

OMNI-CHANNEL RETAILING FROM VISION TO REALITY

Rapid developments in technology and accelerated adoption of new online and mobile means of interaction have forced retail chains to adapt and provide shoppers with omni-channel experience. And yet, while omni-channel is nowadays regarded a must. And yet, while omni-channel is now regarded a must, retailers need go to great lengths to assure that the vision of omni-channel retailing is fully realized.

To support converged and truly effective omni-channel retailing, traditional barriers must be torn down between in-store, online and mobile channels. Whether performing purchases from home, in the store or on the go, shoppers need to be recognized and engaged as a single persona and at the same time have a single view of the retailer across all channels.

This document presents the circumstances that have made omni-channel retailing crucial, as well as the necessary steps to making the vision of converged omni-channel experience a reality.

DEMAND FOR OMNI-CHANNEL RETAILING

Technological developments, increasing competition and the introduction of new, customer-friendly means of interaction brought about a significant transformation in the retail market. Power effectively shifted from suppliers and retailers to well-connected shoppers with a strong sense of entitlement, who expected to be provided with unified retail service across multiple channels.

Online shopping channels quickly became a supplement of choice, only to be followed by mobile retail offerings. And yet, retailers have addressed these channels separately and disjointedly, and have been challenged with the need to assure unified brand perception and deliver converged service to shoppers, in both online and offline shopping scenarios.

As existing retail chain and store infrastructure has not originally been designed to natively handle multi-directional data communication and synchronization, retailers have had to separately manage new eCommerce and mobile commerce channels. They have had to bear both effort and financial burden in order support a range of IT systems as disparate information and functionality “silos”. Maintaining such fragmented channels and assuring continuous data and business logic synchronization requires complex, time-consuming and costly integration. This goes completely against retailers’ vision of seamless, omni-channel retailing, and results in poor alignment, inconsistent service, low cost-efficiency and unacceptable time-to-market.

Maintaining several types of infrastructure also conflicts with customers’ expectations for smooth and consistent experience. Shoppers demand a cohesive view of the retailer, whether at the in-store POS, self-checkout or customer information kiosk, on the retailer’s eCommerce Web site or on its mobile shopping application. They expect to find consistent items, prices, availability, payment methods and promotions across all channels, and require the ability to switch between channels with relative ease.

Omni - a Latin combining form used as a prefix meaning “all” or “universal” (e.g. omnipotent = all powerful; omnipresent = present everywhere).

Channel - any kind of customer interaction medium: brick and mortar stores, Web or mobile device. Each channel features different touch points, such as in-store POS and self-checkout, mobile self-scan or loyalty apps, and online shopping Web sites and loyalty portals.

OMNI-CHANNEL RETAILING - FROM VISION TO REALITY

For retailers, seamless omni-channel retailing is all about the ability to fully and appropriately meet consumer demands. With legacy systems, this is a virtually impossible undertaking, in that it requires active, ongoing integration between center systems, store systems and all customer touch points, making cross-channel and even cross-store business transactions difficult to implement. With existing foundations, omni-channel retailing would demand very high financial investments in IT, making deployment of additional touch points, such as mobile apps, cumbersome and expensive.

To achieve the desired level of convergence in omni-channel retailing, retailers need first and foremost to consolidate all shopper data within a single, unified repository. They must also abstract the data and business logic from the front-end interfaces serving store touch points and online, online and mobile applications, utilizing a common code base to effectively eliminate traditional barriers between different sales channels. By creating an integration-free environment between different sales channels, It will allow them to support seamless interaction with, and continuous engagement of shoppers across all customer touch points.

This recommended approach will support retailers in establishing and maintaining enhanced relationships with shoppers. Their brand is likely to gain greater differentiation and recognition with consistent shopper experience - based on unified item catalogs, pricing and promotions - delivered seamlessly across all sales channels.

RETALIX 10: DELIVERING ON THE PROMISE OF OMNI-CHANNEL RETAILING AND BEYOND

Retalix is the only retail solution provider on the market today capable of realizing the vision of zero-integration retailing with full omni-channel support.

Retalix 10 is a groundbreaking retail platform that assures high operational efficiency and superior, consistent and personalized shopper experience across all customer touch points and sales channels. The solution helps achieve increased retailer profitability, high customer satisfaction and long-term shopper retention.

The Retalix 10 platform ideally embodies the recommended approach to omni-channel retailing. While common, legacy systems maintain separate user interfaces, data and business logic for each software product, Retalix 10 architecture enables retailers to break away from the tradition of integrating disparate information and functionality 'silos', and migrate to a unified, single engine platform. This ensures high flexibility, fast time-to-market and outstanding centralized management, monitoring and control capabilities.

The platform features the following key architecture layers:

Unified Data Layer – provides the foundation necessary to maintain and share common information resources used by all Retalix 10 applications, including item, customer, sales transaction and inventory data

Unified Business Logic Layer – contains the unified retail objects, services and business process rules and logic required to maintain all store operations

Client Presentation Layer – provides each customer touch point with its own personalized and customizable user experience, adapted to the specific client technology being used

The platform encapsulates data and business logic layers within a single repository that can seamlessly serve all headquarter and store back office systems, each and every customer touch point and all mission-critical retail applications whether brick and mortar, online or mobile. These applications utilize the same data and business logic, which are made accessible to shoppers via user friendly interfaces. With all shopper data consolidated in a unified repository, the Retalix 10 platform supports delivery of consistent and personalized experience across all channels.

Whether interacting with in-store POS, self-checkout, information kiosks, self-scan, customer and counter scale, or with eCommerce and mobile applications – the platform assures that shoppers are presented with seamlessly consistent pricing, item information, availability, payment means and promotions. It also allows them to easily shift between different touch points, ultimately increasing sales and enhancing shopper satisfaction.

The platform also allows retailers to fully consolidate, automate and synchronize store and sales operations. Retalix 10's common code base software engine powers all headquarter and store back office systems, and each and every customer touch point, enabling:

- Easy central management and control
- Complete location transparency – any management action can be taken within stores, at headquarters, or even from home (via Web interface)
- Full assurance of data integrity ("a single version of the truth")
- A single point of integration between Retalix 10 platform and industry standard ERP systems
- Easy synchronization with external data sources and rapid deployment of cross-store processes
- Fast eCommerce implementation and effortless introduction of mobile apps

ABOUT RETALIX

Retalix is a leading global provider of innovative, integrated software solutions and services for high volume, high complexity Fast Moving Consumer Goods retailers and distributors – including supermarkets, groceries, convenience, fuel, health and drug, and department stores. The company's centrally-managed offerings and services help optimize retail operations, strengthen brand differentiation, enhance shopper experience and build consumer loyalty, while providing the flexibility and scalability to support ongoing business transformation and growth.

Retalix's comprehensive offering comprises a broad range of solutions for POS (Point Of Sale), sales channel, store, customer and marketing, merchandising, logistics and transportation management, with integrated support for both mobile and eCommerce channels. In addition, the company provides best-in-class capabilities, such as retail operations, customer and supplier relationship management, ERP and business intelligence, distribution operations and master data management – all of which are synchronized across multiple business formats.

Leveraging a multitude of implementation options, including SaaS (Software as a Service) delivery, Retalix serves a large customer base of approximately 70,000 stores and more than 400,000 checkout lanes across more than 50 nations worldwide – with many of its customers ranking among the top retailers in their respective market domains. The company is headquartered in Ra'anana, Israel, and holds North American headquarters in Plano, Texas.

Retalix stock trades on both NASDAQ (RTLX) and the Tel Aviv Stock Exchange.

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