Are You Ready? How to Create an Always-On, Always-Open Shopping Experience

A View from Retail Leaders on the Industry Imperatives and Needed Standards

Executive Summary
The retail landscape is rapidly transforming as consumers are demanding more information, access and options than ever before. Mobile shopping, same-day delivery, and big data are forcing retailers to transform their traditional market-to-consumer model to remain competitive. In a series of recent interviews, Capgemini Consulting asked retail leaders about the rapidly evolving landscape and the challenges and opportunities it presents to them and their organizations. We heard first-hand about the always-on, always-open world that retailers are competing in and building toward. Through the course of these conversations it became clear that the bar has been lifted, driven by a combination of consumers’ changing needs and preferences, and the maturation of standards and technology that are enabling omni-channel retailing.

The four critical components of a successful omni-channel strategy that our panel of retail leaders discussed with us included:

- **Inventory Visibility:** Accuracy is power
- **Web-Ready Products:** Enhanced speed-to-market
- **Predictive Customer Analytics:** Anticipating based on past behaviors
- **Fulfillment Strategy:** Delivering on the promise to the customer

### Inventory Visibility

Supply chain visibility and inventory accuracy are the foundational requirements for effective omni-channel operations. Retail systems need to be capable of telling not only what a retailer has but where in their facility, supply chain or store it resides. As inventory visibility has become an imperative to successful omni-channel execution, organizations are investing in ways to identify, track and action on inventory in an improved way.

One way of accomplishing inventory visibility is the use of Electronic Product Code (EPC) enabled Radio Frequency Identification (RFID). Until recently the cost of EPC-enabled RFID was seen as a barrier to implementation and widespread use. The combination of improving costs and a clearer understanding of the return on investment as it relates to omni-channel readiness and process efficiency, have put EPC-enabled RFID back in play as an important enabler to success.

EPC-enabled RFID is a way that leading retailers are enabling inventory visibility and improved performance. Leaders are using EPC-enabled RFID across some or all of their-replenishment categories (approximately 30 percent of SKUs) and reporting great success.

### Web-Ready Products

Making products “web-ready” is a critical component that in many cases is a bottleneck in the retail process today. Optimizing “speed-to-web” in today’s digital environment is ripe with opportunity for improvement. Not all key attributes and images are readily available...
available, accurate and standardized for retailers or their trading partners. GS1 Standards provide the foundation for identifying, capturing and sharing product data; providing industry with a great opportunity to collaborate on bringing products to the marketplace faster and at a higher quality.

“The recently launched Voluntary Guidelines for Exchanging Extended Attributes for eCommerce serve as a springboard for all trading partners to analyze and improve their current internal capabilities, and will help them place a strong emphasis on the product attributes consumers deem essential in making online buying decisions,” according to Melanie Nuce, Vice President of Apparel and General Merchandise, GS1 US.

**Predictive Customer Analytics**

Customer buying habits can differ significantly. Sophisticated algorithms and data mining activities that analyze current and historical facts to track shopping patterns are being utilized by retailers to gain a competitive advantage in the marketplace. In return, a designed loyalty program for an individual can be developed aimed at rewarding frequent buyers and reducing the loss of customers. The quality of the information available to the consumer has become as important as the quality of the product and service itself. This piece of the omni-channel puzzle represents the greatest opportunity for retailers and their trading partners to gain a better understanding of and relationship with the consumer.

- How can the online experience “speak to her”?
- How can her experience be consistent throughout her purchase journey?
- What information does she need to make her decision?

The consumer is sharing an unprecedented amount of valuable information through several channels including social data, product reviews, visits and purchases. Advances in social networking have allowed an expanded set of concepts or information to be shared among users. Those who are listening are gaining valuable insight, forging better relationships and increasing their share of wallet from the consumer.

**Fulfillment Strategy**

When you consider that today’s consumer is looking for an always-on, always-open shopping experience, it follows that fulfillment options need to be robust. Many of the retail leaders we spoke to are focused on building out the network that will be required for success in the new world. A variety of fulfillment options and their implications were discussed—in-store, web-store, direct-to-consumer—and all retailers reported their intention to leverage their existing infrastructure in new and creative ways to achieve their business goals and supply chain objectives. Additionally, organizations are redesigning their distribution networks and/or utilizing the service offerings of a third-party logistics organization (3PL) to rapidly enable omni-channel fulfillment.

Retailers are thinking about their assets much more creatively with some using stores as fulfillment centers and others exploring new ideas with a speed and intensity that has not been previously seen in retail.

The retail industry is in the midst of multiple transitions. The consumer continues to reshape the industry using technologies that are readily available, changing how and where products are sold. Leading companies, including those we interviewed for this study, are rising to the challenge and the opportunity that omni-channel retailing presents. Leaders are heartily enabling inventory visibility. They are leveraging standards and efficiency to bring products to market faster in both the physical and digital worlds. They are using available information to know and serve the consumer better. And they are investing in the infrastructure that will be required to deliver on the omni-channel promise.

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“Once Lord & Taylor began leveraging EPC-enabled RFID, the benefits were enough to move the needle and get management’s attention.”

Dan Smith  
Chief Information Officer  
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Contact Capgemini Consulting and GS1 US to help you implement a comprehensive omni-channel strategy.

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**About GS1 US**
GS1 US, a member of GS1®, is an information standards organization that brings industry communities together to solve supply-chain problems through the adoption and implementation of GS1 Standards. Nearly 300,000 businesses in 25 industries rely on GS1 US for trading-partner collaboration and for maximizing the cost effectiveness, speed, visibility, security and sustainability of their business processes. They achieve these benefits through solutions based on GS1 global unique numbering and identification systems, barcodes, EPC-enabled RFID, data synchronization, and electronic information exchange. GS1 US also manages the United Nations Standard Products and Services Code® (UNSPSC®).

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