



OMNI-CHANNEL RETAIL SOFTWARE

White Paper

OMNI-CHANNEL PROMOTION PLANNING AND EXECUTION

Proactive omni-channel promotion planning with seamless execution
across the enterprise



Executive Summary

The retail industry is a competitive space, whether online or brick-and-mortar or omni-channel, where mature players try to maintain steady growth and new players attempt to gain a stronger foothold. It is no surprise that the customer regularly finds himself surrounded by promotions of all shapes and sizes! Also, gone are the days when these campaigns were linear and narrowly thought. Daily, scores of brands contest for the attention of the customer - who is getting increasingly demanding. Customer's perception and purchase behavior is rapidly changing and through multiple channels that oscillate from one to another. But, this does not mean that patterns cannot be ascertained from within the enterprise data. New technology has made it possible for retailers to comprehensively plan promotions, create strategies, develop business rules and proactively deploy, update and change the same across channels, whether online or offline. The key principle is to keep a single view of the customer experience across channels and offer the same value to the customers at every point of purchase.

The promotion planning process in retail consists of the following steps:

- Develop promotion strategy as per objectives and targets
- Analyze enterprise data, set KPIs and validate business rules
- Educate store-staff and engage customers
- Measure and monitor the campaign KPIs



Develop promotion strategy as per objectives and targets

A sound strategy in consideration of the current enterprise business and future projections is vital for the success of retail promotions. It boils down to the optimized return on investment for a particular promotion activity. While designing promotions, it is necessary to understand the kind of increased business revenue, heightened product exposure or rise in brand equity it is set to create.

Define promotions

Business strategies for promotion are typically defined by two stakeholders - the merchandising team and the marketing team.

The merchandising team drives the category performance and sell through of a product, handle end of season (EOSS) merchandise, liquidate slow moving merchandise, plan a new collection or a style launch. Whilst, the marketing team aims at driving eyeballs and footfalls, target repeat sales from customers, carry out targeted promotions to increase customer loyalty and wallet share. The marketing team may also define promotions aimed at launching a new brand, setting up new websites, opening new stores, building brand value and store loyalty, managing competitive scenarios and many more.

Seasonal	Drive sales through seasons created with time-bound promotions attracting customers with FOMO (Fear of Missing Out)
Frequency	Limited time offers on next purchase
Depth	Varying percentage of discounts and cash back for different products and services
Channel	For customer adoption to other platforms or appeal to new locations, mediums with deeper promotions
Basket Size Ratio	More discounts on bigger basket size
New Customers	Referral discounts, sign-up promotions, social media engagement or contests
Offset Sales Reduction	Clearance sales, loyalty credits, third-party brand promotions
New Product	Launch offers, up-sell and cross-sell promotions

Analyze enterprise data, KPIs and validate business rules

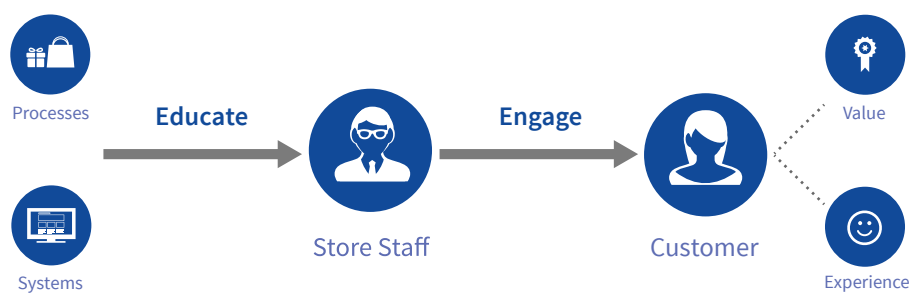
The retail business is driven through optimizing margins and retailers are always on the look-out to promote their product, service or brand appeal and improve sales performance. Enterprise data analytics help in better understanding the different measures a retailer can take to gain insight into the various factors that can improve the top-line and bottom-line. Retail KPIs can be ascertained and assigned from different data sources – customers, merchandise and historical sales data. This enables retailers to make better merchandizing decisions, timely decisions on business rules, determine operational productivity with respect to physical stores, e-commerce websites, staff, logistics, vendors, and enhance customer service.

Category Management	Market Basket
Optimized Assortments	Basket-Register Correlation
Category Contributions	Brand Switching
Item Definitions	Core Item Frequency
Market Comparison	Customer Loyalty
Pricing Modules	Demographic Baskets
Role Analysis	In-Basket Price
Share on Shelf	Items per Basket
SKU Rationalization	Revenue Contribution
Vendor Performance	Shopper Penetration
Merchandise Management	Marketing Analysis
Department Contribution	Ad Blocks
Hot Item Report	Channel Share
In Stock Percentage	Coupons Distribution
Inventory Turns	Feature vs. Display
Linear Feet	Product/Brand Launch
Mark Down Percentage	Store/Website Launch
Pull-Through	Market Share
Reallocations	Price Points
Seasonal Buying	Promotions Graph
Sell-Through	Seasons and Special Occasions

Loss Prevention	Omni-channel Operations
Backorders	Asset Turnover
Order Cancellations	Competitor Stores
Distribution Shrinkage	Front Store Sales
Hot Customer	Inventory Turnover
Hot Store	Labor Costs
Hot Staff	Reallocation
Markdowns	Sales Margin
Natural Losses	Sales/Square Foot
Return Rate	Site Traffic and Product Page Visits
Website page loading speed	Average Page Views, Time on Site
Cart Abandonment	Conversion Rate
Bounce Rate and Exit Pages	Average Order Value

Educate store, online order management and customer service staff, and engage customers

Accurately planned promotions enhance the in-store customer engagement thus improving brand value and the shopping experience. Customer re-call value of a brand increases 10x when they spend time inside your store. Successful customer engagement depends on the customer's experience with the brand or the organization. Across all retail channels – online or offline – the typical shopping experience involves more than making a purchase for a customer. They consciously or subconsciously form emotional perceptions on how they feel when interacting with the in-store staff and acclimatize themselves to the overall in-store experience. How they perceive your brand or service will essentially dictate their inclination to return and shop, recommend to others and to continue engagement with the brand.



When customer support employees have not been adequately trained or educated on customer experience management, they are unlikely to accomplish much. On the other hand, a sustainably trained workforce impacts productivity immensely. They remain motivated, become problem solvers who take up the responsibility of customer service personally. This leads to more conversions, high quality engagement and increased customer loyalty. For example, Apple operationalizes its “steps of customer service” in the simple acronym APPLE:

- Approach customers with a personalized warm welcome;
- Probe politely to understand all the customer's needs;
- Present a solution for the customer to take home today;
- Listen for and resolve any issues or concerns;
- End with a fond farewell and an invitation to return.

It maintains that instead of starting with what Apple has to sell, their sales staff should start from where the customer is and what the customer's problems might be.

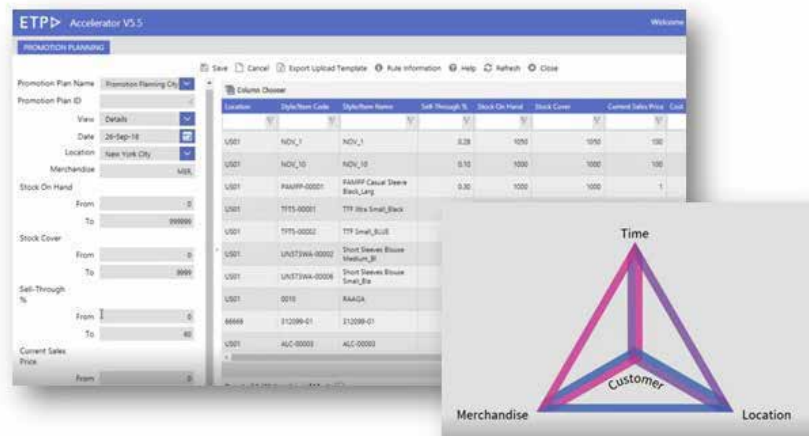
With ETP's promotion planning tool, ETP Accelerator, deploy & monitor omni-channel promotions seamlessly to increase retail revenues

Promotions are powerful tools for enhancing sales. But too often, poor execution delivers poor results. Inaccurate promotional forecasting can result in stock out and lost sales or costly spoilage and markdown losses. For many retail businesses, accurate promotion planning and effective execution still remain a challenge. Focusing on improvements to their retail promotion planning can help avoid these pain points and drive a 20% improvement in operating margins.

- Cross-functional collaboration and rich data drives accurate, automated retail promotion execution

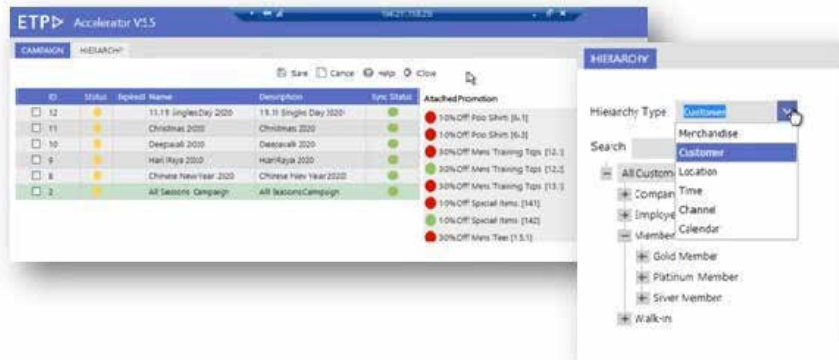
Most retail software solutions don't accommodate promotion planning, leaving marketers and supply chain planners struggling to incorporate spreadsheet-based guesstimates into their forecasts, relying on a combination of past experience and supplier projections to plan promotions and calculate the predicted promotional sales uplift. Without a centralized system, individual stores are forced to place orders manually in order to meet the demand for promoted products while distribution centres (DC) must estimate inventory and purchasing requirements. Too often, all of this happens in silos, with no shared data or plans.

The ETP Omni-channel Retail Promotion Planning solution – ETP Accelerator, along with ETP's in-POS Omni-channel CRM solution breaks down these barriers. Customer registration details and buying history accrued in the ETP Omni-channel Retail CRM serve as input to the ETP Omni-channel Promotion Planning tool, enabling marketers to easily define business rules and roll out promotions specific to customer segments, making their relationship with the brands a personalized experience. These promotions can be executed based on customer demographics, age, gender, birth dates, and many more such parameters as well as be defined for a specific range of merchandise or time frame or for a specific channel or store.



ETP Omni-channel Promotion Planning solution – ETP Accelerator

The retail marketing team can now plan, execute, and monitor a wide range of promotion campaigns, and deploy them quickly across various channels, both online and offline, using an easy-to-use interface while the supply chain team stays in sync to plan the right level of stock, at the right locations, at the right time. It is important to be able to run a large volume business and yet be able to make your customers feel special every time they interact with you.



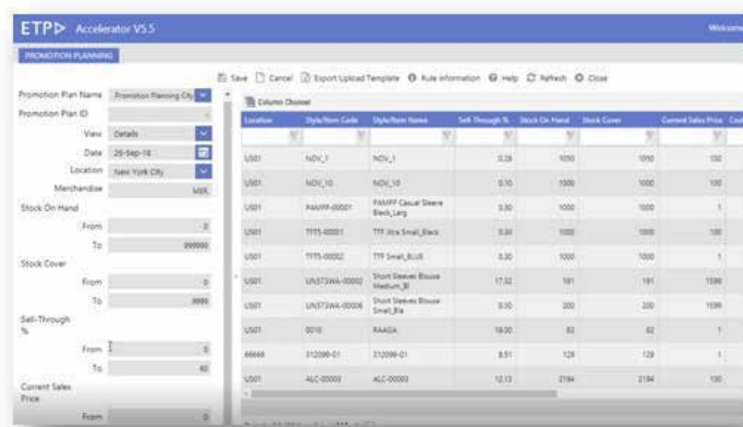
Hierarchy in Promotion Planning

ETP Accelerator also offers the ability for external applications to leverage ETP’s powerful promotions engine as a service feature which is built on Microservices architecture. Any external application can pass order information to ETP Accelerator and in response, ETP Accelerator will apply the applicable discounts and send back the updated order. The monitoring and management of this data exchange can be controlled by the ETP Connect application.

- Accurate retail promotion forecasts help effectively automate store replenishment

An accurate day-product-store level promotional forecast develops a higher degree of certainty around the amount of inventory a retailer is likely to sell. It also enables accurate and automated store replenishment, which is of particular importance during promotional periods. At just a click of the button, the promotions get enabled immediately at all desired locations and channels.

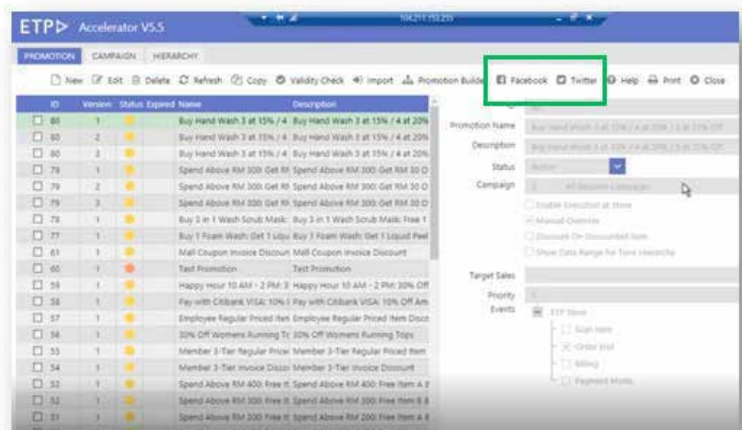
Retailers can develop templates for different types of stores and promotions to fit their business characteristics and goals. These templates are used to quickly implement configurations that automatically calculate initial store orders and subsequent replenishment orders. With consistent access to high-quality data, modern supply chain solutions can improve promotional forecast accuracy by 15%, improving store replenishment and inventory optimization throughout the supply chain.



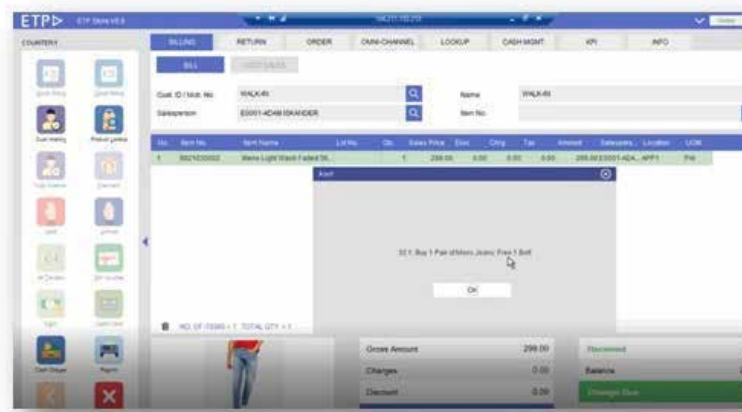
Planning promotions accurately to ensure timely replenishment at the store

- Reach your customers online and boost brand loyalty

Promotions in ETP Accelerator can be deployed across social media platforms instantly as campaigns. Retailers can connect with their target market through social media such as Facebook or Twitter to promote the brands. Becoming a part of the social media network helps an organization to capture a large audience and establish direct contact with end-users of the product as well. Posting promotions on social media is a marketing tool to reach your customers online and reignite brand passion and customer loyalty with little upfront cost, which encourages business. The big advantage of having ETP Accelerator as a tool for publishing promotions on social media is that the consistency of the message across stores, eCommerce, and social media is maintained, leading to a holistic customer experience with your brand.



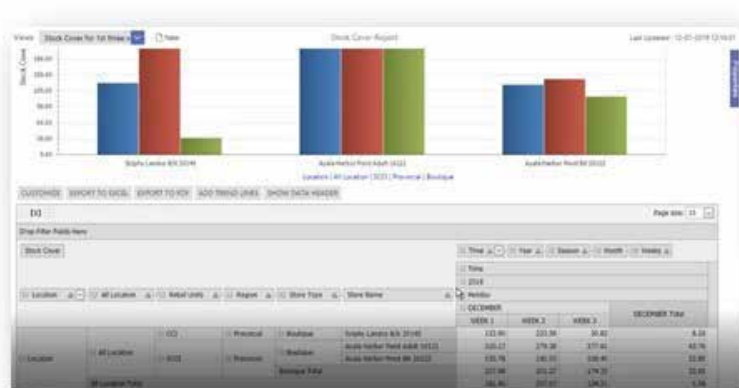
Publishing promotions directly to online/social media



Publishing promotions at the store

- Measure and monitor promotion campaign KPIs for retail success

ETP Accelerator is equipped with an intuitive dashboard that enables retailers to stay tuned to the customer expectations and modify their retail marketing promotions as well as easily reactivate previously successful promotions. Retailers can view their various marketing promotions across various periods in a daily, weekly and monthly calendar format using the in-built promotions.

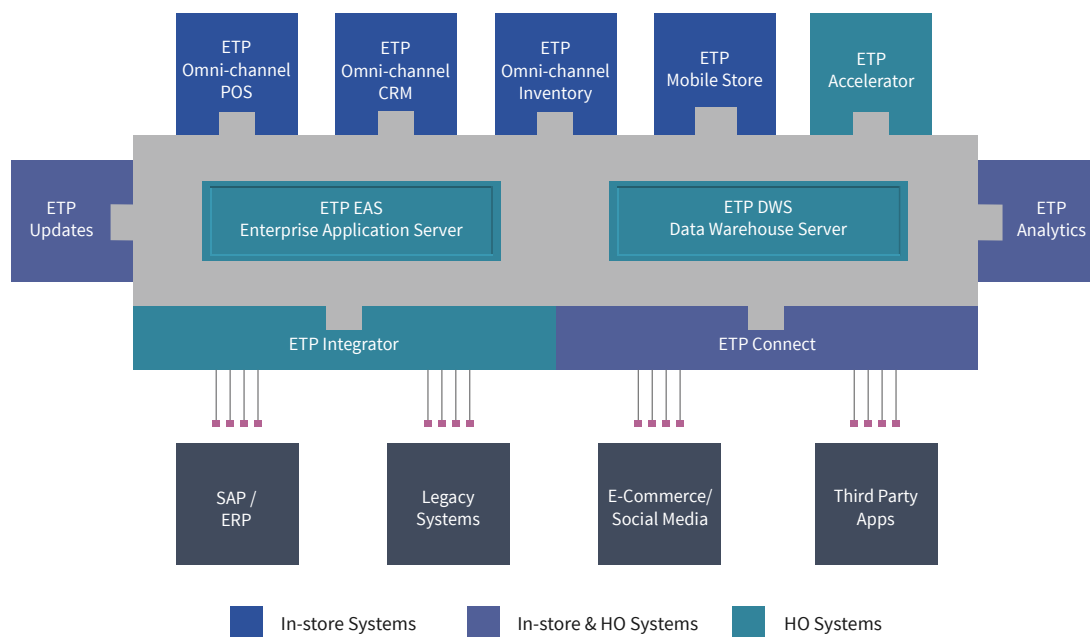


Performance Dashboards to track & measure the outcome of the promotion campaigns

planning calendar allowing them to further sync their promotions with the brand's social media network. A set of business rules monitor the performance of the promotion and measure it against a set of goals, giving you a feedback of how your promotion is performing against your target. This drives the discipline in your business as well as delights customers with a unified brand experience that encourages loyalty.

ETP Retail Suite

ETP Omni-channel Accelerator solution helps retailers acquire better insight into customer demand and a covetable promotions trajectory. It is a powerful marketing and promotions engine, managing marketing campaigns in sync with customer/market trends - reducing implementation time drastically. The solution supports promotional strategies and business rules to be set and rolled out across operations instantly. It is a proactive solution, allowing multiple promotions and business rules to run concurrently without affecting process efficiencies. More importantly, the retailer can monitor the performance of each promotion strategy and redefine them as required. ETP Omni-channel Accelerator solution is equipped with an intuitive dashboard, helping retailers better understand market response and fine-tune their retail marketing promotions as well as easily reactivate previously successful promotions. With the in-built promotions planning calendar, retailers can view their various marketing promotions across various periods in a daily, weekly and monthly calendar format that can be further synced with the brand's social media network





More than **500** brands in 24 countries, across **10** time-zones, at **35,000+** stores, run on ETP

Asia's Leading Omni- channel Retail Software

ETP is an Omni-channel Retail Software company serving market leaders in 24 countries across the Asia Pacific, India and the Middle East regions. ETP's solutions include Omni-channel orchestration, POS, Mobility, CRM, Marketing Campaigns, Promotion Management, Order Management, Supply Chain Management and Analytics. ETP has successfully executed over 500 enterprise software projects across 35,000+ stores for 500 brands. ETP's unique value proposition is its ability to consistently deliver enterprise grade Omni-channel solutions to its customers and build long term strategic partnerships spanning decades.

For more information, email: info@etpgroup.com

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