Orckestra

HOW TO SUCCESSFULLY IMPLEMENT YOUR OMNICHANNEL FULFILLMENT STRATEGY?

Shopper expectations have evolved to the point where 75% of shoppers expect free shipping for orders under $50 and nearly 40% expect retailers to offer free two-day delivery when purchasing online.[1]

Your customers are now in the driver's seat and it has become increasingly difficult to meet their expectations while staying ahead of rising competition. For leading retailers to maintain their edge, they must bridge gap between what their customers want and what they can do with their existing technology.

Omnichannel order fulfillment is becoming a critical aspect of every retailer's technology ecosystem. Retailers can differentiate themselves by offering a multitude of fulfillment options to their customers and a consistent brand experience through every touchpoint. Let's look at how an omnichannel order fulfillment strategy can help unlock new revenue growth and how to successfully implement it within your organization.

WHAT IS OMNICHANNEL ORDER FULFILLMENT AND WHY IT MATTERS?

Omnichannel order fulfillment makes every retail channel's inventory fully available from any location, and provides consumers with the freedom to purchase from anywhere (online, in-store, from their mobile devices, from digital displays, etc.) and get their orders fulfilled from anywhere (store pickup, home delivery, pickup locker, etc.). By having complete inventory visibility and powerful order orchestration and routing capabilities, retailers sell more, fulfill orders faster, reduce the cost of unsold inventory and ensure customers find exactly what they are looking for.

WEBSITE

STORES

SMART PHONE

CATALOGS

ORDER FROM ANYWHERE

CUSTOMER

CALL CENTER

DIGITAL WALL

FULFILL FROM ANYWHERE

WAREHOUSE & DISTRIBUTION CENTER

PICKUP POINT & LOCKER

DROP-SHIP

STORES

No matter the customer's purchase path, to achieve a consistent experience all fulfillment scenarios should be integrated as part of a single unified solution:

Ship-from-store
Ship products from store inventory directly to online shoppers.

In-store pickup
Allow shoppers to pick-up products from stores that have the inventory.

Ship-to-store
Ship products from the distribution center to a specific store for pickup.

Store transfer
Transfer products from one store to another for pickup.

Endless aisle (Buy in-store ship to home)
Try it in store and have it delivered to your home. Can't find the exact color you want, no problem it can be shipped to you from another location.

Drop shipping
Transfer orders to a partner who then ships the goods directly to your customers.

The benefits to adopting an omnichannel order fulfillment strategy include:

Increased customer satisfaction with more choice and convenience

Omnichannel order fulfillment empowers retailers with the flexibility they need to meet their customers' rising expectations. By unifying all inventory in one platform retailers offer a wider product range online, and with new fulfillment options they provide more convenience for shoppers.

Lower shipping costs

By employing store fulfillment and a powerful order routing engine, retailers ensure orders are sent to the fulfillment location offering the lowest shipping costs, while in-store pickup in many cases eliminates the expense altogether. In addition, when local stores are enabled to fulfill online orders, new markets can also be penetrated more easily without requiring new local distribution centers to be established.

Efficient order management and reduced fulfillment time

Omnichannel order fulfillment empowers store staff to take on new omnichannel fulfillment responsibilities. Fulfilling online orders through local stores means customers can get their products faster via local delivery or in-store pickup. Even same-day delivery is now possible at a reasonable cost to the retailer.

Increased sales

By using their entire network of inventory retailers broaden their online product offering. As a result, customers have more product choice and are more likely to find what they are looking for. Leveraging store inventory also helps to move dormant inventory, thereby reducing the need to sell at deeper discounts.

Offering the option for customers to pickup their orders in-store also creates opportunities for cross-selling and up-selling.

6 KEY CAPABILITIES YOU NEED TO SUCCESSFULLY IMPLEMENT OMNICHANNEL FULFILLMENT

When planning the implementation of your omnichannel order fulfillment program you'll have to select an agile platform that can help you get to market quickly and effectively. Selecting the right platform will provide you with the following critical capabilities.

01 / SIMPLE ECOMMERCE AND/OR ORDER MANAGEMENT SYSTEM (OMS) INTEGRATION

One of the first step in implementing your new omnichannel order fulfillment program is the integration with your existing ecommerce platform or OMS so you can capture incoming orders. Selecting a flexible API-first solution allows you to easily connect with your existing order management process and related systems. By leveraging systems you already have in place, you can quickly launch in 90 days or less; implementing omnichannel order fulfillment should not be a huge re-platform project.

02/ INVENTORY VISIBILITY

Having access to a unified view of all your inventory is critical for efficient order management and to get all the potential benefits. The right platform will provide retailers with the ability to aggregate inventory from various sources (stores, distribution centers, partners) and make this inventory accessible across all shopping channels. The platform should also be able to assess the best way to fulfill any order and meet customers' demand no matter where the inventory is located.

03 / ADVANCED ORDER ROUTING AND ORCHESTRATION WITH INTEGRATED SLA MANAGEMENT

As part of the omnichannel order fulfillment implementation strategy, retailers need to establish their business process, and agree on how they will distribute and track orders to their stores and distribution centers. Advanced order routing and orchestration capabilities help you put the proper rules and process in place to ensure that the most appropriate fulfillment location (store or distribution center) fulfills every order.

Configurable order routing and workflows can be defined based on store inventory, location/region, shipping cost, hours of the day, and more. Most importantly, you want an order routing approach that ensures you can meet the expectations you have set for your customers. For example, in a ship-from-store scenario you don't want to be susceptible to unexpected stockouts, you want to make sure that you can easily recover from an inventory error in one location by simply routing the order to the next best location, enabling you to always deliver the order on time. You also want to ensure that you can easily have orders split between fulfillment locations when one store or distribution center can't fulfill the entire order.

In addition, by incorporating detailed service level agreements (SLAs) retailers can manage how quickly stores are expected to fulfill each order, thereby keeping the fulfillment promise made to the customer. For example, a time limit may be set for stores to acknowledge and complete every ship-from-store order, and if a store misses that time limit the orders can be re-routed to the next best fulfillment location. This ensures that the order will be fulfilled according to the SLA.

04/ FLEXIBLE INTEGRATION WITH CARRIER AND THIRD-PARTY LOGISTICS (3PL)

Ideally your omnichannel order fulfillment workflow consolidates the entire order picking, packing and shipping process, including carrier integration. As a growing retailer, your needs related to fulfillment logistics will constantly be evolving so it's important to choose a platform that provides an open API-based integration model. This enables you to leverage the different carriers and fulfillment models you choose, which may vary across different regions and for different delivery service levels.

By integrating properly with your various carrier and logistics partners you can also integrate the carrier booking and label printing process nicely into the store associate's fulfillment workflow, all using the same app.

05 / STORE ASSOCIATE APP AND IN-STORE EXECUTION

Efficient in-store fulfillment such as in-store pickup, ship-from-store, or ship-to-store is a key part of a successful omnichannel fulfillment strategy. It is also arguably one of the most complex aspects because you are assigning new responsibilities to stores that were traditionally handled by distribution centers. To guide store associates through the entire fulfillment process and ensure a better customer experience, retailers should provide their staff with a mobile app that simplifies their work.

A platform that is built for omnichannel fulfillment should include a modern store associate experience. From end-to-end order picking features that ensure timely order fulfillment, to features for printing shipping labels and preparing packages, it's important to have a store associate app with one efficient workflow that is simple to follow.

Equipping and training your staff, both admin and store associates, is also an essential part of a successful omnichannel order fulfillment launch. If the app and workflow is simple and efficient, it will make your training and on-boarding much easier, thereby reducing your project risk and time-to-market.

06/ DETAILED FULFILLMENT ANALYTICS

Retailers should capture all the key fulfillment events tied to every order, providing them with insights on the types of orders being sent to stores and distribution centers, the performance metrics of different stores in fulfilling those orders, and the performance of different fulfillment use cases across different regions and stores. By having this visibility down to the individual store level, you ensure all fulfillment locations are meeting their objectives and SLAs. When there are issues, you'll be able to easily dive right into the individual orders to understand the root cause.

⭐ SUCCESS STORY: GET INSPIRED BY BESTSELLER'S OMNICHANNEL FULFILLMENT STRATEGY

Challenge

Bestseller, a global fashion retailer selling 11 in-house brands across thousands of retail store locations, was fulfilling their online orders from a central warehouse with sometimes limited inventory and at a potentially high shipping cost. They wanted to make their store inventory available for online orders and to lower shipping costs by enabling a local Ship from Store solution, ensuring efficient order fulfillment and generating new revenue for individual stores.

Solution

A Mobile Store Fulfillment solution that transforms brick and mortar stores into local shipping hubs from which online orders can be picked, packed and shipped more efficiently. Orckestra API-based platform approach allowed Bestseller to easily integrate with their existing technology ecosystem to enable order orchestration, routing and fulfillment capabilities. Bestseller store associates are also equipped with Orckestra's Fulfillment App to receive notifications about new orders and manage the entire Pick, Pack, Ship process.

Results

Bestseller successfully launched the program in several store brands in under 90 days and can now make store inventory available for online orders, thereby making better use of their entire network of inventory while also lowering fulfillment costs. They are continuing the ship-from-store implementation across different regions while stores are now fulfilling online orders and generating new revenue as a results!
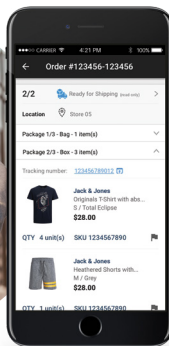
Learn more about Bestseller's Store Fulfillment solution powered by Orckestra's API-first platform.

Download the case study

SETTING YOUR STRATEGY IN MOTION

Deploying omnichannel order fulfillment can be a complex project, but it's possible to avoid many pitfalls and ease most challenges. With Orckestra's Mobile Store Fulfillment solution, you can fully reap the benefits of omnichannel order fulfillment without the need for a complex and risky re-platform project. Our API-first approach allows you to interface with existing OMS and/or eCommerce systems you have in place already so you can get started in only 90 days!

For any help in taking the first steps or guidance for building your omnichannel fulfillment strategy, please don't hesitate to contact our experts.

How can we help you adapt for modern retail?
Contact us today ❯

ABOUT ORCKESTRA

Orckestra is a leading provider of modern commerce solutions, offering a single commerce platform to create and manage the most engaging shopping experiences across the web, mobile and in-store. Built on the Microsoft Azure open cloud, our Commerce Orchestration™ platform establishes a unique central commerce layer that unifies all retail systems and customer touchpoints, and helps enterprise organizations grow their business successfully in the global marketplace. We fuel digital innovation for leading retailers, grocers and branded manufacturers, enabling them to deliver differentiated commerce experiences faster with lower IT burden and operating costs, and maximum revenue growth.

References

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