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Buyer's Guide: Composable Technology to Achieve B2C & DTC Omnichannel Commerce

Find the right composable commerce, order management, and subscription management solutions.

Consumers expect consistent and unified shopping experiences across all touchpoints, whether they are shopping in-store, on a website, or via social media. While it's important each channel looks and feels the same, it's the backend technology that creates those seamless and integrated shopping journeys.

The COVID pandemic created a wide-spread adoption of shopping online across all industries, but consumers are still visiting physical stores as part of their buying journeys. Forrester projects that 72% of US retail sales will come from physical stores by 2028 and click and collect sales will surpass $200 billion by 2028.

Direct-to-consumer (DTC), digital-first brands are also embracing omnichannel by placing products in retail stores, opening physical locations, and selling on marketplaces. PipeCandy found that 47% of small to mid-market DTC brands have product presence in brick-and-mortar stores.

By now, most B2C and DTC companies have adopted a multichannel strategy, where they have various online and offline transactional channels. But many still struggle to create a true, frictionless omnichannel experience due to siloed systems, data, and teams.

The seamless integration of an ecommerce platform and an order management system is essential for delivering a cohesive omnichannel experience and streamlining operations. This integration ensures real-time inventory synchronization, preventing stock issues, and centralizes order processing for faster and accurate fulfillment. It also enables businesses to gather valuable customer data across channels, which can be used to create better shopping journeys that drive customer loyalty.

In this guide, we'll dive into what to look for in an order management system and ecommerce platform to deliver better omnichannel experiences while streamlining operations.



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Assessing Your Omnichannel Needs

Determining what technology your company needs to deliver seamless and consistent omnichannel experiences is crucial to stay competitive and achieve long-term success. Here are steps your company can take to ensure you invest in the right technology:

Assessing your company's goals and objectives

What are your company's goals for implementing or expanding an omnichannel strategy? Consider factors like expanding product presence in physical stores, improving customer satisfaction, and increasing sales.

Map out the customer journey

Map out the current customer journey across different touchpoints (online and offline) and identify any pain points or areas where customers may encounter friction during their interactions. Consider how a customer may start their shopping journey online and complete the purchase in a store or vice versa.

Analyzing your technology infrastructure

Determine whether your current systems can support omnichannel capabilities or if you need to invest in new technology solutions. The bar for meeting consumer expectations is high, requiring IT and digital commerce leaders to determine how to best marry the solutions powering the frontend experience (i.e., CMS, search, merchandising, PIM, etc.) and the systems driving commerce operations (OMS, inventory visibility, CRM, etc.).

Know your target audience

By analyzing your customers' preferences, shopping behaviors, and buying patterns, you gain valuable insights that can inform your omnichannel strategy. This data will help you decipher where and how our audience shops, whether it's through online channels, physical stores, mobile apps, or a combination of these. Once you've identified key trends, you can use this information to determine what technology you need to enhance the omnichannel experience.

Platform Architecture: Unified experiences, composable architecture

Composable architecture serves as the cornerstone for achieving omnichannel experiences. By breaking down complex systems into modular components that can be customized and integrated, you'll be able to swiftly adapt to changing customer preferences and market dynamics.

This agility allows for the incorporation of new channels, technologies, and services into the overall customer experience, ensuring a responsive approach across all touchpoints. As a result, you can better connect with customers and respond rapidly to market shifts, ultimately leading to an omnichannel experience that drives customer satisfaction and loyalty. When evaluating solutions, there are several factors to consider.

- **Flexibility:** Choose a platform that allows you to cherry-pick modules or capabilities, avoiding the need for a complete system overhaul. For instance, you can start with basic catalog features from one vendor and seamlessly transition to a best-of-breed PIM from a third-party when needed.

- **Scalability:** Assess the platform's ability to handle increased traffic, expanding product catalogs, and the addition of new brands or global sites. Ensure it can scale both vertically (adding more resources to a single server) and horizontally (adding more servers) as your business grows, maintaining fast page load times during peak traffic periods..

- **Unified Interface**: A single user interface with shared data and reporting simplifies commerce and fulfillment operations, empowering both technical and non-technical users to work efficiently, enhance customer service, and adapt to changing demands.

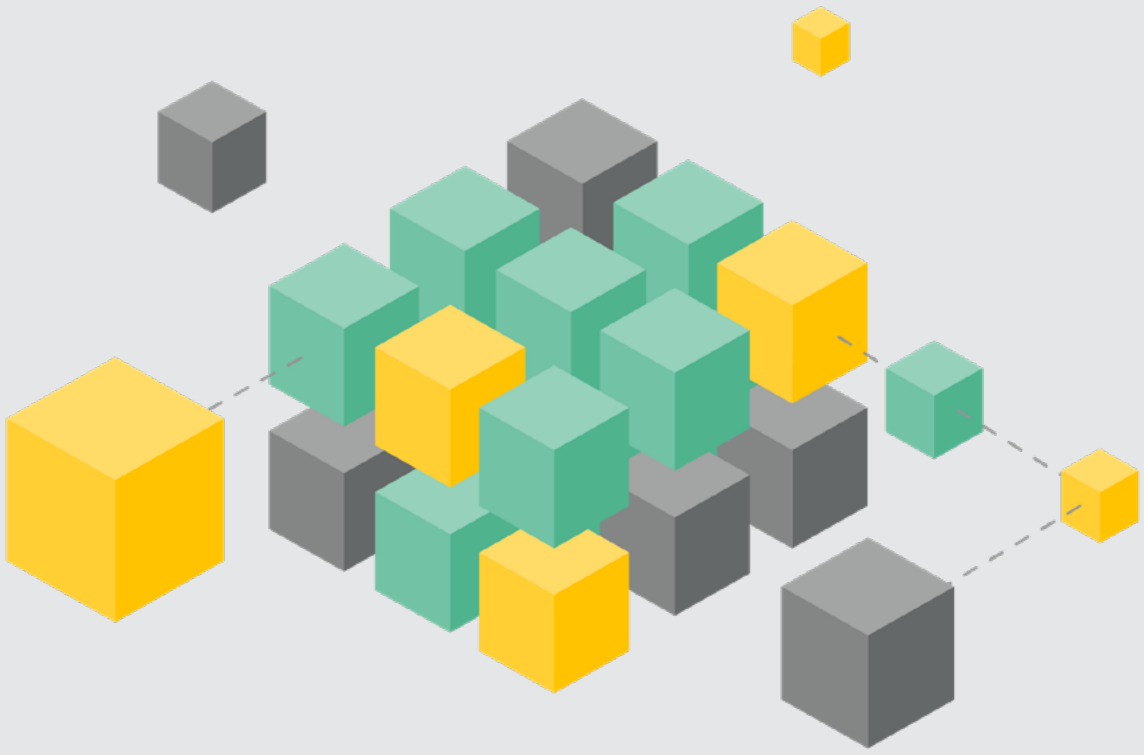
- **Extensibility:** Look for a solution with rich out-of-the-box functionality and comprehensive API coverage. This allows you to extend platform features without incurring significant development costs, ensuring a seamless frontend and backend integration.

- **Integrations:** Verify the platform's compatibility with various systems like CRM, marketing automation, or personalization engines. Ensure it facilitates real-time and accurate data flow through robust orchestrations, not just point-to-point connections.

- **Microservices-Based:** Opt for ecommerce and order management solutions with a microservices-based architecture, promoting reusability for future custom developments without disrupting the core code.

- **API-First**: Choose an API-first vendor with comprehensive API coverage and accessible documentation. This approach enhances productivity, scalability, and agility, ensuring adaptability as your business integrates new technologies

- **Modularity:** Seek modular capabilities that reduce dependencies between services, allowing for phased implementations and platform maintenance without risking the entire solution's stability.



Create Fulfilling Customer Experiences with an Order Management System

In today's diverse consumer landscape, defining a 'great' experience varies from person to person. Whether it's curbside pick-up or fast and free home delivery, customer expectations are constantly evolving. Having a robust order management system is crucial to accurately track inventory and offer various fulfillment options for an optimal omnichannel experience.

- **Inventory management:** Enabling global inventory visibility, managing safety stock across locations.
- **Supports flexible payment options:** Buy now, pay later, recurring subscription payments, digital wallets, etc.
- **Distributed order routing:** Ability to allocate inventory optimally from across the supply chain to fulfill an order, manage 'split shipments' to fulfill an order from multiple locations in the supply chain, and support customer returns across channels.
- **Multiple fulfillment options:** Last mile delivery, BOPIS, curbside pick-up, ship-from-store, drop shipping, etc.
- **Customer service empowerment:** Enabling customer service representatives to capture orders, track orders in near real-time (such as inventory location, fulfillment event updates, etc.), and adjust orders.
- **Flexible scheduling:** Supports changes in delivery dates by customers for products, gifts, and value-added services (e.g., installing appliances at home or a personalized styling session).

Order Management Use Case Checklist

When evaluating OMS vendors, it's critical to ensure it can meet your company's unique use cases. Take a look at use cases under two broad pillars: customer experience transformation and unlocking supply chain efficiencies. Below is a checklist of key essential use cases.

Customer Experience Transformation

- Providing visibility to global inventory and fulfillment ETA (i.e., number of units left at nearby stores for pickup, delivery ETA, etc.).
- Bring inventory data to site search to ensure relevant results and boost product discovery.
- Supporting flexible payment options, such as 'Buy Now Pay Later', subscriptions, digital wallets, etc.
- Offering multiple fulfillment options, such as drop-shipping, BOPIS, and curbside.
- Social proofing with real-time inventory data (e.g., alerts like 'low in stock', 'soon to sell out', etc.) to nudge shoppers down the conversion funnel.
- Enabling perks like 'early access to inventory,' or 'exclusive access to merchandise' to loyal customer segments or certain affinity groups.
- Allowing customers to modify delivery dates after placing order, and releasing the updated order to fulfillment centers as per the new date and time slot.
- Managing capacity and scheduling of value-added services for specific sector.
- Managing inventory of gifts and vouchers.
- Allowing customers to return products by various modes, such as online return shipping, in-store returns, etc.
- Empowering customer service reps with key capabilities such as capturing an order, modifying order information (e.g., delivery dates, address, fulfillment mode, etc.), ability to track inventory and fulfillment updates in near real-time.

Unlocking Supply Chain Efficiencies

▹ Providing business users global inventory visibility (across stores, DC's, in-transit, suppliers), allowing them to manage Future ATP (Available to Promise) and safety stock across different channels and fulfillment locations (DC's, stores, etc.), ability to pool inventory across locations.

▹ Ability to extend custom order routing attributes without needing IT help and have the flexibility to align order routing with organizational goals and supply chain operations.

▹ Fulfillment from multiple locations via 'Order Splitting' and 'Shipment Consolidation' —this makes it possible to fulfill one customer order from multiple locations—by splitting an order into multiple shipments that can be routed via different locations.

▹ Ability to use stores as fulfillment centers to support logistics options like Ship From Store, implying ability to generate pick lists for fulfillment associates.

▹ Ability to integrate with supplier inventory to handle drop ship orders.

▹ Ability to support reverse logistics by accepting returns initiated by customers, and orchestrating return orders with other ERPs such as WMS & TMS.

▹ Ability to substitute an item during the fulfillment process.

There is no one size fits all strategy. Every brand and retailer will have their own unique business needs. Sector and business strategy plays a critical role in identifying the use cases that will be unique for the business and customer needs.

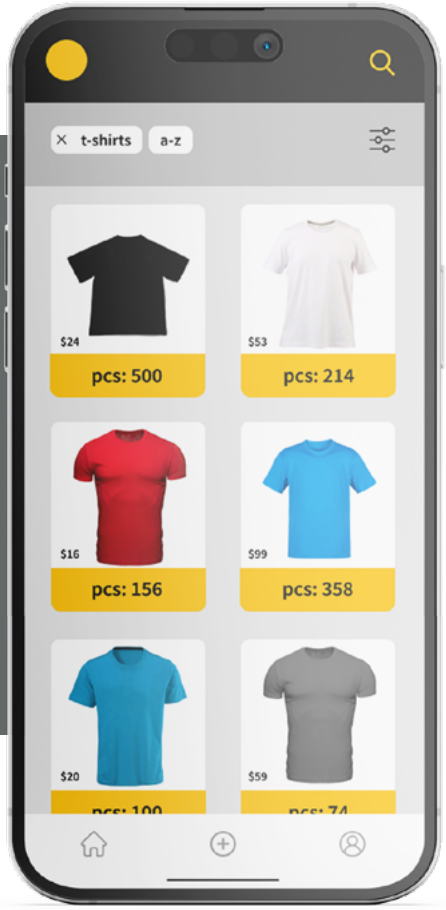
Essential Commerce Functions for a Seamless Purchase Experience

At its core, an ecommerce platform enables businesses to sell directly to consumers across physical and digital channels for omnichannel sales and marketing. Some solutions provide the basic functionality needed to sell online with minimal supporting capabilities, while others come with a depth of functionality out of the box and intuitive business-friendly UIs.

To simplify the process, we've outlined the top B2C ecommerce platform functions and capabilities to look for when evaluating vendors. For each function, we provided the top features to look for to ensure it can meet your company's requirements.

Product Catalog Management

The product catalog manages detailed product information, such as specifications, pricing, and availability. It also supports functions, like site search, to improve product discovery. Requirements for a product catalog depend on your company's number of SKUs, product complexity, and number of sites and geos the catalog will span.



Here's what to look for:

- Comprehensive and accurate information
- Rich visual content for effective product showcasing
- Integration and real-time updates for accuracy
- Visual merchandising and scalability with volume

Omnichannel Pricing

Omnichannel pricing ensures that the prices of products or services remain consistent across various sales channels, while using the same product data without duplication and managing various feeds. However, omnichannel pricing can also be useful when you have different prices based on a shopper's location or you have multiple sites and brands.

Here's what to look for:

- **Unlimited price lists for targeted pricing**
- **Store-level pricing for location-specific strategies online**
- **Centralized pricing for multi-site management**

Promotions Management

Promotion management engines allow B2C companies to create and execute a variety of promotional campaigns such as discounts, coupons, flash sales, and loyalty programs. These promotions can attract more customers, encourage repeat purchases, and ultimately increase sales and revenue.

Here's what to look for:

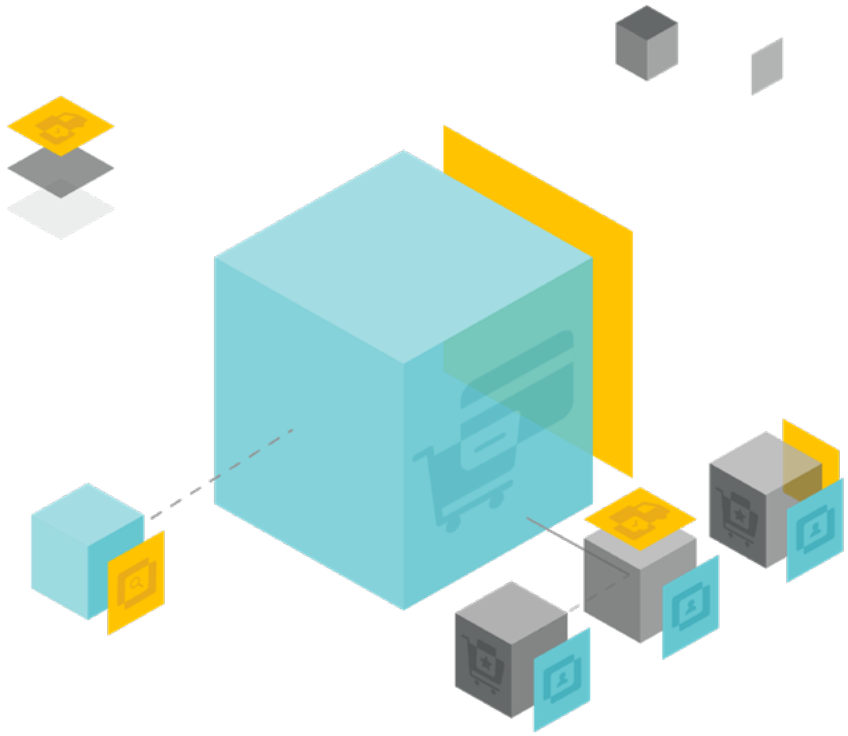
- **Omnichannel promotions for consistency**
- **Flexibility and customization in creating promotions**
- **Rule-based promotions and robust analytics**

Cart & Checkout

A smooth and user-friendly checkout process fosters trust and confidence among customers. When shoppers have a positive experience during checkout, they are more likely to return for another purchase.

Here's what to look for:

- **Omnichannel transparency and consistent shopping carts**
- **Provides a user-friendly cart interface and supports multiple payment options**
- **Meets compliance, security, tax calculation, promo codes, abandoned cart recovery, and product recommendations requirements.**



Site Search

Site search is a critical component in the path to purchase — in fact, Forrester found that 43% of users on retail websites go directly to the search bar. When customers can easily locate products they want, they are more likely to make a purchase. On the other hand, if they struggle to find items, they may leave the site without completing a transaction.

Here's what to look for:

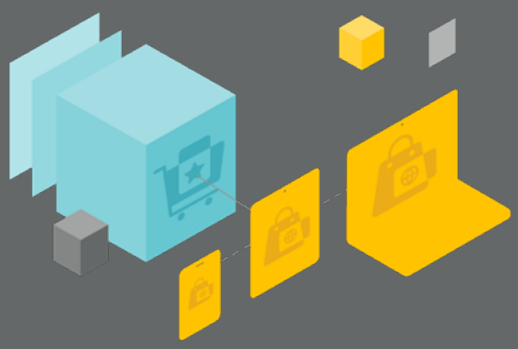
- **Presents accurate results, filter options, and educational content**
- **Leverages inventory and fulfillment data for better search results**
- **Uses AI and ML to improve precision and enhance user satisfaction**

Customer Management and Service Tools

When consumers have positive interactions with your brand through customer service, they are more likely to become repeat customers and recommend your products or services to others. Conversely, 73% of shoppers are likely to abandon a brand after one poor customer service experience.

Here's what to look for:

- **Tracks and manages orders, enables cart takeover, and provides a user-friendly interface**
- **Integrates with CRM for personalized interactions**
- **Includes return and refund management and self-service features**



Subscription Business Model Support

For the 51% of global business and technology professionals in Forrester's Priorities 2022 Survey who say that changing their business model is a high priority or the many businesses prioritizing product launches, finding an ecommerce platform that supports a subscription business model could be key.

Ideally, you want a solution with customer-centric tools that empower non-technical users to effortlessly design complex pricing and discount models, serve customers, and update delivery frequency options — eliminating the need for developer intervention.

Here's what to look for:

- **Subscription Billing Flexibility:** The ability to set up different billing intervals (monthly, quarterly, annually) and support for tiered pricing, discounts, and promotions. This flexibility is crucial for accommodating various customer preferences and pricing strategies.
- **Customer Self-Service:** Providing customers with an easy-to-use online portal to manage their subscriptions, update payment methods, and make changes to their subscription plans. Self-service options improve the customer experience and reduce support overhead.
- **Integration Capabilities:** Seamless integration with other business systems such as inventory management, CRM, and marketing automation tools. Integration capabilities allow for a holistic view of customer data and enhance operational efficiency.
- **Unified UI:** Unify subscriptions management with non-subscription business in one UI for inventory, orders, customers, promotions, products, and more.



Leverage Backend Systems to Drive Better Frontend Experiences

Fulfillment plays a pivotal role in shaping the customer experience, particularly in the world of instant gratification and multi-channel shopping. According to Harvard Business Review, 73% of consumers prefer shopping across multiple channels. And another recent study found that 80% of shoppers prefer to ship with retailers who show delivery dates at checkout.

Consumers are placing greater importance on transparent and accurate delivery experiences, which requires seamless integration between ecommerce platforms and order management systems. When evaluating ecommerce platforms, look for a solution that seamlessly leverages backend operations to drive better frontend experiences with features like:

- **Prioritizing real-time delivery information and cross-channel inventory visibility**
- **Supporting intelligent order sourcing and orchestration**
- **Improving order fulfillment and leverage analytics for operational efficiency**



80%

of shoppers prefer to ship with retailers who show delivery dates at checkout.

Conclusion

Selecting the right order management system and ecommerce platform is paramount for achieving seamless omnichannel customer experiences and streamlining your business operations. In today's competitive landscape, where customer expectations are higher than ever, making informed choices in these areas can significantly impact your success.

By carefully assessing your business needs, understanding your target audience, and considering factors such as scalability, integration capabilities, and ease of use, you can make informed decisions. An effective OMS should empower you to efficiently manage orders across various sales channels, while a robust ecommerce platform should provide a user-friendly shopping experience for your customers.

About Kibo

Kibo Commerce is a composable commerce platform for retailers, manufacturers, distributors, and wholesalers who want to simplify the complexity in their businesses and deliver modern customer experiences. We are the only modular commerce platform supporting experiences that span Order Management, eCommerce, and Subscriptions. Companies like Zwilling, Ace Hardware, and Coastal Construction trust Kibo to bring simplicity and sophistication to commerce operations and exceed customer expectations.

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