Order Management Systems

Must Power Modern Point of Sale Systems

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Omnichannel Drives a Seamless Experience

Omnichannel is no longer a concept reserved for cutting edge brands and retailers or dedicated solely to the largest and most profitable. Omnichannel — providing a seamless experience across all touch points — is an absolute must in this new retail paradigm.

The New Role of Retail Associates

It's no revelation that consumers are exceptionally connected, with on-demand information at their fingertips. In 2014 digital and mobile influenced a combined 77% of all in-store sales with predictions of 97% of in-store sales influenced in 2015.[1] And with more than 90% of retail sales still concluding in-store, the in-store experience is still a vital, justifiably the strongest opportunity retailers have to turn shoppers into life-long customers.

More than

90%

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The retail store provides benefits to consumers that even the most rapid delivery options and best online experiences can't provide. It drives opportunities for consumers to have tactile interaction with products, engage retail associates directly, as well as the immediate gratification of exiting the store with products in-hand. But in order to make the in-store experience stand out — to keep retail stores relevant — retail associates need to be empowered with information and tools to create worthwhile interactions with consumers.

The role of retail associates has changed from order takers within the physical confines of the store walls, to key agents focused on differentiating the in-store experience from digital channels. They need to be brand ambassadors, providing exceptional, personalized service in-store using creative solutions for solving customer's needs regarding inventory, alternative product recommendations, rapid and flexible fulfillment options, etc. And that requires instant access to pertinent information — inventory visibility across the entire retail chain, full product catalog information, customer information, order information, and sophisticated tools to leverage the information to close sales. Retail associates must be enabled with insight into customer behavior previously exhibited on digital channels or in other stores. It's essential that the in-store experience provides value to the consumer. Retail associates need to surpasses the experience a consumer can create on their own (with mobile devices in-hand) and provide meaningful, personalized service anywhere in the store.

BRAND AMBASSADORS

The Challenge with Traditional Point of Sale Systems

The traditional Point of Sale (POS) system, consisting of a fixed terminal with locally stored data running on a closed internal network, is not sufficient to provide retail associates with the essential tools required to service connected consumers.

The underlying problem originates in the evolution of retail. When online and offline operated as separate businesses and profit centers, systems to support each silo were also separate. Today, these disparate systems are proven to be barriers to realizing omnichannel capabilities. They aren't capable of integrating catalog information, customer and order information from across the enterprise in real-time with any touch point to promote substantial and useful interactions between consumers and retail associates. Legacy POS systems simply don't play well with others, nor do they support the sophisticated tools required to empower store associates.

Retailers Recognize the Need to Update

It's no revelation that consumers are exceptionally connected, with on-demand information at their fingertips.

Retailers acknowledge that in order to attract consumers, build loyalty and adapt to maturing consumer behaviors, unifying the consumer experience across all touch points is essential. And retailers realize legacy POS systems need to be updated to do so, but understandably have concerns about the cost and invasive replacement process, as POS systems have traditionally been the largest in-store technology investment retailers have made. In a recent survey by the National Retail Federation, 70% of retailers plan to refresh aging POS software over the next 3 years to satisfy the demands of the increasingly connected consumers.[2] An RSR study in June 2015 cited 77% of retailers agreed or strongly agreed that legacy store POS systems are holding them back from providing a consistent customer experience across all channels. Yet, 68% agree that replacing legacy POS systems with omnichannel solutions would be too expensive and disruptive.[3]

The Solution – Centralize Commerce

Enter cloud-based enterprise commerce management. Centralizing commerce in a single Order Management System (OMS) to create a unified experience across all touch points, providing the right information to consumers and retail associates at the right time, makes omnichannel capabilities a reality. This is a concept eagerly being embraced as a recent Boston Research Partners Study noted, a planned 250% increase in the implementation of a single order management platform in 3 years among surveyed retailers.[4]
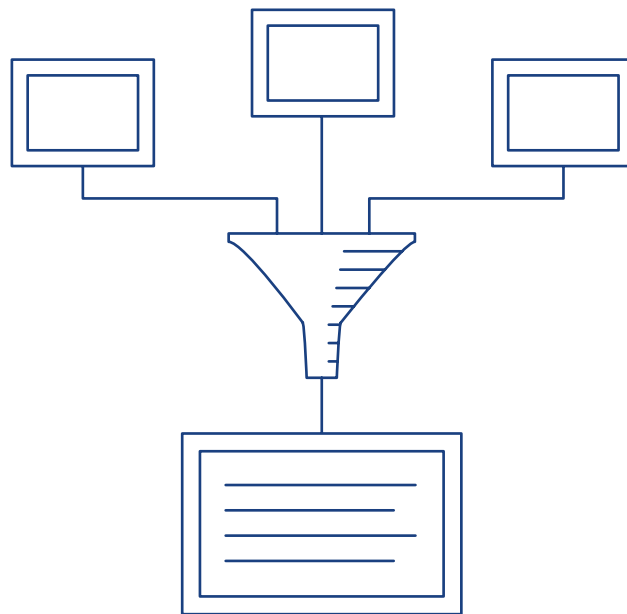
Centralized commerce requires a shift in how traditional POS and Order Management Systems are regarded with each playing a new role in omnichannel retail. The Order Management System, once known as a back-office utility in its former existence, is not the OMS of today. Today's OMS is the center of omnichannel commerce allowing all transactions to be managed in a single source therefore eliminating redundant systems, processes and information. Establishing a single source of truth by synchronizing order management sources with robust integration options allows front-end applications – including new POS applications – access to consistent information in real-time to deliver omnichannel excellence. In a 2015 RIS Store Systems Study, nearly two-thirds of retailers surveyed anticipate having their future POS architecture consist of a distributed order management system with a POS front-end.[5] Distinguishing the POS system as one of several consuming applications that has access to centralized data in the OMS, provides an efficient solution for retail associates equipping them with information and tools to meet consumer needs. Modernizing the POS should also include mobile capabilities. Mobilizing the POS has an obvious benefit of reducing the pains associated with waiting in lines to transact, but also enables associates to engage consumers anywhere in the store, something not easily done at fixed terminals.

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The Cloud Benefits

As previously mentioned, replacing fundamental systems such as the OMS and POS can be a daunting and costly undertaking. However, cloud-based centralized order management systems offer significant benefits over on-premise or licensed solutions. Cloud-based solutions reduce deployment costs and time, preserving existing technology investments and decreasing ongoing maintenance and upgrade impacts. Retailers should seek out cloud-based solutions that are highly scalable with flexible integration options to further reduce the impact to existing infrastructures and organizations. But retailers also need to be aware of potential challenges with cloud-based solutions. Security is critical; retailers need to find solutions with proven excellence in security. And retail stores require rock solid network reliability. Few things are more frustrating and detrimental to a retailer's success than technology failing at a critical point such as at time of transaction in-store.

Closing

The in-store environment is still relevant and can provide value to consumers and retailers that can't be realized online alone. In order to optimize the in-store experience, retail associates need to provide personalized, engaging interactions anywhere in the store. Traditional POS systems can't deliver that. Retailers need to centralize commerce with an OMS that includes: distributed order management capabilities, flexible integration options, in-store transaction capabilities, clienteling, catalog access and inventory visibility to front-end applications. And lastly, retailers need to educate and empower personnel to use the technology. Investments in both technology and employee training will undoubtedly be time and money well spent.

eBay Enterprise is a leading global provider of retail-optimized commerce solutions.

We enable brands and retailers of all sizes to deliver consistent omnichannel experiences across all retail touch points to attract and engage new customers, convert browsers into loyal buyers, and deliver products with speed and quality. With unrivaled flexibility and control, our clients are armed to accelerate sales growth and win with today's digitally connected consumer.

Learn more at **ebayenterprise.com**

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