Whitepaper

“The Omni-Channel”
Conference after conference, vendors talk with retailers about their Omni-Channel issues. But the Omni-Channel today should be just as relevant to consumer goods manufacturers. After all, a sale is a sale. Where and how it occurs is important to both CPG companies as well as to retailers.

What is the Omni-Channel? The Omni-Channel is a term used to describe all the various channels in which your product can sell and the customer experience associated with that sale. That includes the selling price, the venue, the payment experience, customer services and the interaction with the customer.

Today, with the on-line shopper growing every year, the Omni-Channel includes traditional and modern forms of purchase. Traditional forms of purchase are generally referred to as in-store purchases. A customer buys a product at a “brick and mortar” store. But shopping behavior has evolved. With 83% of consumers making purchases on-line, the Omni-Channel is in full play.

At a recent conference retailers and consumer goods manufacturers expressed concern as it pertained to the Omni-Channel. The most notable concern was customer perception. This seemed to stem mainly from the fact that a customer can go into a retailer and purchase a product for one price, go on-line to the retailers’ web site and find it available at another price and possibly even go to a completely different site and get yet another price. This is leading some consumers to distrust the retailer as well as the CPG manufacturer. They are also getting annoyed by the amount of time they spent looking for the best price.

Retailers and manufacturers are facing huge hurdles when trying to present a single image to the consumer. The reasons are varied. First we’ll address the issues, then we’ll explore recommended options to resolve the issues.

Retailers as well as CPG companies now have both retail teams as well as new departmental teams that didn’t exist five years ago. These include “Social Listening Teams,” “E-commerce Teams” and/or “Mobile Teams.” Depending on your product, the price and velocity, you may have a larger e-commerce team than another retailer or CPG company. But non-the-less, most retailers and manufacturers have teams that sell through traditional brick and mortar stores as well as teams related to on-line sales, mobile offers and social offers.

A key issue for companies is getting these new, cloud-based teams working together with the retail teams. In most companies, both retailer and CPG manufacturers, the cloud teams are separate from the retail sales teams. This inherently puts the company in competition with itself! We actually even see mobile and retail teams viewing themselves as competition.
The sentiment seems to be that the teams related to mobile, social and ecommerce, view themselves as new, modern and cutting edge, while they view the retail teams as old, stodgy and outdated. Conversely, retail teams view the mobile teams as interfering with their sales and as young kids that don’t understand the business. This seems to be a common issue for companies.

Another key issue is coordinating pricing and marketing strategies. Mobile teams have separate budgets. Therefore their marketing and pricing strategies are sometimes being developed in a bubble that excludes the traditional retail and marketing teams.

Of course, competition is always a concern. What is the competition doing? This is an issue for both the retail sales and marketing teams as well as the e-commerce/mobile/social marketing teams. On-line competition has become just as fierce as traditional competition, if not more.

Lastly, there are concerns related to costs. The costs of selling through brick and mortar stores continues to increase as the price of gas continues to go up as do costs associated with carrying inventory. Costs are also increasing for the on-line teams as taxes have now become an added cost and shipments have continued to be costly. There are also marketing cost associated with both retail teams and cloud teams.

**The Trifecta!**

How can we handle the issue of dealing with the Omin-channel without agitating your customer or potential customer?

Have regularly scheduled meetings related to pricing that bring representatives from the social media, mobile and e-commerce teams together with the retail sales teams. Focus on specific brands. Make sure you are aligned with each of the other teams pricing. They may not necessarily be the same, but the groups need to be aware of what those prices are so they can justify the differences and have a clear understanding that they can convey to customers. If the prices can’t be the same, perhaps there are other perks or offers that can be made to incent customers who may be spending a little more.

As part of these meetings, include your plans for marketing plans from each group. There could be areas that one group can be leveraging another. For example, include your twitter name on in-store ad’s. Your mobile team can send out in-store offers as well as partner offers via various applications. Every avenue of marketing can co-exist. The key is making sure you are not only informed of each others offers, but that you are cooperating and leveraging opportunities as well as dollars spent when possible. You should not be in competition with yourself to the point where you are secretive about how you plan to drive sales. The company bottom line is what’s most important. If you can’t cooperate, you should at least be in “coopertition” with each other.
Cooperating and being informed is half the battle. Execution and earning the customer is the next battle. Give your customer a single view of your business. Things you have going on in the store should be reflected in your mobile, e-commerce and social media areas. Conversely, items you are promoting on-line should align with your retail teams as much as possible. Recognizing that rules are not all the same on-line as in the store, try to be as consistent as possible.

Managers for each group should be present at these regularly scheduled meetings, but be sure to also include the actual “guys in the trenches.” Include different people from the various teams that are actually interacting with the customer, prospect and retailer. These are the people hearing the complaints directly. Getting first hand feedback of the customer experience is almost as good as hearing it from the customer/prospect themselves.

Schedule these meetings regularly. Weekly or bi-weekly is good. Monthly may not be often enough. You also want to foster relationships between these teams so they can learn from each other. The mobile, e-commerce and social media teams are typically cutting-edge, innovative, progressive young people and often times the retail teams are more traditional. Getting these teams together regularly to interact and learn from each other will only benefit the company even more.

For more information on the Omni-Channel or to schedule a brain-storming session with our experts, contact Relational Solutions at 440-899-3296.

Relational Solutions, Inc.
Based in North Olmsted, Ohio since 1996. Relational Solutions is a software and service company specializing big data, demand signal repositories, data integration, data warehousing and business intelligence for consumer goods companies. The POSmart Enterprise Demand Signal Repository foundation, expedites the integration, cleansing and harmonization of point of sale data with syndicated, third-party and internal data to offer CPG companies a holistic view of their business. POSmart improves retailer relationships, helps you support customers better, streamlines internal efficiencies, decrease OOS's, and maximizes profits. Applications include POSmart demand signal repository, BlueSky Analytics, Control Center, BlueSky Dashboards, BlueSky Integration Studio, BlueSky XL Builder and Post-Promotion Analytics. Demo’s are regularly scheduled and available via Relational Solutions web site at www.relationalsolutions.com.