Four Essentials to Delivering Memorable Customer Service and Fulfiling Orders Profitably

A MODERN RETAIL ORDER MANAGEMENT EXPERIENCE
FOUR ESSENTIALS TO DELIVERING MEMORABLE CUSTOMER SERVICE AND FULFILLING ORDERS PROFITABLY

Retailers’ success is increasingly determined by how well they render the complex simple, making it seem that every customer wish is not only possible but easily granted. Modern retail order management systems enable a higher level of service, in support of unique customer journeys across all channels.

A Modern Retail Order Management Experience

Retailers must be magicians, making it appear that every customer’s wish is not only possible but easily granted. A recent survey shows 96% of consumers say customer service is important in their choice of loyalty to a brand. And because customer experience is a key differentiator, empowering your organization to deliver personalized and contextual interactions throughout the customer journey must be a strategic imperative.¹

The reality is that most retailers still do a lot of behind-the-scenes MacGyvering to fulfill customer orders across multiple channels—customers care about speed and the retailer needs to complete the journey at a low cost. As a result, a preponderance of missteps, delays, and poor use of inventory erodes margins. Those capturing the largest share of consumer spending often credit a loyal customer base—one built upon a history of encounters in which service meets or exceeds expectations, even when mistakes happen. Research reports that 79% of customers would take their business to a competitor within a week of receiving poor service, which has an estimated industry-wide cost of $1.6 trillion for retailers.²
When working across disparate channels and systems, it can be nearly impossible for customer service representatives (CSRs) to track a buyer’s journey and deliver the kind of customer service aspired to by brand managers. Further, retail customer service must not only be good but individualized. Retailers report that after exposure to increasingly personalized websites, consumers expect even sales associates to know who they are and what they’ve already purchased.³

It is in this environment that a cloud-based omnichannel order management system becomes a critical asset, determining how well, and how profitably, purchases are fulfilled and supported via customer service. By connecting disparate point-of-service, call center, inventory management, planning and supply chain systems, a modern, integrated order management system cloud service enables retailers to provide customers the high levels of service they expect.

*The following is a look at four essentials to delivering memorable customer service while profitably fulfilling orders:*
Embrace the human element to boost loyalty

Consumers expect sales associates or CSRs to have a certain amount of autonomy to modify orders, transactions, and shipping. Hi, I placed my order yesterday. I see the item is on sale today, and I want you to match the price. I don’t want the hassle of sending it back, but I don’t want to pay full price for it since it had a couple of flaws when I received it. Or it could be an appeasement situation: Hi, I ordered this to wear to a party and paid for two-day shipping and it didn’t get here in time, and what are you going to do about it? If the CSR can say, “We’re going to give you a refund and pay for the return” and maybe offer an additional credit, wouldn’t you give them a second chance?

According to a recent study from PwC, shoppers want human interaction when they have a problem. They don’t all want to use self-service technology or talk to robots. In fact, 59% of global respondents in the survey said they felt brands had lost touch with the human element of customer experience. “Having somebody listen and sympathize who then takes care of the problem on the spot can go a long way toward salvaging—and often even strengthening—the customer’s loyalty to that retailer. Having an embedded contact center at the heart of your order management system provides CSRs with the access they need to appease the customer.

---

**RETURNS KNOWLEDGE**

When you return an item, how much information do you expect the customer service team you’re dealing with to know about your order?

Source: The New Topography of Retail
Even with the best preparation of inventory and fulfillment systems, customer service failures—lost packages, broken items and delayed shipments—will still happen. So what do you do? Harvard Business Review reports acquiring a new customer is anywhere from 5 to 25 times more expensive than retaining an existing one. So if retailers are managing 80% of their customer journeys well and profitably (see below for more on this), the best thing to do, when trouble strikes, is to over-invest the remaining 20% in fixing it. Do something that makes the customer feel whole afterward; it’s good business. By providing a CSR with full visibility and access to order management systems, this enables them to take action that secures customer loyalty and return visits.

And increasingly, this is essential. A market study by NewVoiceMedia reports that 67% of customers have become “serial switchers,” those who are willing to switch brands because of a poor experience—an increase of 37% since NVM’s last report. Of the surveyed customers who experienced poor service, 39% said they would never use the offending company again. The primary reasons cited for ceasing to do business with a given company were that customers

• do not feel appreciated;
• are not able to speak to a person who can provide them with the information they are looking for;
• experience rude and unhelpful employees;
• are passed around to multiple people; and
• are put on hold for unreasonable lengths of time.

By way of contrast, those who deal regularly with retailers know exactly what good customer service is. Consumers want to shop through the medium they like and prefer, or that works best at the time of purchase, and fulfill the purchase the way they want, whether that means they pick up the item or have it delivered.
As retailers look to expand fulfillment options: buy online/pick up in store, buy in one store/pick up at another, buy in store/have delivered to home, etc., they may be biting off more than they can chew in an effort to roll out every permutation possible at once. In the rush to add customer journeys, retailers are often incurring a loss with year(s) long projects consuming resources, time, and energy. This practice of taking on a monstrous project by stitching together disparate systems dates back to the early days of omnichannel retailing, when the goal was to get it all out the door, no matter the cost.

Now that omnichannel is an integral (and continuously growing) part of the business, fulfilling omnichannel orders cannot continue to be a loss leader. Nor should it be. Harvard Business Review shares that in addition to having bigger shopping baskets, omnichannel shoppers are also more loyal. Within six months after an omnichannel shopping experience, these customers had logged 23% more repeat shopping trips to the retailer’s stores and were more likely to recommend the brand to family and friends than those who used a single channel.7

By taking a bite-sized approach with an order management cloud service, you are enabling one customer journey at a time, allowing the first journey to fund the second, third and so on. To deploy a basic journey (such as order online, ship from DC) with maximum effectiveness and profitability, retailers need the customer service capability described above, good order management, and inventory accuracy. Once this step delivers solid ROI, retailers can justify investing in the next journey.

Retailers use order management system cloud services to layer in one new customer journey, such as buy online/pick up in store, at a time. Moving step by step, they allow the profitability of each new customer journey to fund the next addition, such as order in store/ship to home.

Apparel retailer enabled ship from store and increased single-year revenue by $11m.
Combine the power of the “buy” button with smarter fulfillment

The average cost for a retailer to fulfill an order is a staggering 70% of the average order value. 67% of CEOs say the costs to fulfill an order have increased over the past several years. This is indicative of the fact that fulfilling online orders from distribution centers is still the leading fulfillment option, likely since it’s most cost effective. However, running a distribution center entails important decision-making factors such as place and size of distribution centers, expecting a consistent demand, and above all, managing transportation, inventory and other related equipment.

Modern order management cloud services power behind the “buy” button by managing all the orders, whether taken from the website or placed directly from the contact center, and route for fulfillment as desired. Retailers can minimize costs by having a fulfillment engine optimized to make decisions about the best fulfillment location for a particular order by enabling brokering options such as: profitability, proximity, seasonal store inventory, or whatever the retailer’s current priorities are.

Using the power of retail science to enable optimization of inventory management—whether that means clearing summer merchandise from northeastern regions as fall approaches or directing orders to be fulfilled from a warehouse that allows for lower shipping costs—companies leverage the broker engine to not just complete the sale but do so in an optimal way that moves the right merchandise at the right time.

**Delivering Memorable Customer Service with a Profit.** The retail industry—driven by technology and continually escalating customer expectations—will continue to evolve. Customers will demand, and retailers will introduce new ways to shop, buy, and arrange delivery of goods and services. Managing that change, and staying in the forefront of it, will require retailers not merely to be adaptable, but to operate in a highly coordinated and opportunistic way. Speed will be the essence so that a retailer is not lapped by their competition.

As new customer service visions appear—buy on a plane and pick up at the airport, for example—order management systems will be instrumental in improving what happens once customers click “buy.” They will, above all, help retailers to render the complex simple. And once the transaction is complete, accompanying order broker engines will dictate the kind of smart fulfillment decisions that optimize inventory management and productivity.
TOP THREE TIPS AND TAKEAWAYS

1. **The customer experience is at the heart of order management.** After the purchase, modern order management systems enable retailers to provide the human touch that is so important to ongoing loyalty—from initial purchase and pick up or delivery, to questions, refunds, exchanges and new purchases.

2. **Excellent service and smarter fulfillment yield profits.** In a retail landscape defined by greater consumer access and technology, customers assume that the retail associate and service representative will know them, understand their purchase history, and have the autonomy to resolve complaints. By working from an integrated environment, order management solutions equip retail representatives to effect change on behalf of customers—from order and fulfillment through conflict resolutions.

3. **Like elsewhere, cloud services enable faster ROI.** Among the benefits of order management cloud services is the agility to create new customer journeys, faster—and to add more as you go, using ROI from early wins to fund additional services.

Oracle Retail’s Order Management Suite enables retailers to manage not only order creation, tracking, and payment but also the steps of the fulfillment process. The Order Management Cloud Service consists of its order maintenance, customer notifications, contact center, and payment settlements, while the Order Broker Cloud Service handles available to promise enterprise inventory and the routing engine for orders.

Sources:
2. Customer Loyalty In Today’s Modern Retail World
3. Fostering community in retail
4. The Value of Keeping the Right Customers
5. NewVoiceMedia Research Reveals Bad Customer Experience Cost U.S. Businesses $75 Billion A Year
6. A Study of 46,000 Shoppers Shows That Omnichannel Retailing Works
7. Strategies for agile, profitable and secure omnichannel execution

---

**On-demand Demo:**
Oracle Retail Order Management Suite

**Blog:** Oracle Retail’s Order Management Suite leads the pack in the 2018 IDC MarketScape

**Infographic:** Streamline Omnichannel Complexity with Distributed Order Orchestration
ABOUT ORACLE RETAIL

Oracle provides retailers with a complete, open and integrated suite of business applications, server and storage solutions that are engineered to work together to optimize every aspect of their businesses. Twenty of the top 20 retailers worldwide—including fashion, hardlines, grocery and specialty retailers—use Oracle solutions to drive performance, deliver critical insights and fuel growth across traditional, mobile and commerce channels. For more information, visit http://www.oracle.com/goto/retail.

+1.650.506.7000

Copyright © 2020, Oracle and/or its affiliates. All rights reserved. This document is provided for information purposes only and the contents hereof are subject to change without notice. This document is not warranted to be error-free, nor subject to any other warranties or conditions, whether expressed orally or implied in law, including implied warranties and conditions of merchantability or fitness for a particular purpose. We specifically disclaim any liability with respect to this document and no contractual obligations are formed either directly or indirectly by this document. This document may not be reproduced or transmitted in any form or by any means, electronic or mechanical, for any purpose, without our prior written permission.

Oracle and Java are registered trademarks of Oracle and/or its affiliates. Other names may be trademarks of their respective owners.