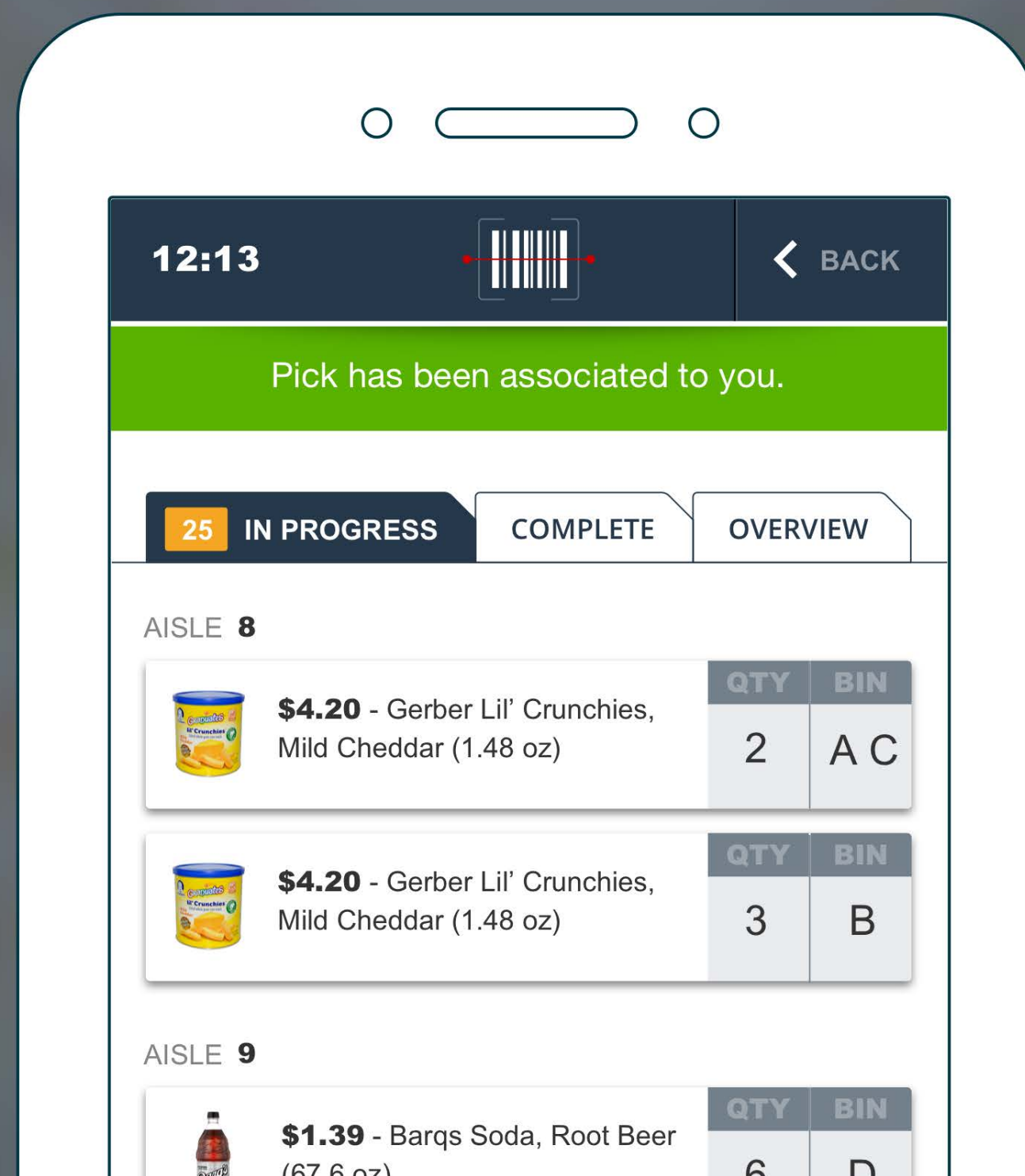


Integrated Systems:

The Key to Building eCommerce Profits

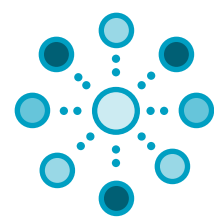




Independent operators and powerhouse chains are rolling out new or expanded programs to satisfy rapidly changing consumer demands, designed to cater to the needs of today's shoppers who want to buy products using whatever channel they desire, at any given time. And with good reason—the potential for retailers is huge.

Online sales, according to wide-ranging industry reports, are growing from 10% to 40%—far more quickly than brick-and-mortar store sales—and food is at the top of the list of items most desired by customers. But in order to leverage eCommerce successfully, retailers need to align all aspects of business operations and integrate systems and solutions—from point of sale and peripherals to inventory management and fulfillment.

The reason is simple: Failure to do so could result in missteps that have the potential to erode company profits and damage staff morale. And in today's market environment, missed opportunities—like an underperforming eCommerce program—could have a serious impact on a retailer's bottom line.



Building the Business Case for Integrated Operations

To better understand the imbalances that can arise when systems aren't aligned, picture the following scenario: An associate receives an online order and first must pick the items from the shelves, typically using a handheld device. The associate must then individually scan the items into the store's POS, effectively doubling the amount of work required for every online order.

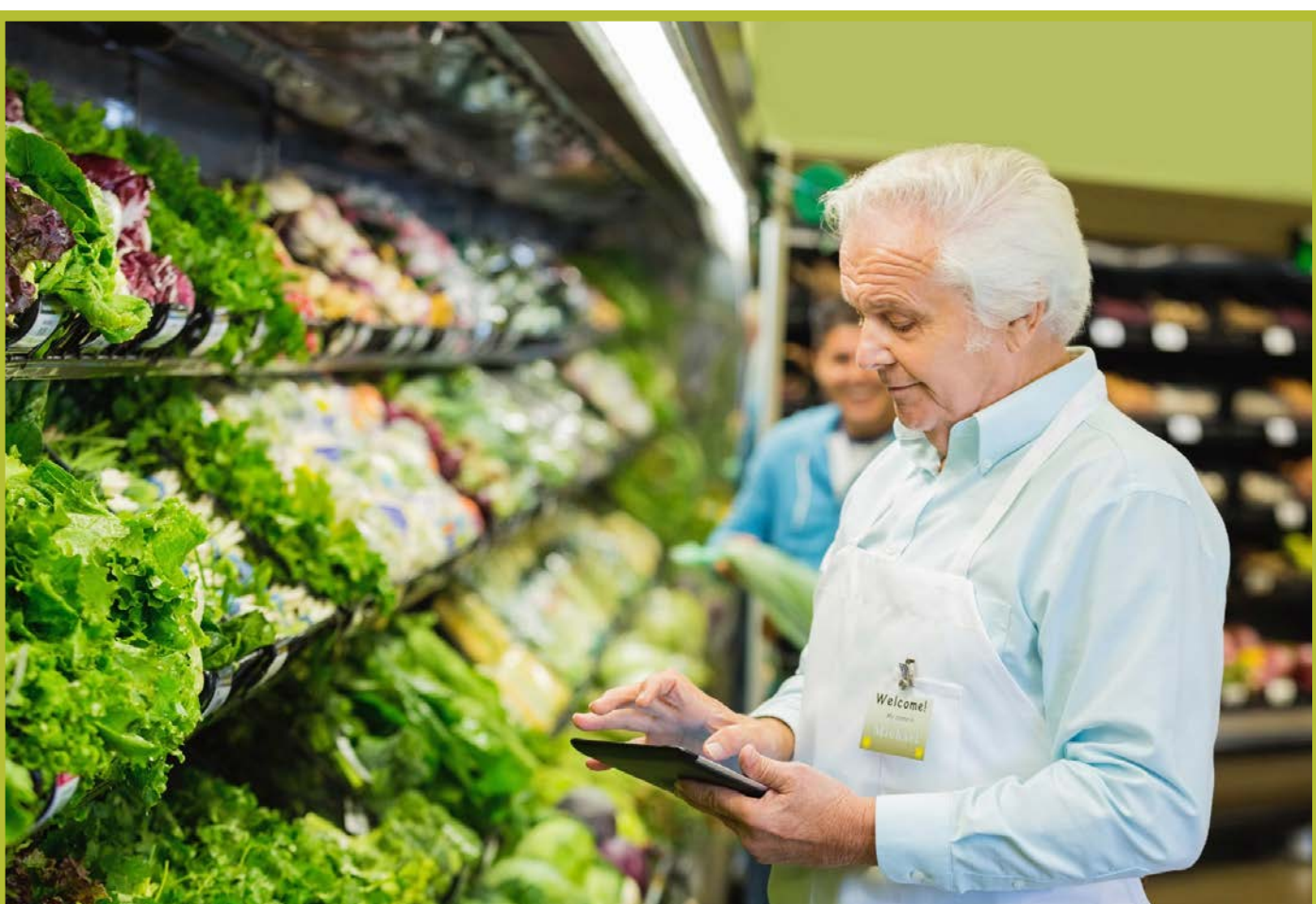
This kind of redundancy inevitably results in frustration for the associate, not to mention an increased risk of errors because every item is handled twice. Both of these factors could mean additional costs and weakened profits. What's more, this disjointed scenario doesn't take into account the issue of ensuring accuracy in inventory tracking, promotional items, loyalty programs and many other key areas of grocery businesses.

Taking the necessary steps to ensure that eCommerce solutions and operations are tied seamlessly into existing corporate and store systems is vital, and this balance serves as the cornerstone for building a successful and profitable online sales channel.



Integrated Operations Mean Balanced Systems

Integrated operations and systems determine, to a large degree, the level of eCommerce service and customer satisfaction grocers can provide, the accuracy of item management, the swiftness of accurately reconciling profit-and-loss statements based on sales channel, and much more.



“The POS is the epicenter for capturing all transactions, and that must include eCommerce and physical store purchases.”

The POS is the epicenter for capturing all transactions, and that must include eCommerce and physical store purchases. Integrating eCommerce into the core POS systems is also key to tapping into peripheral systems that then provide the full range of third-party solutions critical to operational excellence.

With eCommerce systems tied into the company’s third-party payment processor, for example, a customer who places an order online can pick up his or her grocery order in the parking lot without having to take out a credit card, much less go into the store to pay. Convenience is king, but it won’t happen without full systems integration and operational execution.

Customer conveniences like these have become an expected part of the modern shopping experience and increasingly have a powerful impact on where customers choose to shop. Ultimately, this can determine which grocers will win or lose market share.

Aligning Store Systems for eCommerce Success

Building out a successful eCommerce program requires providing online customers with the same promotions and loyalty program benefits offered to physical store shoppers.

The offers must be essentially the same, or shoppers could question the store's policies. After all, customers spending money in any channel expect to receive all the benefits and perks given to shoppers buying in-store.

Similarly, for grocers to reap the rewards of selling online, they must align their systems to ensure operational and business precision. Among the key function areas tied inextricably to eCommerce and store systems integration:



Inventory Levels

Grocers must have accurate, near real-time visibility into inventory levels in the warehouse, on the shelf and in the back room—something that can be achieved only if eCommerce transactions are processed through the same system as store purchases. In today's age of precise inventory accuracy, continuous replenishment and online fulfillment options, integrating eCommerce and store systems is crucial.



Profit-and-Loss Reconciliation

Accurate profit-and-loss reconciliation is also vital to success. No grocer can survive without tracking product movement and sales through the door. All item

transactions and corresponding financial data must be captured at the item level in a single integrated system, and spending trends online and in-store reconciled quickly.



Loyalty Program

The loyalty program in place in the store must be offered to online customers and linked into the same core systems. Customers expect the same loyalty rewards regardless of channel and should receive equal treatment across all touchpoints.

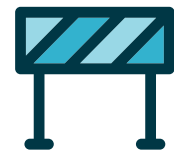


Promotions

Grocers must make sure customers looking to take advantage of promotional offers can apply those coupons or discounts both online and in-store. Integration into the POS and peripherals is important from both a customer service and satisfaction perspective.

As with any area of a business's eCommerce operations, it's critical that tools used by store associates to pick orders, check off what's needed and when, fulfill those orders and manage other tasks are fully integrated into the eCommerce and store solutions already in place. By having tablets, handheld devices and other tools tied directly into the company's core infrastructure—typically via the cloud—store associates, head office personnel and shoppers can all see the same information and have complete confidence in its accuracy. However, this level of integration must exist beyond the store, extending to the warehouse.

Teams both in-store and online need to be aware of the movement and progression of products from the warehouse to the store to ensure accuracy and speed of service, which means table, handheld and warehouse computers must all be connected.



Siloed Systems and the Barriers They Create

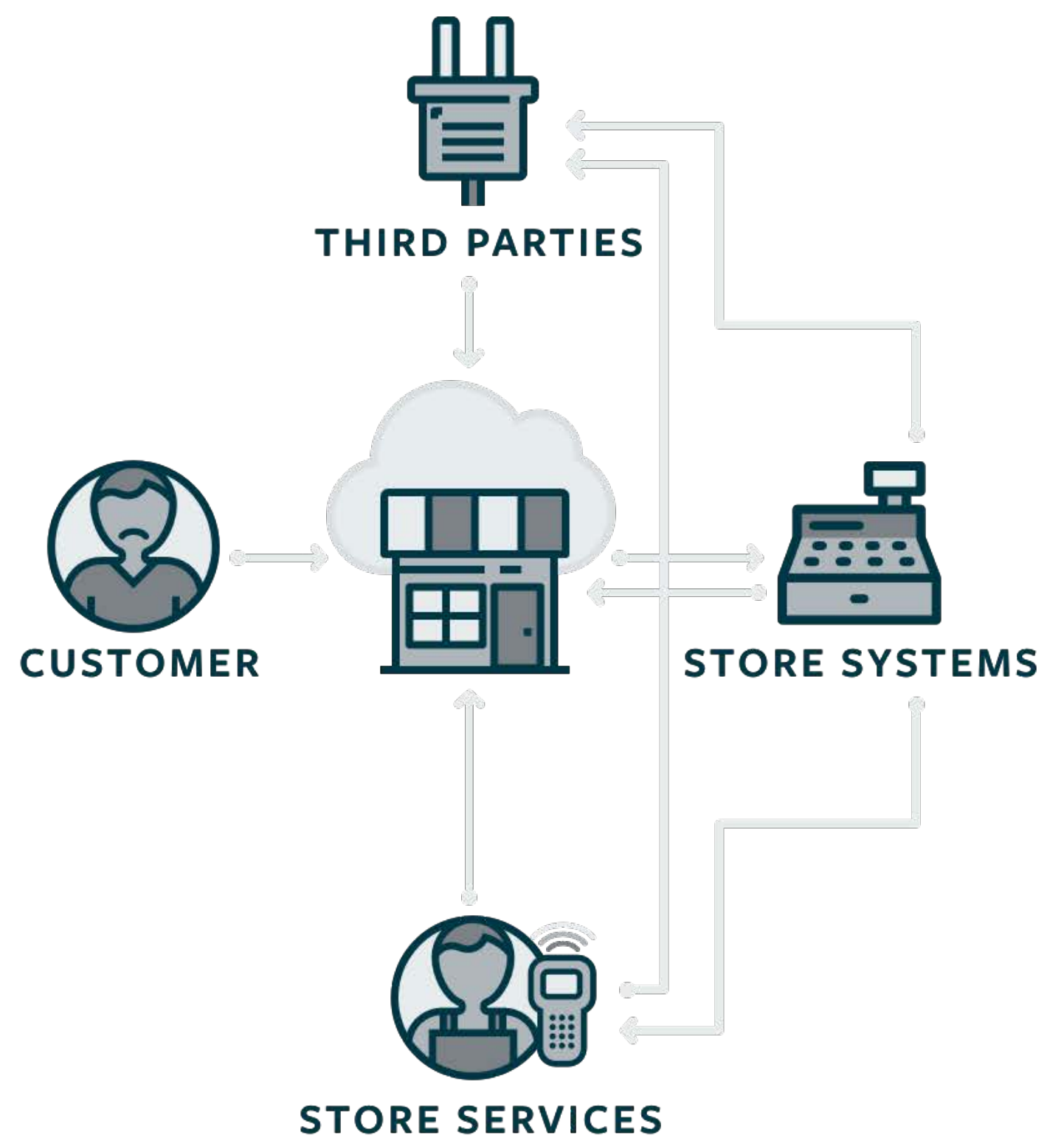
The polarity between an integrated eCommerce operation and one weighed down by silos of disparate data solutions is huge. By ensuring that store processes are unified and working in tandem, grocers have the power to maintain control of customer orders throughout their lifecycles—from placement all the way to delivery.

Integrated Operations



VS

Disparate Systems



Achieving high performance levels through an integrated system infrastructure ensures that grocers can launch, grow and thrive with eCommerce, and that their online programs can play a major role in driving sales and profits.



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