Compunnel Digital

5 BIGGEST OMNICHANNEL RETAIL CHALLENGES

CHALLENGE #1
Inventory Mismanagement

In omnichannel retail, you list and sell your products across multiple channels. There may be few channels where you risk missing orders, thus hitting your digital operational excellence. The demand-supply gap may prove costly due to missed orders.

THE SOLUTION

Retailers should prioritize inventory management and optimize inventory visibility across channels. Streamline order handling to fulfill all orders at the right time. Keep SKU codes identifiable and consistent across channels. Maintain simple and unique bar codes across SKUs.

CHALLENGE #2
Stock Duplication

Online retailers block their working capital, when they over-order stock, or there is stock duplication due to incorrect inventory. It is not a good practice to overestimate potential sales and overstock.

THE SOLUTION

Optimize inventory management and ensure that your inventory moves fast to improve your working capital. As you use a good inventory management system, there are no overstocking or understocking issues.
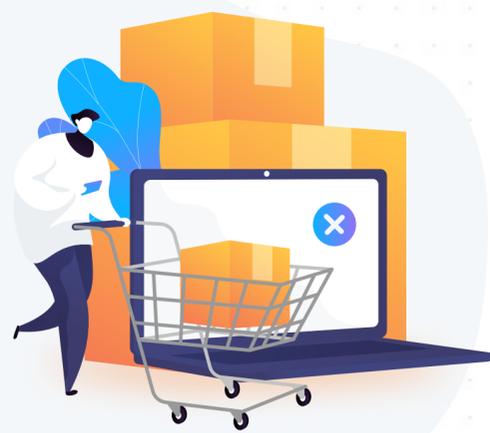
CHALLENGE #3
Unbalanced In-store and Online Channel Stock Allocation

Making immediate sales to brick-and-mortar store customers will badly affect your online sales when there is low inventory. Refrain from following the "bird-in-hand" approach.

THE SOLUTION

Minimize stock availability of fast-moving items on online channels. Ensure a steady supply by making timely orders to your vendors. Maintain a high reorder point for high-frequency, multichannel sales and fast-moving inventory items.

CHALLENGE #4
Inventory Turnover Ratio Declined

You may encounter inventory issues if warehouse locations are not optimal to your store locations. They may even not be optimal to online retail network, shipping, and distribution channels. Besides, contents of the warehouse may not be readily available to effectively manage packing and shipping.

THE SOLUTION

Optimize warehouse locations in a way that orders and returns can be processed easily from any of the touch points. Design the layout of the warehouse to alleviate omnichannel order fulfillment. As your inventory remains fluid, you improve your inventory turnover ratio.

CHALLENGE #5
Channel-specific Returns

Your retail infrastructure doesn't allow you to process returns through every other channel. Your customers don't consider other product alternatives when they return items in your store, as returns are channel specific.

THE SOLUTION

An omnichannel retail trend is to maintain consistency in systems across multiple channels. Your customers may buy through one channel, receive the same through another, and return it through the third one. This contributes to your brand's profits and customer loyalty.