



Retail Secret: **Leveraging Single Platform for Retail Business Success**

Retail Business: Then...

The world of retail shopping has experienced radical changes over the years. Today it may have become a mundane activity for an average shopper, but it was once an 'event' which needed to be planned days or weeks in advance. There was a time when people would walk into the retail stores with little or no knowledge about the products and rely on a salesperson to advise them on what to buy. A time, when retailing began with shopkeepers banking on the word of mouth and speaking to people from their neighborhood to understand their needs and preferences as well as to market their products.



That is precisely why finding the right retail store as well as the product back then depended mostly on familiarity — and at times, serendipity too. The internet, which was still new, was considered good enough only to search about the products, as people still found touching, feeling and inspecting a product at a physical store of paramount importance. The shoppers didn't have much choices, but they were happy. The retailers were happy too, because the consumer wasn't that empowered, and with lack of options, had to depend upon them. However, the times have changed, and with it, the balance of power has shifted from the retailers to the consumers.

And Now...

Today, with booming e-commerce and the technology taking center-stage, the shoppers don't see any difference between online and offline shopping. In 2016 alone, online sales grew 7.4 times more than all retail growth combined (according to PWC). With a mobile phone in their palms and the entire world at their fingertips, shopping has become lot more convenient with the shoppers opening up to a whole new universe of possibilities. In fact, Mobile commerce now accounts for 20 percent of all digital spending (according to the Atlantic). Today, they can shop and get their products delivered anytime, from anywhere. They are well-researched and know as much as the salespeople, which has made them more demanding than ever (according to ChainStoreAge,



81% of shoppers research their product online before purchasing). They have multiple choices to shop from, and all this has pushed the retailers on the back-foot. As the distinction between digital and in-store experiences blur, retailers too are adapting to join the retail revolution. But that hasn't been easy.

With their legacy systems no longer meeting the expectations of the customers, the retailers are required to invest in technology to keep pace with the rapid transformation in the industry. They need a futuristic Retail Management Software to manage both online as well as offline retail business and give their customers a consistent, omnichannel experience across all touchpoints. A perfect retail ERP makes managing the online and in-store retail processes more organized, improves overall productivity and increases customer satisfaction. But its absence can make businesses complex, slow and leave them with little visibility into operations.

This white paper will throw light on what a Retail Management Software is, why a retail business needs it, what its key components are, how can it help retailers have a single view of the customers across channels, bring their entire business on a single platform, and leverage it for their retail business' success.

Retail Management Software

Before proceeding, let's first understand what a Retail Management Software is, and how it helps a retail business.

A Retail Management Software is a business management tool with a set of integrated applications that allow a retail business to collect, store, manage and interpret data from their different business activities and departments, as well as from multiple stores at different locations, at one single place. It thus enables business' overall smooth functioning. Being a multi-channel software, it brings together POS and e-commerce with CRM, inventory management, pricing, vendor & purchase, sales & analytics, and inventory management into a single centrally-managed solution, providing a comprehensive system for any small, mid and large-sized single or multi-branch retail business.

Right from planning how much, when and where is needed considering all the sources to supply and demand, to managing the inventory, checking quality, maintaining customer plus vendor information, streamlining sales and procurement to effectively handling point-of-sale, a retail ERP does everything for your retail business. Not only does it deliver enhanced customer service across channels, but also drives growth and increases revenue.

Key Features

The key features of a Retail Management Software include:

The infographic consists of seven colored boxes, each with an icon and a text description of a key feature of Retail Management Software. The features are arranged in two rows: four in the top row and three in the bottom row.

- Data analytics and reporting capabilities, to get the most from your data**: Represented by an icon of a computer monitor showing a bar chart and a magnifying glass over a smaller chart.
- Omnichannel capabilities, to sell from different avenues-online, offline, mobile**: Represented by an icon of a shopping bag on a laptop screen.
- Inventory management capabilities, for on-demand window into your stock**: Represented by an icon of a warehouse with a computer monitor and a gear.
- Scalability capabilities, that grow and expand with your business**: Represented by an icon of a house with a dollar sign, a key, and a percentage sign.
- CRM capabilities, to craft and deliver targeted messages to the right people at the right time**: Represented by an icon of four people in business attire.
- Reward and loyalty management programs, to enable building customer segmentation and membership levels**: Represented by an icon of a shield with a gear and dollar signs.
- POS system, capable of accelerated checkout process and minimized mistakes**: Represented by an icon of a POS terminal and a receipt.

Why Does A Retail Business Need A Retail Management Software?

Gone are the days of having to use Excel spreadsheets and paper to record expenses, invoices and manage other critical business operations. Businesses are fast moving from Excel to full-fledged ERP systems, and retail industry is no different. A Retail ERP delivers numerous benefits to any single, or multi-store retail business. These benefits make it a must-have thing for them, and an integral part of their businesses. Check out some of those benefits below:

- ✓ Seamless integration with in-store and online stores for instant access to stock levels
- ✓ Advanced reporting features give accurate inputs on the buying patterns of consumers
- ✓ All functionality work off a single database, ensuring a unified approach
- ✓ Access to fast & accurate real-time inventory data to all retail outlets in real time
- ✓ Support to each of the sales channels of a retailer
- ✓ Enhances the efficiency of core business functions
- ✓ Gives a customer-centric approach
- ✓ Improves business intelligence and decision-making
- ✓ A flexible supply chain process that captures changes in customer demand & reacts efficiently
- ✓ Improved employee productivity and overall company responsiveness
- ✓ A consistent system that functions equally well both at back office to the front of the store
- ✓ Complete control over inventory and cash
- ✓ Increase in sales, with reduction in lost sales
- ✓ Increased loyalty through multi-channel loyalty programs
- ✓ Improved quality of customer service, and...
- ✓ Reduced inventory costs



How A Retail Management Software Does It?

A Retail Management Software has a wide range of features for the retailers, linked to its powerful set of modules. Check them below and see how they help the retailers run their business smoothly:



Retail POS:

Part of a full-featured, web-based solution, retail POS is extremely flexible and can integrate other systems, such as multiple printers, or connect with networks and databases to enhance a retail business' capability, and also allows multiple payment processing options to choose from.

It is many things rolled into one, as apart from processing a sales transaction, it can also handle inventory tracking, analytics, sales monitoring and reporting, customer data management, returns management, and employee management – all in real-time.



Mobile POS:

A mobile POS is any handheld device- a smartphone, tablet, or any other dedicated wireless device, that acts as a cash register or electronic Point-of-Sale terminal (ePOS) for a retailer. To set up a mobile POS, all you need is a device such as an iPad, a cash drawer, a barcode scanner, and a receipt printer — and you're good to go! It is usually used by retailers with heavy footfall, where the customers are less inclined to wait at checkout counters, and by those who have limited floor space. Mobile POS systems enhance the customer experience and streamline the sales process. Some of its other benefits are:

- Complete a sales transaction from anywhere, anytime
- Speed-up checkout and return lines
- Reduction in store space requirements
- Improved employee efficiency
- Support to multiple payment modes, which brings in convenience
- Enhanced customer service
- Greater knowledge of price and available inventory
- Greater customer database



Inventory Management:

Inventory management system of a retail ERP helps the retailers manage the quantity of inventory in hand, optimize the inventory levels, manage material movements, handle expiry and shelf-life, inventory valuation, purchase-to-order, and much more. It also supports various material management strategies, quality control, material requisition, returns management as well. Not to mention the real-time and accurate view it gives to the retailers into their stock, thus ensuring the quick replenishment of their top-selling items, as well as phasing out of low-selling products.

It comes with barcode scanning, and advanced WMS functionality. The latter allows using smartphone, tablets, and other handheld devices to perform inventory transactions right where they are happening, for precise, exact and real-time integration.



Sales & Analytics:

A Retail Management Software's dashboard of sales, and orders provides real-time retail analytics and reporting, which facilitates sound decision making on matters related to sales forecast, targets, discounts, product pricing et al. The retailers can create custom reports that can be exported for further analysis, which can be used by different departments.

It also allows capturing and analyzing their store's sales data, thus allowing them to identify the top money-making products, and focus energy and resources on them.



Costing:

It allows managing cost estimates during product development of product recipes, including intermediate bases, and packaging BOMs. Raw material costs based upon last purchase price, standard costs, or projected costs are rolled up along with fixed, tiered and scalable labor costs. Actual costs, yields and other KPIs are captured during production, and can be compared against projections in a variety of analytic reports.

A Retail Management Software also provides retailers with advanced pricing and discount management feature, which results in uniformity, error-free work, and satisfied customers. The system also enables creating purchase and sales price lists and allows managing their different versions.



Vendor & Purchase:

With the help of a Retail Management Software, retailers can define rules for procurement, supplier setups for same products on the basis of regions, and either auto generate a requisition or manually generate it. It also allows retailers to create purchase approvals across different levels and manage multiple purchase price lists.

In addition, retailers can generate purchase order based on requirements, match PO to receipts and invoice, and have a clear view of their vendor relationship history. The material received can be tested for quality before adding them to the warehouse, while the items failing to meet the quality standards can be returned/disposed/scrapped with ease.



CRM:

The Customer Relationship Management (CRM) module of a retail ERP gives the retailers an integrated and comprehensive view of their customers, thus helping them to deal with their needs and challenges easily. With CRM functionality, the retailers are more empowered to manage the customers in a personalized manner across all sales channels every single time they shop.

The retailers know the information such as customers' buying patterns, history, feedback etc. like the back of their hand, which allows them to identify their most valuable shoppers and serve them accordingly.



Warehouse:

This feature of the software enables the retailers to create any number of stores and warehouses and link them to each other or through a headquarter. It also supports stores to warehouses assignment for automatic sourcing, and dividing warehouses into zones and locators for handling the materials management.



Then there are the additional components, which help the retailers, who also manufacture their own products and sell them through multiple channels. Such retailers often face difficulties while managing both aspects of their business. A Retail Management Software takes care of all the aspects of manufacturing, and at the same time, provides the support retailers require while selling their products at multiple fronts – both online and offline. Take a look below at its different components:



R&D:

These days the fickle consumers want products customized to meet their needs. This makes the retail manufacturers strive to achieve the right physical, or specific characteristic, and specific packaging based on the nature of that particular product. A retail ERP makes it possible through its dedicated R&D feature that allows to perform 'what-if' analysis to achieve the targeted properties and cost. Its comprehensive sample management module enables innovating, creating, costing and tracking samples based on customer specifications while also keeping a record of all the communications.



Production:

Retailers' manufacturing needs differ based on their nature of business. A retail ERP offers numerous production capabilities like SuperBatch (that allow producing a finished good and its intermediates in the same batch), Batch Runs, Batch Sizing, Actual Vs Expected Yield Analysis, EBT, Critical Material Analysis and more to streamline and simplify their complex production process. Through a series of instructions, SOPs, in-process Inspection plus Quality Control, lot allocation, restricted lot movement, etc. help ensure that production is done as per good manufacturing practices.



Planning:

The planning module of a retail ERP helps retail manufacturers determine the least possible time to produce goods, purchase materials and add manufacturing value. It assists in the generation of an accurate, detailed plan for batch production orders down to the various process cells within the production lines.

Planning and scheduling takes into account the demand and supply from various sources, rates and capacities of different process cells, QC lead time as well as equipment maintenance and changeovers.



Formulation & BOM:

Each business needs an effective and accurate formula/recipe for their products and also the manufacturing Bill of Materials (BOM) in order to seamlessly carry its manufactured products through from concept to customer. It is the most important component of the manufacturing process which states what will be the final product. With an inaccurate formula and BOM, a business could be in for very costly delays, or even at the risk of bringing the entire manufacturing chain to a complete standstill.

A Retail Management Software is equipped with a solid Formulation and BOM functionality, which helps manage hundreds, may be thousands of formulas/recipes, their versions, substitutes, approvals, multiple packaging and more with complete ease.



Costing:

A Retail Management Software allows managing cost estimates of materials, WIP, labor, packaging and finished product right during product development of product formulas/recipes, including intermediate bases, and packaging BOMs. Intermediate costs are rolled up based upon last purchase price, standard costs, or projected costs and so are fixed, tiered and scalable labor costs. Actual costs, yields and other KPIs are captured during production, and can be compared against projections in a variety of analytic reports.

Where Can A Retail ERP Be Used?

A retail ERP can be used at:



Convenience stores,
such as grocery stores



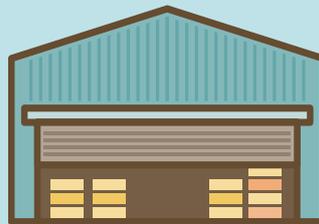
Specialty retailers,
such as clothing stores,
auto retailers, furnishing retailers,
drug stores



Department stores



Chain stores



Warehouse retailers



Hypermarkets
& Supermarkets



Multichannel stores



Discount stores



E-commerce businesses
& online retailers

How Retail ERP Is Helping Businesses Succeed Now?

Retailers are increasingly moving to retail ERP software, both on Cloud as well as on premise, depending on their business requirements. While an on premise retail ERP also streamlines their entire business and delivers key benefits, a Cloud-based retail ERP gives them greater flexibility and real-time access to critical business data, from anywhere and anytime. Using these software, retail businesses are scripting success by these four key steps:

1) Creating a single, unified commerce platform:

A retail ERP creates a single, unified platform, so that retail businesses can make the customer experience seamless by unifying various sales channels like in-store, online, phone, mobile stores, apps etc. This applies to each stage of transaction, right from researching, purchasing, returns to pre/post-sale service. The customers can pick up their product from the physical store, have it delivered to their address, or return it with ease. A unified platform makes a customer's shopping experience seamless and consistent — both online and in-store, increases a retail business' sales, and improves customer loyalty.

Stat: 30 percent of products bought online are returned - and users expect this process to be easy!
(Stat by Smart Insights)

2) Having a holistic view of the customer:

To make the omnichannel retail strategy a success, it is important for retailers to have access to a customer's record across all channels and business models in real-time. A retail ERP makes it possible. By having it, the retailers can provide the customers with better and personalized shopping experiences, and create effective and relevant marketing campaigns as well as interactions on digital platforms.

3) Quick and seamless ordering process:

Retailers need to have in place a robust retail ERP, through which they can create a quick and seamless ordering process that delivers selected products to the customers at their convenience through the channels of their choice. The system provides them with real-time information on the orders throughout the organization, thus making the entire process seamless.

4) Providing an engaging brand experience:

As discussed above, the shoppers today do not differentiate between online and offline shopping options, or get fussy about the price, but instead look at their options through the lenses of convenience and experience. If the retailers can provide convenience as well as an engaging experience across sales channels, the customer won't go anywhere else. 70 percent of buying experiences are based on how the customer feels they are being treated (Stat by Smart Insights). Again, a retail ERP makes it possible, by enhancing the customer's overall experience. Thanks to the real-time inventory visibility it provides, a customer can know whether or not his favorite product is in stock, can be bought online, or from the store, etc.

Future of Retail Management Software

In this age of consumerism, the consumers have become more demanding than ever. Today, when they enter a store, they expect the products of their choice to be made available to them. If it doesn't happen, they leave the store with a bad experience, costing the store a sale as well as a potential customer. To ensure this doesn't happen, the retail stores are leaving no stone unturned. They make sure that their shelves are adequately stocked, and inventory is properly labelled and stored in the warehouse. A retail ERP helps them with it. However, in future, things are likely to get more difficult to manage for the retailers, with an increase in volume of business as well as change in technology.

Here are few future trends that are likely to be incorporated to a retail ERP and dominate the retail scene:

1) Robotics:

To enhance the customer experience, retailers are likely to seek help of robots in future. These robots will predominantly be systems that roam around the store aisles to ensure the products are correctly labeled and stocked, the associates have enough time to make sure the customers are properly attended, and sometimes even interact with the customers. It is still early days, but results of the initial experiments have showed pretty significant savings in time for the store associates, which is a good sign moving forward.

2) Drones:

While there has already been a lot of buzz around drone deliveries in future, some big retailers have started experimenting with drones to introduce automation in large warehouses. Equipped with an anti-collision system, a 360-degree detector, and a Wi-Fi router among other features, drones are likely to be used in future to keep track of products no matter how high they're stored, as they can quickly fly by, scan, and move on to the next item.

3) Artificial Intelligence (AI):

AI applications are increasingly playing a major role in automation of the retail process, a trend which is likely to dominate in the future. It is being integrated in the different categories of the retail industry such as sales and CRM applications, manufacturing, logistics, delivery, payments etc. These applications include use of robotics, sales assistant software, cognitive computing tools, manufacturing software, payment apps, etc., which will enhance the customer's shopping experience.

4) Personalization: The world of retail will move towards personalized customer service in the future. And data is going to drive this change. In fact, the consumer engagement will happen through the integration of data and technology, particularly Wi-Fi. More than 75 percent of shoppers have their Wi-Fi switched on while being at the POS, but only 5 percent of retailers use this to their advantage through connecting with the shopper. With Wi-Fi tracking, stores can measure conversion rate in footfall systems, engage with customers digitally, and drive higher sales through individual offers and personalized customer service. Also with the use of advanced payment modes, customers will no longer have to queue, leading to a fully functional omnichannel experience.

Conclusion:

A retail business has become a lot more complex these days. Comprising of numerous channels, multiple regions and specific target markets, it poses a serious challenge to the retailers. But with the right solution in their kitty, the businesses can remain agile as well as profitable. The points mentioned above drive home the point that it is not just possible to create a unified platform for the retail businesses, but also to leverage it for the success of the business — with a customer-centric approach.

A retail ERP makes all of it possible, as it allows creation of a unified commerce platform, gives the retailers a single view of the customers across channels, allows quick and seamless ordering process, and provides the customer with a captivating brand experience. Once such retail ERP is the BatchMaster Retail Management software, which is an integrated, end-to-end cloud-based commerce platform. It can fulfill the needs of retailers of all sizes and segments. Get started today by asking for a demo, or log on to www.batchmaster.co.in to know more.

Who We Are:

BatchMaster Software is one of the market leaders in offering enterprise software solutions for the process manufacturing industries. With an in-depth industry analysis, we clearly understand the unique industry challenges and help them address those challenges through our industry-specific ERP solution.



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