MODERN STORE EXPERIENCES

Optimized Store Fulfillment

Excel at store order fulfillment performance, leveraging technology and human potential to offer fast and reliable store order pickup and shipping that satisfies modern shoppers

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What makes up the modern store

Today, in-store retail has evolved beyond simply selling products. Modern stores now offer personalized, omnichannel services that cater to every need of today's shoppers, making their experiences convenient and memorable.

The modern store must be able to unite selling, personal retailing, and fulfillment, as well as analyze performance and empower associates to provide exceptional service.
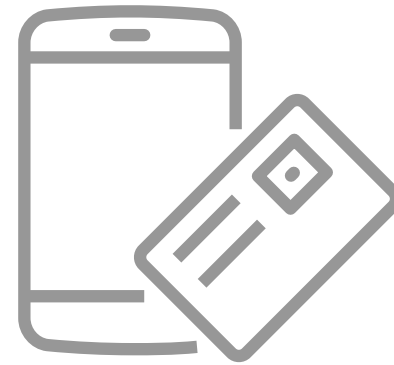
Five elements of modern store experiences
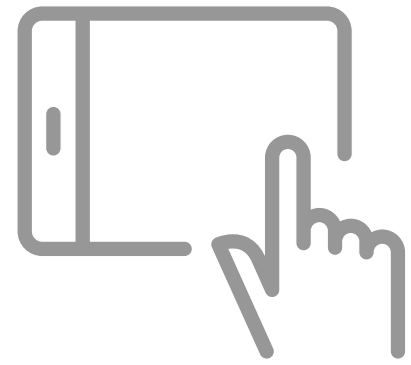
Empowered Store Associates

Enable store associates to orchestrate modern store experiences, adeptly delivering meaningful services and support that delight modern shoppers.

Seamless Selling

Cater to omnichannel shoppers through flexible inventory, ordering, checkout, and convenient payment options, thereby boosting sales and customer loyalty.
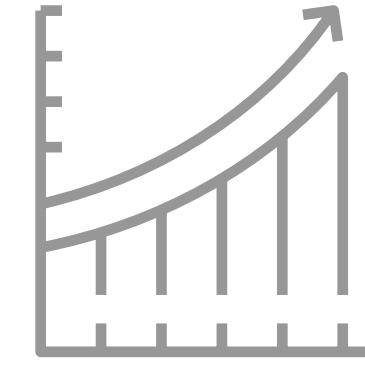
Personal Retailing

Offer tailored, immersive shopping experiences through expert product advice and individualized attention that differentiates the retailer's brand.

Optimized Store Fulfillment

Provide reliable, scalable, and profitable store order pickup and shipping that satisfies shoppers' demand for immediacy.

Rich Performance Insights

Prioritize continuous improvement by using robust sales, operational, and comparative insights to drive meaningful change.

The modern store is omnichannel

Modern shoppers enjoy the immediacy of store fulfillment

Modern shoppers enjoy the immediacy of buying online and picking up their orders in-store (BOPIS). This convenient omnichannel fulfillment option has led to an increase in the demand for store fulfillment services. At the same time, retailers are now using their stores as a means of shipping orders to reduce shipping costs and meet their customers' desire for fast delivery.

To deliver great omnichannel experiences, making stores reliable fulfillment sources for digitally influenced commerce has become a paramount objective for modern retailers. To achieve this, retailers must optimize inventory management, fulfillment processes, and human performance in their stores. A clear focus on store fulfillment performance will allow stores to consistently meet order promises, such as order pickup times, while supporting the increasing order volumes and demand for faster delivery.

Recommendations for improving store fulfillment performance in modern stores

Modern stores can improve store fulfillment performance by following essential seamless fulfilment techniques:

> Optimize store associates' abilities and time to excel at store fulfillment work.

> Employ radio frequency identification technology as a game changer in inventory and fulfillment precision.

> Make store inventory the foundation of consistently great fulfillment experiences.

> Scale store fulfillment capacity to reliably meet increasing demands.

> Position customer order pickup as a customer service differentiator.

70%

of consumers surveyed indicated that BOPIS increased convenience in their shopping experience — and 86% of these consumers stated convenience is more important to them today than five years ago

Optimize store associates' abilities and time to excel at store fulfillment work

Store fulfillment performance revolves around store associates, who are the key to delivering exceptional service and operational productivity. Therefore, it is crucial to keep them well-informed of orders, tasks, and status through their mobile devices or desktop/fixed terminals. This focus empowers them with the timely information needed to efficiently and accurately manage store inventory and fulfill orders.

Advanced store tools, such as visual dashboards and intelligent work prioritization, can help associates efficiently manage their store fulfillment-related workloads. They can provide clear visibility into prioritized tasks and keep associates on top of time-sensitive activities. Proactive notifications, including alerts of new tasks and at-risk orders, can also assist store associates in managing fulfillment activities more precisely.

When executing tasks, such as inventory counting or order picking, store tools should provide clear digitized guidance, ideally on mobile devices. This capability makes it easier for associates to execute, review, submit, and approve tasks quickly and accurately, enabling them to perform at higher levels and deliver a consistently reliable store fulfillment experience.

Business Outcomes

Increased productivity: Mobile solutions for store associates can streamline operational tasks such as inventory management and order picking. This efficiency can reduce the time spent on these tasks, allowing associates to be more productive and increase their ability to support increasing order volumes.

Better employee engagement: Using advanced technology can make employees feel more empowered and engaged in their work, thereby improving store associate performance.

Improved ability to meet order commitments: Store inventory management and fulfillment tools designed to improve store associate performance improve a modern store's ability to consistently meet customer order fulfillment commitments.

84%
of retail employees feel more valued by their employer when provided with technology tools to help them work

Employ radio frequency identification (RFID) technology as a game changer in inventory and fulfillment precision

Improving store fulfillment performance depends heavily on the accurate location of inventory items within a store. Inventory accuracy increases when it is easier for store associates to locate and count available inventory. In turn, inventory location accuracy accelerates order fulfillment when store associates can quickly find and pick items for store pickup or shipping/delivery. Stores can significantly improve their fulfillment performance by adopting RFID tags and technology, which make inventory rapidly discoverable.

Retailers can automate store inventory management and fulfillment processes by leveraging RFID technology. During inventory management processes, RFID tags on inventory items and RFID scanners work together to simplify and streamline store inventory tracking in real time. As a result, receiving, managing, counting, and identifying stock becomes more accurate.

RFID technology also delivers productive gains by removing location complexities, simplifying order picking, and helping store associates be more productive in performing store fulfillment work. RFID is an essential technology for modern stores to achieve near-distribution center accuracy and productivity, ensuring a consistently reliable store fulfillment experience for shoppers.

Business Outcomes

Increased Store Inventory Availability Accuracy: RFID significantly improves store inventory accuracy, improving inventory visibility for reliable use in omnichannel selling and store fulfillment.

Accelerated Store Fulfillment Performance: RFID accelerates store order picking, enabling stores to consistently meet customer order commitments and expectations.

Increased Store Fulfillment Productivity and Capacity: RFID increases store associate productivity, helping them manage increasing order volumes while delivering reliable and precise fulfillment services.

RFID can reduce inventory-related labor hours in stores by up to **15**%

RFID in stores can boost inventory accuracy levels to as much as **98**%

Make store inventory the foundation of consistently great fulfillment experiences

In today's omnichannel retail environment, store inventory becomes part of a retailer's global inventory network, which enables the sale of store inventory across all of a retailer's sales channels. The rise of omnichannel selling and store fulfillment places greater pressure on stores to enhance the accuracy and timeliness of inventory management processes. Nowadays, modern stores are like mini-distribution centers with the complexities of managing inventory to ensure precise order fulfillment.

Stores can no longer depend on manual processes to track inventory. They must achieve distribution-center-quality inventory management, which means instilling greater discipline in store inventory management processes from receiving to store shelves. Stores must identify and rectify the root causes of inventory accuracy errors through disciplined standard operating procedures that ensure precise inventory management processes executed with greater frequency, especially with inventory cycle counts.

Modern stores can achieve distribution-center-quality inventory management by digitizing, mobilizing, and automating store inventory management processes. Although stores may never achieve distribution-center-quality inventory, incremental improvements can significantly impact sales by reducing inventory inaccuracies.

Business Outcomes

More precise, efficient, and timely store inventory tracking: More efficient and frequent inventory cycle counting and real-time tracking of inbound and outbound inventory provide more up-to-date and accurate information on stock levels and location.

Reduced inventory errors: Digitized and automated processes reduce human errors that degrade inventory accuracy.

Improved omnichannel selling accuracy: Improved inventory accuracy and timely inventory updates improve store inventory visibility for reliable use in omnichannel selling and store fulfillment.

60%
approximate inventory accuracy occurs in retail stores, while distribution centers typically are at 89% to 99% accuracy

56%
of surveyed retailers claim inventory accuracy is a problem for their omnichannel efforts

CYCLE COUNTS

Count ID 32569747 — Counted
Description WomenDept #4 — 325 / 325
Due Date 12/05/2023
Ready for Review $13245

● Partially Approved

Count ID 32569765 — Counted
Description MenDept #4 — 316 / 316
Due Date 12/12/2023

● Open

REVIEW   COUNT

Scale store fulfillment capacity to reliably meet increasing demands

Buy online, pickup in-store (BOPIS) and ship-from-store options fulfill growing consumer demand for shopping convenience and delivery speed. The union of digital commerce with physical stores gives traditional retailers a competitive advantage over digital-only retailers. However, modern stores find it challenging to operationalize store fulfillment to meet increasing demand while controlling fulfillment costs.

Physical stores and store employees are typically not optimized for picking, packing, and preparing orders for pickup or delivery. If stores cannot keep up with rising store fulfillment demands, fulfillment costs can increase, and customer satisfaction and sales can decline.

Store associates must be sufficiently trained and equipped to execute store fulfillment efficiently and precisely. Store solutions that assist associates in picking orders (e.g., mobile applications with guided pick paths and integrated RFID readers for quickly finding and picking items) can significantly improve productivity and precision, thereby reducing operational costs. Such capabilities will enable stores to reduce order fulfillment cycle times to provide the fulfillment reliability customers expect, particularly during peak times.

Business Outcomes

Satisfy Customer Desire for Immediacy and Convenience: When reliably executed, store order pickup and accelerated shipping/delivery satisfy customers' desire for immediacy, thereby improving customer loyalty.

Higher Sales Conversions: Expanding store fulfillment capabilities offers customers a flexible option to receive their purchases, which can improve digital sales conversions and raise sales.

Reduced Operational Costs: Optimized store fulfillment processes help reduce the operational and human resources costs needed to meet store order fulfillment demands.

25%

of BOPIS users say they will move to a competing retailer if pickup orders are not ready when promised

Position customer order pickup as a customer service differentiator

Store fulfillment is often thought of as a back-office function that prepares customer orders for fulfillment. However, it is also a vital customer service function that requires consistent, high-quality customer interactions.

Customers expect to receive their orders at the promised time without waiting in line. Hence, it is important for the store teams and customers to be aware of when a pickup order is due and when the customer has arrived for pickup. Customers should receive clear notifications about order readiness, pickup location in the store, identification requirements for picking up the order, and other relevant information. Two-way messaging between customers and stores facilitates direct communication and quickly helps resolve any issues with pickup.

Once the customer arrives, the pickup process should be fast, easy, and secure, with proper identification of the customer to avoid fraud. Store associates should be equipped with additional store functions such as assisted selling or point of sale to help customers find and purchase complementary products that support the items they pick up.

Business Outcomes

Increased Sales: Providing a store pickup experience that delights customers encourages repeat business, thereby increasing sales.

Reduced Operational Costs: Improving the efficiency and precision of store pickup processes can lower operational costs, especially costs associated with fraud.

Differentiated Brand Reputation: A consistently informative, precise, and timely customer order pickup experience can distinguish a retailer's BOPIS offering from competitors.

25%

of surveyed retailers claim their fraud losses from BOPIS are between 3% to 10% of BOPIS order revenue.

MESSAGE CUSTOMER

"Need a few minutes"
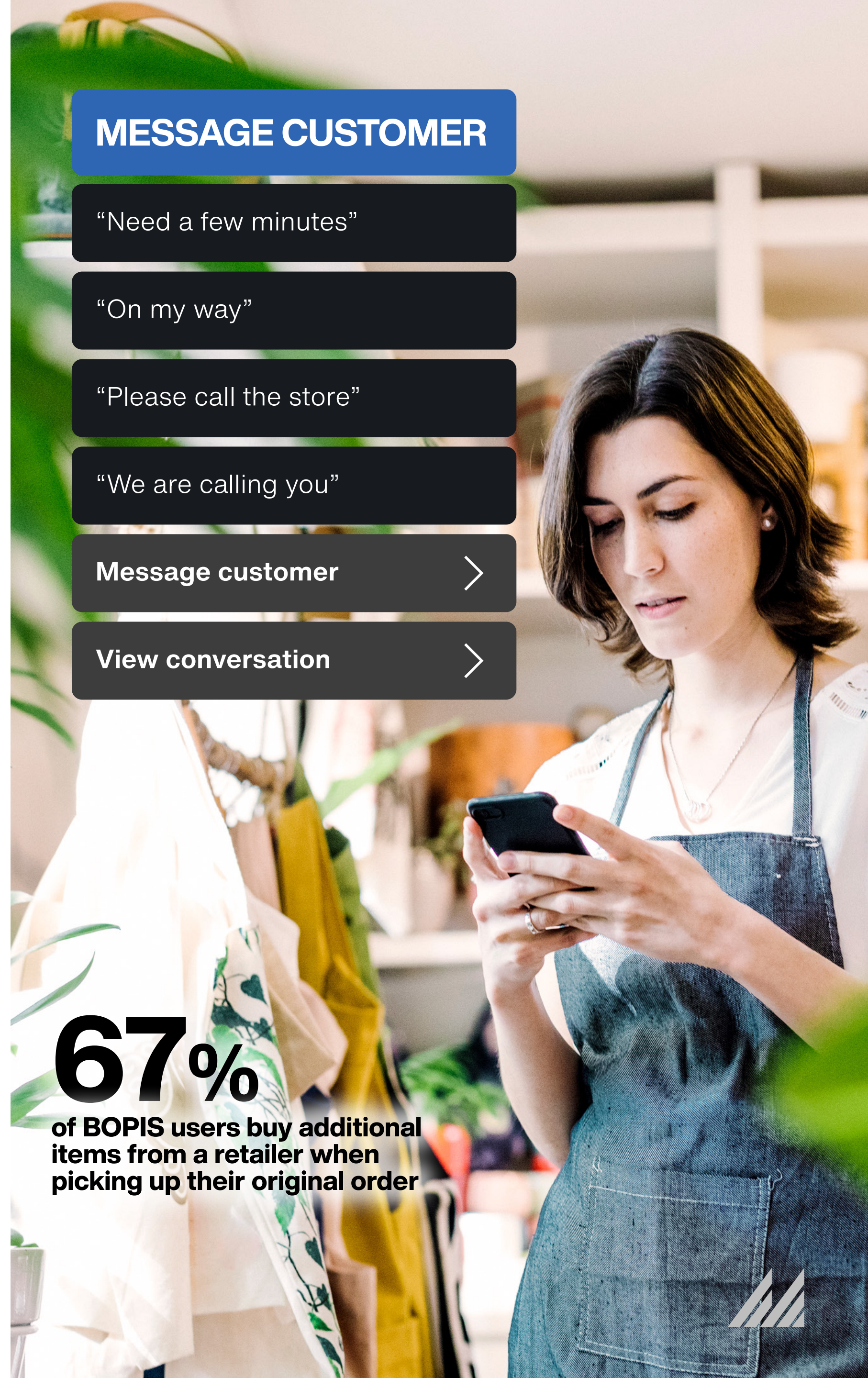
"On my way"

"Please call the store"

"We are calling you"

Message customer ›

View conversation ›

67%

of BOPIS users buy additional items from a retailer when picking up their original order

Modern stores satisfy shoppers' need for speed with fast, reliable omnichannel fulfillment

Modern stores are now multifunctional nodes in the omnichannel retail ecosystem, providing retailers an attractive means to meet rising shopper demands for speed and convenience. When operationalized to meet growing volume demands and increasing customer expectations, store fulfillment can help retailers improve sales and customer satisfaction with convenient order pickup and fast ship-from-store options.

19.4%

forecasted growth rate of BOPIS through 2027

Sources:

National Retail Federation

Accenture

Logistics Viewpoints.

Chain Store Age

McKinsey

Raydiant

ICSC

Signifyd

Learn how Manhattan can help you
improve store fulfillment performance at
manh.com/modern-stores-are-fulfilling

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