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TIPS FOR MASTERING MULTICHANNEL INVENTORY MANAGEMENT

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HOW TO SCALE YOUR ONLINE BUSINESS WITH MULTICHANNEL INVENTORY MANAGEMENT

Multichannel inventory management is a powerful tool that allows companies to maximise revenue growth, increase efficiency and get real-time visibility into the true potential of their inventory. With customer expectations evolving fast and market conditions fiercer than ever, securing every possible competitive advantage is essential.

The holy grail of business has always been customer service, but with the recent evolution of what great customer service means, the stakes have never been higher. [One survey showed that 54 percent¹ of customers surveyed report they have higher customer service expectations than they did just one year ago.](#)

Mastering multichannel inventory management allows companies to support higher volumes of orders by improving efficiency. Understanding how to master this process helps companies maximise success through smoother operations and creating delightful and long-lasting customer relationships.





MULTICHANNEL INVENTORY MANAGEMENT IS COMPLEX

Only 19 percent of business owners² report that they have successfully “mastered” multi-channel inventory management while still remaining profitable. So why is it so hard to manage inventory successfully?

- ▶ **Customers have more power and control than they did in the past.** They control how, when and where they purchase products – and those expectations are rising fast. Technologies such as mobile, social and always-on connectivity give customers information, services and products at the exact moment of relevance, and that raises the bar for everyone.
- ▶ **Retailers are challenged with meeting these quick-changing demands.** Sellers must strike the delicate balance between supply and demand. Too much inventory translates into products being sold at a discount and, on the flip side, not enough inventory results in an overselling situation and customer dissatisfaction.
- ▶ **Thirty-two percent³ of retailers surveyed report that poor inventory visibility hinders sales.** Retailers are struggling with lack of insight; they need greater visibility into what customers want and when, which is nearly impossible without a streamlined inventory management system in place.

WHY YOU NEED AN INVENTORY MANAGEMENT SYSTEM

The days of using a spreadsheet to manage inventory are long gone. With the complexities and demands of today's customers, retailers need a system that responds as quickly as their customers' needs change. An inventory management system provides instant visibility into a variety of critical factors, including the following:

➤ **Visibility into key performance indicators**

The ability to view KPIs in real time allows a company to quickly make appropriate changes as needed to better serve customer demands.

➤ **Greater understanding of ordering needs**

A company needs the ability to meet the fast-changing needs of customers. Inventory management systems can help companies understand exactly how much and how frequently they need to reorder products from vendors.

➤ **Insight into the location of products**

Companies can view the exact physical location of products, how they are being treated and the exact moment they arrive to customers.

➤ **Improved efficiency**

Employees can do their jobs faster when they don't need to check multiple systems throughout the day.

➤ **Cash and inventory intelligence**

Retailers can understand exactly how much cash is in inventory and how fast it's being used to achieve greater efficiency.

These benefits allow you to improve the customer experience and create relationships that are more meaningful and result in greater loyalty and long-term success.



TIPS FOR MASTERING MULTICHANNEL INVENTORY MANAGEMENT

The most important aspect of online retail is getting the product to the customer in tact and on time. The most common frustration for a customer is a late or damaged delivery. An error here can cause your customer to lose trust in your company, and the result of that letdown can spread quickly with [42 percent⁴ reporting they would share a negative story on social media](#). Luckily, there are ways to ensure you are providing your customer a seamless experience while also maximising profits.

➤ **Maintain minimum product levels before reordering**

The right inventory management system can ensure that a product isn't ordered too soon, resulting in a surplus of inventory and potential profit losses.

➤ **Complete regular inventory analysis**

Do you fully understand which of your products perform best? The right tools can help you quickly identify your best-performing products so you can maximise and grow revenue.

➤ **Monitor key performance indicators**

Monitoring the right KPIs allows you to elevate the customer experience and maximise potential profits. For example, the right inventory management system can help you to better understand critical KPIs, such as days to sell inventory, cost of holding, stockout, inventory accuracy and much more.

➤ **Improve sales forecasting**

Accurate sales forecasting has the ability to improve the customer experience and drive greater revenue. The right tools allow you to quickly and accurately predict sales volume and avoid risks associated with an overstock or understock situation.

➤ **Set prices with greater results**

Pricing is a major sticking point for many customers. Knowing your costs and desired profit margin, and having the ability to quickly analyse the competition allows you to select a pricing strategy that has the greatest potential.

An inventory management system empowers retailers to pull together all of the most critical pieces of data to produce greater efficiency and results for their businesses. Companies are empowered to understand the true cost of business and more effectively serve their customers.





THE IMPORTANCE OF MAPPING THE CUSTOMER JOURNEY

Companies that fully understand their sales channels are empowered to delight their customers and build more meaningful interactions. [Get an understanding of your customer's mindset and actions at every turn – from discovery to delivery to reordering.](#)

Mapping the customer journey allows you to achieve this task. Data is gathered to understand where customers are coming from, how many days or visits it takes to move them from one stage to the next, and the goal of each user at each stage.

The customer journey is constantly evolving and should be evaluated monthly or quarterly to ask key questions, such as the following:

- ▶ **How can we add more value to our visitors at each step of this journey?**
- ▶ **How can we make this step easier for customers to achieve their goals?**

A customer journey map highlights what your ideal customer is going through when seeking a product. For example, the journey might include the following categories.

➤ Awareness

How do customers learn about your company and products? Did they find you through Facebook, Instagram or a Google search? How did they arrive at your website? Understand the customer's goals at this stage.

➤ Conversion

Understand the amount of time until the transaction. What was the customer's goal for purchasing the product? Which channels were used to make the sale? Which website pages did they visit, and when do those conversions typically happen?

➤ Loyalty

Report the amount of time until a customer reviews your product. Did they leave a review on Facebook? When did this happen? Which website pages are most relevant to this part of the process?

A [multichannel inventory management tool](#) is helpful when gathering insights that play into the customer journey. Having accurate data allows you to understand your customers and their purchasing patterns and ongoing needs so that you can do a better job of anticipating their demands in the future.



SELECTING THE RIGHT MULTICHANNEL INVENTORY MANAGEMENT SOFTWARE

The goal of multichannel inventory management software is to reduce your costs and meet demands more effectively. Seek a complete retail management solution, one that will power your ecommerce, point of sale, inventory and fulfillment. [For example, Neto provides an integrated back-end technology](#) that enables exceptional and consistent customer experiences via any channel, whether that's in a brick-and-mortar store, online, or through a marketplace such as Amazon or eBay. This allows you to do the following:

➤ **Sell everywhere**

Sell in more channels and grow your business faster by managing your ecommerce business, marketplaces listings and brick-and-mortar stores from a single source.

Neto lets you sell:

- ▶ Through your online store
- ▶ In person with Neto Point of Sale
- ▶ On eBay
- ▶ On Amazon and Catch Marketplace
- ▶ Wholesale and B2B

➤ **Manage everything**

Centralise your operations and improve efficiency with the only retail management platform that provides a complete solution from inventory to fulfillment.

Neto manages your:

- ▶ Purchasing
- ▶ Inventory Management
- ▶ Order Management
- ▶ Customers and suppliers
- ▶ Payments
- ▶ Shipping labeling
- ▶ Reporting
- ▶ Analytics

The result of using this right type of software is significant. For example, at Neto, our customers experience the following gains.

➤ **Revenue growth**

Neto customers experience more than 40 percent revenue growth. With a complete view of their omni-channel operations, customers can make the right decisions and unlock their full revenue potential.

➤ **Improved efficiency**

Seventy percent of Neto customers experience improved efficiency. Repetitive tasks are automated and integrated with multiple sales channels to manage orders, shipments, product listings and more.

The goals of any business are to serve its customers, forge long-term relationships and build a company that will thrive. Deploying the right solution for multichannel inventory management empowers retailers to achieve greater revenue, increase efficiency and multiply the success of their business.

Ready to take a deeper dive and learn more about the features that make Neto the new standard in Retail Operations Software?

SIGN UP FOR A FREE TWO WEEK TRIAL HERE!

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