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Industry Trends Report - Future of Omnichannel Retailing

Forward by Tom Peace

It is with great excitement that we are able to announce we are working with our partner Comarch to deliver a series of 6 sector specific whitepapers that provide invaluable insight into specific sector challenges and solutions to drive customer engagement and profitable growth.

This particular whitepaper covers the retail sector and is written by Nick Chambers, our Associate Consultant for Retail, with valuable contributions from Comarch, to detail solutions for the retail sector in particular.

This whitepaper will be followed by articles investigating loyalty in Fashion, Hospitality, Airline, Fuel Retail and Luxury.

We really hope you enjoy this series of insightful whitepapers. Please let us know if you have any questions:

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Nick Chambers provides consulting & technology solutions to retail clients in all aspects of consumer loyalty & payments from strategy and planning through technical implementation.

An expert in digital customer engagement Nick has over a decade of experience in consumer & enterprise internet technology working closely with leading merchant, service & point-of-sale providers. He has worked on customer loyalty assignments with leading international brands; including Argos, Homebase, Shell, VIA Outlets, Shell, Sodexo, Brisa Group, IAG & Just Eat.

In this whitepaper Nick will discuss the importance for retailers to have a successful Omnichannel approach to loyalty and how this enables strong customer engagement, acquisition and retention.



Over the last decade or so, every retailer discovered just how crucial it was to have an effective e-commerce site that allowed inventory in their stores to be sold during quarantines and lockdowns.

However, the introduction of e-commerce does not necessarily eliminate the requirement for a physical retail presence. There is growing evidence that an e-commerce solution can act as a useful tool in driving additional footfall and sales in-store.

Omnichannel retailing specifically relates to an intimate understanding of those purchase journeys your customers undertake, and those touchpoints they experience, when interacting with both your stores and ecommerce site.

Only by a recognition of the shopper, across all their touchpoints, can a truly engaging digital & physical customer experience be delivered back to them.

Customer Experience	Omnichannel
Buy in-store	No
Buy in-store & return in-store	No
Buy online & return in-store	Yes
Research on a mobile device & buy in-store	Yes
Research in-store. Buy online. Return in-store	Yes





Omnichannel retailing is driven by a more personalised understanding of the consumer and their emotional connection with their entire shopping journey before, during & after purchase.

It is a place where your shoppers see curated fashions and accessories being featured online at the very same time as they are being displayed within the store itself.

It is an immersive digital experience where those shoppers who are unable to make it to the store, still get the chance to, in effect, browse the store windows and see which fashions are being featured by the physical stores

The impact of a well implemented omnichannel strategy is a highly immersive shopping experience, based on customer insight driven actions & engagement, delivered across both your digital channels and physical stores.

Why are retailers moving to an omnichannel model?

Three main factors are driving the move by operators to adopt an omnichannel model, which are:

1. The massive shift in consumer behaviour online as shoppers look for convenience
1. Advances in technology that now make it possible to manage the customer experience across digital and into physical retail
1. Pressure from manufacturers as they themselves develop their own direct to consumer retail channels and omnichannel models



If it hasn't already, it is an inevitability that omnichannel retailing will eventually impact your business. By not considering the implications now for your customers, your operating model and the future value of your physical assets, may result in you having to play catch up in a rapidly different retail landscape.

We have devised a six-step checklist to help you on your omnichannel journey. These steps represent a proven way to understand and engage with your customers as you connect their digital and physical experiences:

- 1. Know your customer and how they interact with your business. When, Where and How they shop**
- 2. Develop a customer data & inventory management strategy that understands and can influence these customer preferences and behaviours**
- 3. Align your technology capabilities with your customer insights and data strategy and start engaging with your customers**
- 4. Continually model your customer data to personalise and predict behaviour**
- 5. Continue to collect and measure more customer insights to improve your targeting**
- 6. Simplify and automate your own customer engagement processes**

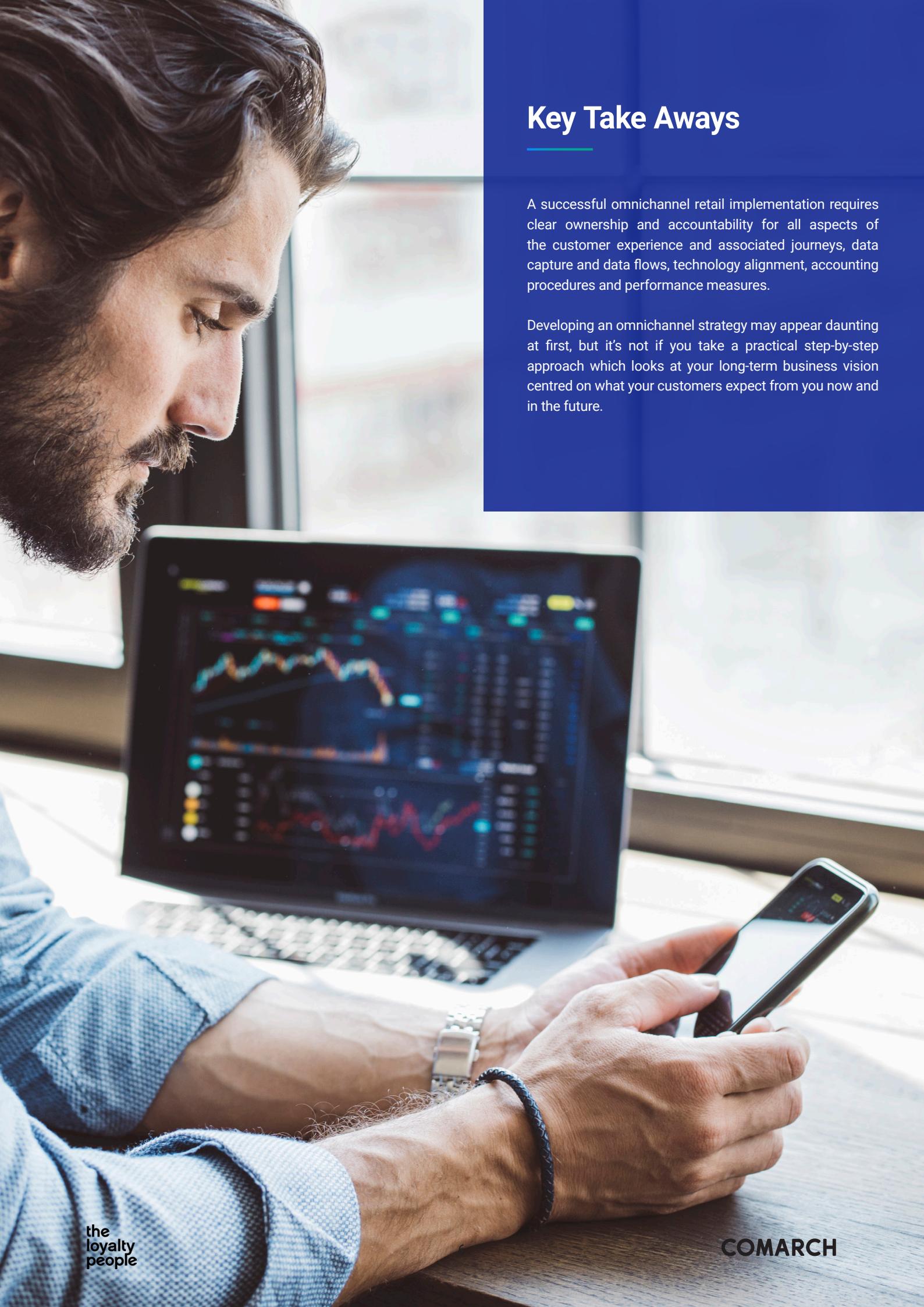
What key components do you need for success?

In a perfectly executed omnichannel world, you gather customer data, understand that data, and then launch and measure campaign results all in real time.

For shopping centres and retail destinations, you therefore require a Shopper Data Strategy to align the technology needed to deliver these campaign outputs

This data strategy is built around shopper insights and predictive behaviours based around your on-premise & ecommerce touchpoints. It forms the basis for how you deliver your omnichannel experience and provides the blueprint to connect the customer experience throughout their digital & physical journeys.

You will also require an Inventory Management Strategy. This ensures those goods purchased online are available either in store for collection or can be delivered directly to the shopper using home delivery services.



Key Take Aways

A successful omnichannel retail implementation requires clear ownership and accountability for all aspects of the customer experience and associated journeys, data capture and data flows, technology alignment, accounting procedures and performance measures.

Developing an omnichannel strategy may appear daunting at first, but it's not if you take a practical step-by-step approach which looks at your long-term business vision centred on what your customers expect from you now and in the future.

How Comarch can help?

Comarch is supporting its clients in delivering truly personal and omnichannel experiences for the last 20 years with its cutting-edge technology and business support. The fact that we are able to offer a complete Loyalty Marketing Platform that covers every single process needed to build an extremely smooth, connected customer journey. We're here to help our clients to actually design and handle those operations, makes us a one-stop shop for anyone who wants to improve the relations with its Clients.

Our solution natively integrates all the data from multiple touchpoints and stores them in a single place, which simplifies the whole mar-tech architecture in your organization, reduces the costs of implementation and maintenance, and provides a number of advantages such as:

- **Golden record of the client** – we know exactly how your customers behave in every channel (both online and offline) which allows you to connect the dots, map the complete customer experience, and know their needs and expectations much better than ever before
- **Thanks to our promotion engine that connects to all your transactional systems**, our platform takes over the complete responsibility for managing promos in your ecosystem, including building loyalty programs or gamified experiences. It means it's very simple to print coupons in your retail outlet which can be used in your online store, issue some loyalty points or lottery tickets for every possible activity or count the number or value of purchases, no matter in which channel they've been made at. A single promotion engine for all your sales channels means endless opportunities and a very smooth and consistent experience for your clients, no matter which channel they've decided to use to interact with your brand
- **We're helping our clients to free up their resources and drive growth simultaneously by automating their marketing activities** - everything from complex marketing campaigns, through commerce and loyalty journeys, to time-limited offer reminders and "you-may-also-like" recommendations. Our platform offers proven, pre-integrated, ready-to-use journeys that allow you to quickly deploy the best marketing strategies - even if you're not an expert in this field. Analyze the data and use AI to predict propensity, recommend the next best action, and offer perfectly selected products to personalize the experience
- **Delivery of a complete omnichannel strategy is all about integrating data and touchpoints**, making sure that promotional and communication are synchronized across the whole organization. That's why it's so important to look for solutions that are already pre-integrated, cover the majority of processes, and allow for instant delivery of connected experiences, without a lengthy and painful implementation and integration process – says Łukasz Słoniewski – Head of R&D, Loyalty Marketing Platform, Comarch.

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About the Authors



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Łukasz Słoniewski

is Head of R&D - Loyalty & Marketing Solutions with 15 years of experience at Comarch. He is currently responsible for development, sales, delivery and maintenance of Loyalty Marketing Cloud (LMC) - Comarch's latest ecosystem for marketing and loyalty management teams in both the B2C and B2B context.

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Comarch is a global provider, with 30 years of experience, of technologically advanced software designed to help enterprises improve their business efficiency, reduce operational costs, and build strong relationships with all of their partners and clients. Comarch has made its name by working with some of the most renowned brands and organizations in the world, including various airline holding companies, telecoms, financial institutions, retailers, and many others. Comarch's clients include JetBlue Airways, Heathrow Airport, BP, Carrefour, Heineken, Goodyear, Pepsi, and Vodafone.