivering a seamless retail experience for customers.

This is because selling across any and every channel is not the same as delivering an experience that is joined-up and consistent across all channels. That must be the goal.

For some organizations, achieving this requires a rethink of business processes, with a particular focus on increased agility. Speed is critical to success, and retailers must foster a culture that permits and encourages faster decision-making.

Breaking down silos also requires businesses to abandon their notions of hierarchy, which certainly includes putting an end to internal competition between online and offline. It’s time to move past a corporate culture once dictated by in-store being the company cash cow in favour of one that’s best-suited to ensuring consumers get what they want, wherever and whenever they want it.

“We’re moving away from the culture of the highest paid person is the only one making the call. We’re making decisions based on quantitative and qualitative customer data.”

**Paul Hornby,**  
Head of eCommerce,  
Shop Direct

Leading UK retailer Shop Direct has seen first-hand the value of investing in cultural change to ensure it can make the most of its retail technologies. Speaking at the Oracle Retail Industry Forum 2015 in Amsterdam, Shop Direct’s head of eCommerce, Paul Hornby, said: “We’re moving away from the culture of the highest paid person is the only one making the call. We’re making decisions based on quantitative and qualitative customer data”. In 2015, the company saw its profits surge to a record high.

For traditional retailers looking to compete with today’s pure-play online players, a cultural shift towards this kind of integrated hierarchy is a crucial first step in their efforts to rebalance the playing field.

This involves re-examining the physical store and challenging its purpose with the aim of enhancing the overall shopping experience in a way that caters to the commerce anywhere generation.

The store may traditionally have been where retailers made the most money but now they must also consider its role as a service centre, as a collection point, as a showroom and as a place for customers to hang out. It has become an outlet through which shoppers engage with the brand and speak with experts to complement the online experience and their own research.

Brands shouldn’t penalize themselves if customers are shopping online but not in store. Rather, they should think of what more they can do in their stores to drive online transactions even higher and to make online purchases, their subsequent delivery, after sales service and returns even more convenient for customers.



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## CONVENIENCE

The reason customer service has to evolve is simple: the average customer today is more technology-aware and less likely to participate in traditional buying behaviors.

Shoppers have also grown used to getting what they want, and the more nimble they become the more fickle they can afford to be. It’s therefore crucial retailers deliver a consistent experience that doesn’t fall apart when the lines between online, mobile, and in-store are crossed in the course of a purchase. Customers expect zero friction whether they decide to buy an item online and collect it in store, purchase it in-store and opt for home-delivery, or use a voucher code in store that was issued online.

From pricing to availability to returns, every element of the retail experience must be developed and delivered with convenience in mind. Any barriers can quickly become insurmountable in a world where consumers are only a click away from a competitor.

To that end, it’s worth keeping in mind that the physical store is far from dead. If a customer wants to try on an item of clothing or see the picture quality of a television for themselves before making a purchase, they will do so. In fact, Oracle’s recent *Retail Without Limits* research revealed 62% of consumers still prefer to visit a store as part of their shopping experience. What’s changed from retailers’ perspective is that the goal is no longer to make a sale there and then but rather to give shoppers

“Our on-going customer commitment includes adopting new technology to enable us to better serve customer needs and meet their expectations for convenience, choice and experience.”

**David Hunn,**  
Director, IT Delivery,  
John Lewis

every reason to buy an item once they have found what they want, either in store or at a later time online or on their mobile.

If retailers can achieve this they have a far greater chance of finding favour with consumers and seeing a greater return on their investment in terms of increased loyalty, sales growth and improved operational efficiency.

The loyalty factor is particularly strong. Oracle's research also found that 31% of consumers say knowing the right product will be at the right place at the right time is most important to their shopping experience, and more than half said that if done right this would make them more loyal to a particular retailer.



**62%** of consumers still prefer to visit a store as part of their shopping experience



**31%** of consumers say knowing the right product will be at the right place at the right time is most important to their shopping experience,



more than **50%** and more than half said that if done right this would make them more loyal to a particular retailer

"We had an eCommerce business that was chugging along, but we hadn't invested in ways to leverage that as a space for us to connect with our customers. We invested in changing the platform and it has reignited the business."

## CONFIDENCE

Achieving a single view of their operations gives retailers the confidence to plan more proactively, as well as increased confidence in their customer relationships. This greater transparency enables businesses to make better informed decisions about pricing, range, assortment, fulfilment and growth while dramatically improving customer satisfaction.

Businesses should also feel confident in their supply chain, and that no nasty surprises will disrupt their seamless retail operation. Today's supply chain solutions enable retailers to have total confidence in the quality and on-time delivery of their products by delivering total transparency into their trading partner relationships and into the procurement and provenance of their inventory from the source.

Getting this approach right also provides a platform for consistent growth, both in existing markets and whole new geographies.

With changing consumer attitudes has come a greater interest in the origins of items and ingredients, and not just in store where people can read product details for themselves on the pack. This information needs to be made available throughout the system, online and offline, and at the fingertips of sales assistants so retailers can have total confidence in their compliance and in their ability to deliver on their customers' ethical expectations.

Dave Kimbell,  
Chief Merchandising and  
Marketing Officer,  
ULTA Beauty

## THERE IS NO FINISH LINE

The most successful retailers will be those who are defined by their customers, not by the number of channels they sell through.

Oracle is committed to helping businesses put in place the foundations to sell anywhere, fulfil anywhere and create a single view across their operation that delivers on three core requirements:

“Our customers seek out the UGG brand online, on their mobile devices and in stores. By creating a single, accurate view of their engagement with us, we can better align our service, marketing and merchandising with their needs.”

Dave Powers,  
President, Global  
Direct to Consumer,  
UGG

1

**A SINGLE VIEW OF CUSTOMERS:** Collating, analysing, understanding and then executing against customer data is crucial if retailers are to deliver an individual, tailored experience which is consistent across all customer touch-points. Retailers need to get data online, get data offline and use that data to deliver a valuable experience.

2

**A SINGLE VIEW OF STOCK:** Retailers must have the confidence to offer products and deliver on customer expectations regarding availability. They must also know where that stock has come from, where it is in the supply chain and how it can be optimized to deliver the greatest margin. Sophisticated inventory management is essential if businesses are to be able to fulfil orders in any location, without incurring unnecessary cost or complexity. In 2014, Oracle research found 46% of consumers are more likely to be loyal to a retailer that provides accurate availability information, with 30% of shoppers saying they would spend more. More than half, 58%, said availability is more important than price.

3

**A SINGLE VIEW OF TRANSACTIONS:** Delivering a consistent experience requires that all transactions are treated equally. Customers are bound to get frustrated when they are told they cannot return something in-store that they bought online, when a sales assistant is unable to look up their online transactions, or when a retailer's pricing is inconsistent online and in-store.

But while a customer-centric approach is crucial we are far from the finish line. In fact, there is no finish line.

Retailers must keep innovating and commit to becoming increasingly agile. Keeping pace with changing consumer demands will require them to become better than ever at listening, both to customers – understanding their feedback and acting upon it – and to signals within their own data – looking for patterns that may signal when customer expectations are not being met.

Getting this right and having the confidence to grow and invest requires that modern retailers keep pace with customer expectations as they evolve, driven onwards by technology and new experiences. At Oracle, we continue to innovate with the aim of ensuring businesses can deliver on a vision of commerce anywhere that puts customers squarely back at the heart of retail.

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