

A photograph of a mannequin in a shimmering, sequined blue dress, positioned in the foreground. In the background, another mannequin is visible, slightly out of focus. The scene appears to be a retail store window. A diagonal white line runs from the top left to the bottom right, separating the image from the text and logo areas. A green triangle is in the top left corner, and a series of grey diagonal stripes are at the bottom left.

Managing the Customer Lifecycle in the New Normal



Introduction:

If retailers started the year thinking that their order lifecycles were already optimally serving their customers, then without a doubt, the last few months have proven that this mentality has been truly challenged. Today's customers not only demand flexibility and agility from the companies they shop with—they expect it at every point in their customer journey, including how they choose to have their orders fulfilled. This has never been more apparent than now, with the rise of curbside pickup and other new fulfillment methods due to COVID-19.

In this survey, we wanted to see what key factors are influencing retailers' order management strategies, what their biggest challenges are and what additional capabilities they need in order to improve their overall customer order process. Delivering a seamless customer order experience requires close coordination of orders with inventory, routing, and shipping across the enterprise. How are retailers rising to the challenge?

Research Methodology

This independent research was performed on Aptos' behalf by market research firm Gatepoint Research, which surveyed 50 IT professionals in early 2020 (January through May).

- 48% of those surveyed work in Fortune 1000 companies with revenues over \$1.5 B.
- Responders represent a variety of industries, with about one-half from retail trade. Other categories include manufacturing and wholesale.
- 62% of respondents hold director or executive-level positions in their organization.

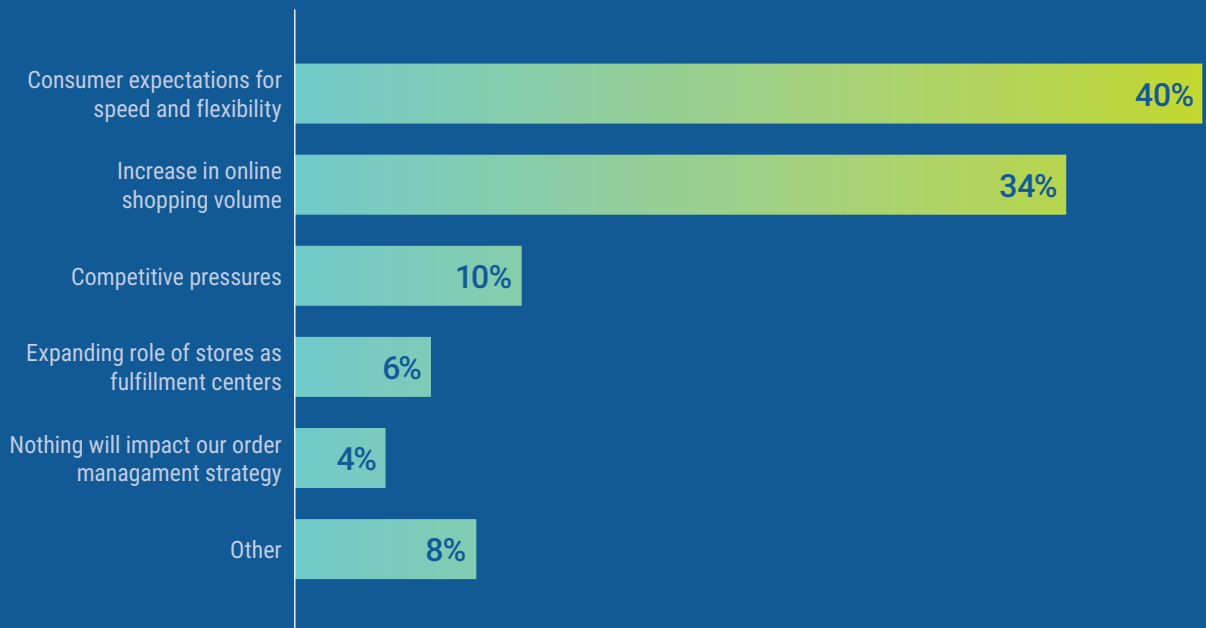


Consumer expectations and the rise of ecommerce

At the time of the survey, respondents predicted two factors would primarily guide their order management strategy this year: consumer expectations for speed and flexibility (40%) and increased shopping volume online (34%).

Both of these factors have been tested in early 2020 with increased shipping times due to issues with the supply chain and concern for worker safety in distribution centers and stores.

What do you predict will have the biggest impact on your company's order management strategy in 2020?

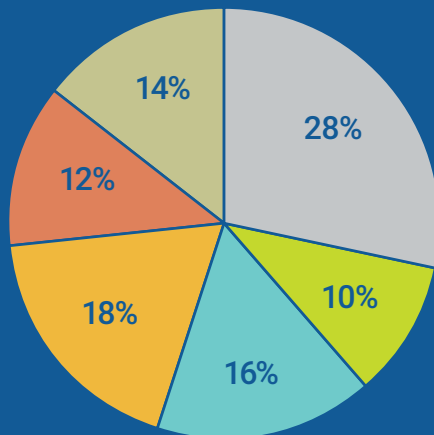


Not surprisingly, more than half of the companies surveyed were still relying on brick-and-mortar to bring in most of their revenue. However, we see this percentage potentially changing as consumers are feeling less safe shopping in stores, at least for the remainder of 2020. 34% of respondents believed that an increase in online shopping would impact their order management strategy this year.

Among organizations surveyed, 54% said less than 15% of their revenues were from ecommerce. 16% reported more than 30% of their revenue is ecommerce-derived.

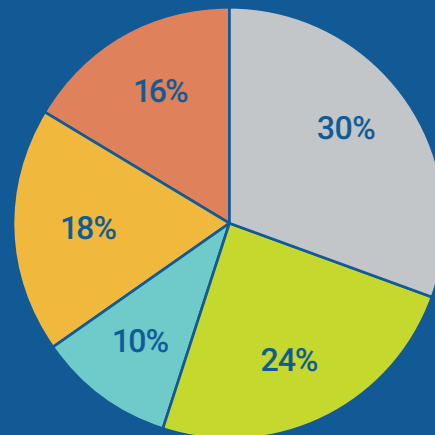
While 70% of companies surveyed already fulfill over 500,000 orders per year via ecommerce, we see this figure continuing to grow as more and more retailers embrace omnichannel flexibility.

What is your approximate annual volume of ecommerce orders?



Less than 500K	28%
500,001 to 1M	10%
1,000,001 to 2M	16%
2,000,001 to 5M	18%
5,000,001 to 10M	12%
More than 10M	14%

What percentage of your revenue comes from ecommerce?



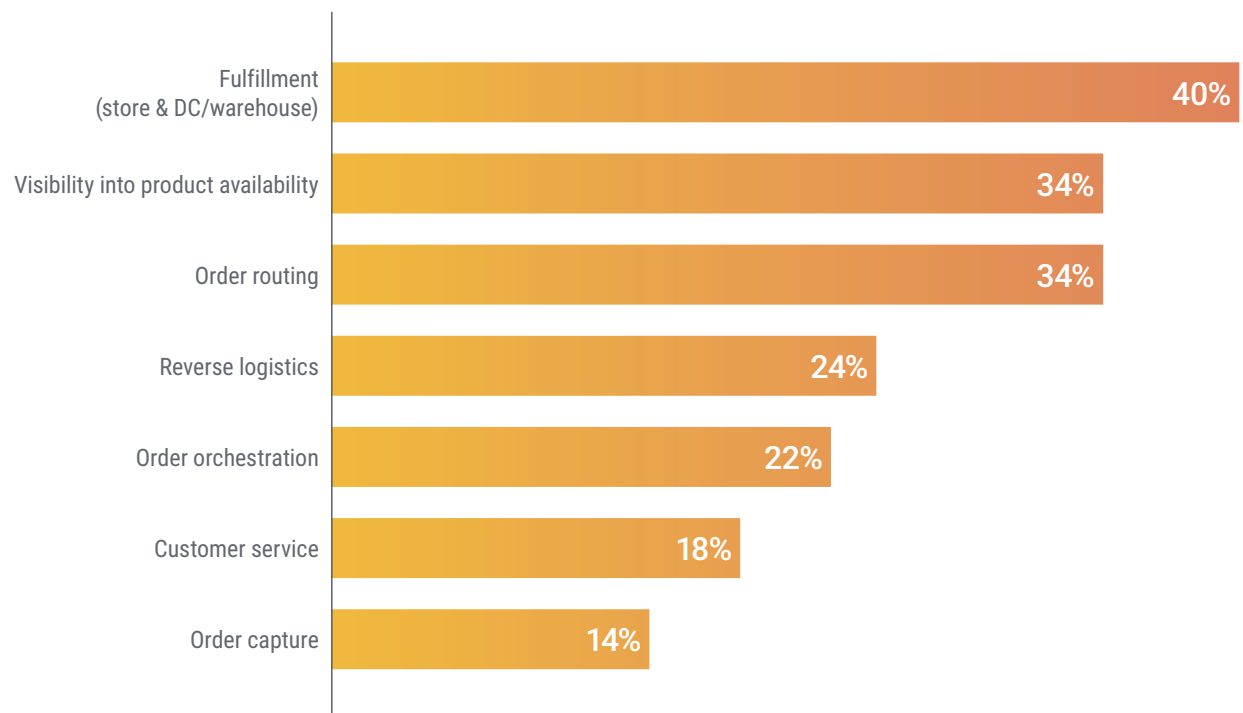
10% or less	30%
11% to 15%	24%
16% to 20%	10%
21% to 30%	18%
More than 30%	16%

Challenges within the order lifecycle

Respondents were dissatisfied with multiple aspects of the customer order lifecycle, notably fulfillment, product availability visibility and order routing. As before, the retailers who have been able to overcome these challenges during the pandemic have prevailed over others who have had a hard time adapting to disruption in their DCs and warehouses. [TotalRetail](#) reported that

fulfillment time increased almost 40 percent in March, and retailers that don't have visibility into product availability are struggling to keep their customers happy as a result. And disgruntled customers typically don't wait for a retailer to figure it out... they just move on to the next company willing to show them better customer service.

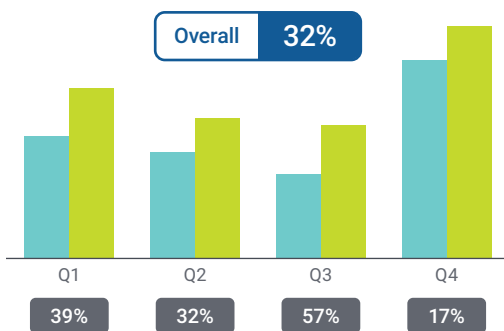
Do you experience challenges in any parts of the customer order lifecycle?



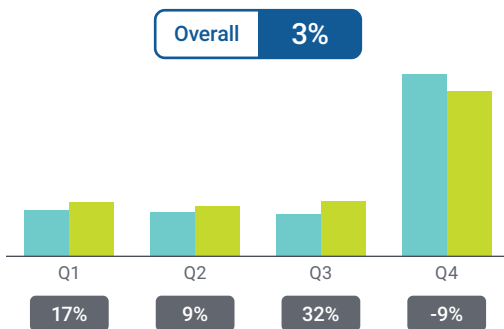
EOM: Aptos customers embracing omni significantly outperforming those who don't

YoY growth by quarter ● 2018 ● 2019

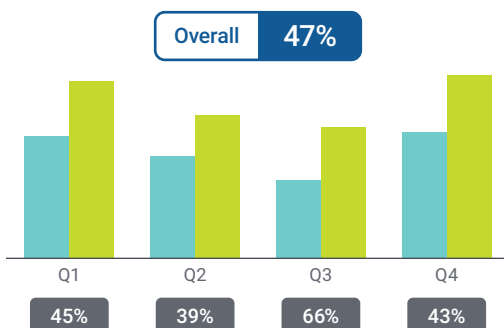
Aptos Customers Overall



Aptos Customers Behind On Omni



Aptos Customers Embracing Omni



Opportunities to improve customer experience

We asked respondents what key initiatives they were planning for the next twelve to eighteen months, and what capabilities would be needed to support them. By a significant margin, the most commonly cited initiative was improving customer experience consistency between e-commerce and stores. Other widely applied initiatives included: decreasing fulfillment time, more flexible inventory fulfillment methods and offering more fulfillment options.

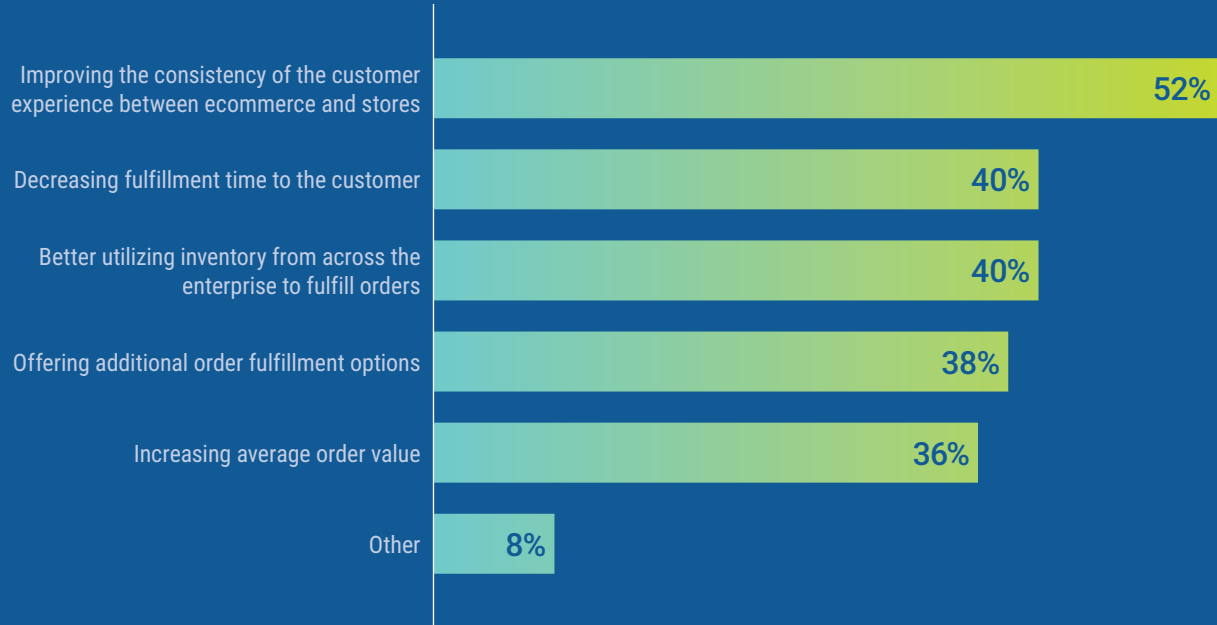
Respondents voted real-time visibility throughout the fulfillment lifecycle as the most valued capability. They also wanted better store fulfillment tools, better visibility into inventory across the enterprise and inbound. We believe that if retailers are able to use technology to solve these concerns, they can simultaneously increase overall customer satisfaction and grow their business significantly.



We've found that Aptos clients who fully embrace omnichannel flexibility report 47% growth versus the prior twelve months, while those who have not yet embraced omnichannel flexibility reported just 3% growth for the same 12 months.

- Vikas Aron, VP, Product Management, Aptos

What are some of your key initiatives in the next 12 to 18 months?



What capabilities do you need to add to support your key initiatives?



Conclusion:

Customer experience is king

In the end, retailers who figure out how to serve their customers with the right information, at the right time, and do it all quickly, will win. Customers left waiting in the dark about the status of their order will eventually leave and find another company to spend their hard-earned dollars with. Retailers need to adapt to the times and invest in omnichannel capabilities that will allow them to not only efficiently fulfill their orders—but even more importantly—to fulfill their customers' expectations.

According to **Forbes**, brands with **superior customer experience bring in 5.7 times more revenue** than competitors that lag in customer experience.

About Aptos

Aptos is the largest provider of enterprise software focused exclusively on retail. Our cloud-based Singular Retail™ solutions are trusted by over 1,000 retail brands in over 65 countries. With industry-leading omni-channel commerce and merchandise lifecycle management solutions, we help retailers develop dynamic and responsive assortments, streamline operations and deliver integrated, seamless experiences... wherever shoppers choose to engage. More than 1,300 colleagues share our collective passion for engaging customers differently, and we are committed to developing relationships built on trust and tangible value by partnering with our clients to create agile retail enterprises that are built to thrive in an era of constant change.

Learn more at aptos.com.