



# 3 Reasons You Need Magento Order Management

Higher Sales. Lower Costs. Better Experiences.



The key to a successful business is an accurate and complete picture of inventory across all channels and locations. Merchants tell us that order management capabilities, including managing a diverse set of inventory sources, is one of the biggest challenges. We hear this in our active community discussions, and when we have the opportunity to meet face-to-face.

In a recent Magento customer survey<sup>1</sup>, two of the top three future capabilities customers said they are willing to pay for involve order management (multi-node inventory and advanced order management). The popularity of order management-related extensions developed by the vibrant Magento ecosystem indicate the demand for a purpose built order management module to complement Magento Enterprise Edition.

That's where Magento Commerce Order Management comes in. It's pre-integrated with Magento Enterprise Edition 1.X and 2.X. It seamlessly improves your inventory visibility so you always know where your stuff is—in your own warehouses, third-party logistics providers, franchisees, retail partners, drop shippers, or in physical stores around the world.

Whether you have a physical store or a web store, knowing where your stuff is empowers you to drive sales, manage fulfillment costs, and meet consumer expectations. That's why 73 percent of merchants plan to utilize an order management system (OMS) as their unified commerce platform within three years, according to a recent survey by BRP Digital Commerce.

<sup>1</sup>Magento Merchant Survey, 2015

## Consumer Expectations Are Growing

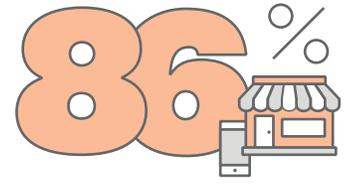
When it comes to brand experiences, consumers have high expectations. They want to buy what they want, when they want, how they want. In a recent study<sup>2</sup>, Forrester asked consumers: "How important are the following capabilities while shopping online?" Not surprisingly, the majority of consumers said they expected omnichannel services. In other words, they don't care where your stuff is, as long as they get it. So it's more important than ever to have visibility of all inventory, regardless of channel.



*ETA for orders to store or home*



*View local store inventory online*



*Buy online and return to a store*



*Ship to a local store*



*Buy online & pick-up in store*

Frost & Sullivan defines omnichannel as: "Seamless and effortless, high-quality customer experiences that occur within and between contact channels, ensuring that data and context from the initial contact carries over to subsequent channels, reducing customer effort, improving the customer interaction, and enabling the business to tailor the customer journey."<sup>3</sup>

<sup>2</sup>Forrester Research, Web-Influenced Retail Sales Forecast 2012 to 2017 (US)

<sup>3</sup>Frost and Sullivan, Moving From Multi-Channel To Omni-Channel Customer Engagement: Intelligent Interaction Analytics, July 17, 2015



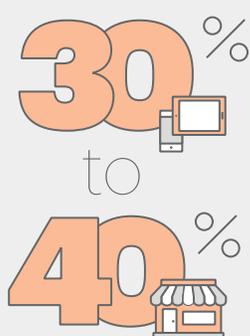
# 1. Drive More Sales

Online sales used to be limited by the inventory available in dedicated fulfillment locations.

If a product wasn't visible in the dedicated inventory pool, customers would receive the dreaded "out of stock" message, even though it might be available elsewhere in the chain. When all inventory is visible to all channels including online and physical stores, businesses can drive 20-30 percent incremental growth in online sales.<sup>4</sup>

Improved inventory visibility not only delivers a much desired consumer experience, it differentiates you from your competitors (multi-channel and more importantly the online pure plays). It also drives incremental store sales.

Letting sales associates access the entire pool of inventory, coined the "endless aisle", enables them to better serve in-store customers and "save the sale". The result is a much improved in store experience which can drive an incremental 10 percent in physical store sales.



*of US online shoppers buy additional product when they come to the store to pick up something they purchased online.<sup>5</sup>*

Even if you don't have physical stores, you may still have a diverse set of inventory across geographies, drop shippers, or retail partners. The ability to know where your inventory is and intelligently expose it for sale through any channel, is a critical driver of your sales growth.

<sup>4</sup>Forrester Research, North American Consumer Technographics Retail Online Benchmark Recontact Survey, 2015

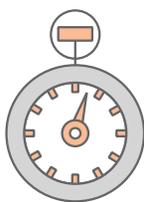
<sup>5</sup>Forrester Research, North American Consumer Technographics Retail Online Benchmark Recontact Survey, 2015



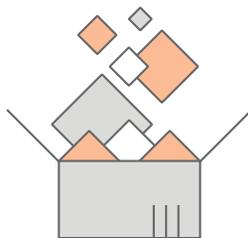
## 2. Optimize Your Fulfillment

Knowing where the inventory is one thing, but it is equally important to have the business rules in place to pick the best source to deliver that order.

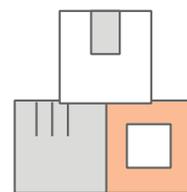
Being able to source the order based on changing conditions like proximity to consumer, speed of delivery, or profitability based on shipping costs, inventory turns, number of split shipments, or product margin, allows you to:



**Get the product to the customer as fast as possible**



**Minimize your fulfillment costs**



**Optimize your inventory carrying costs**



## 3. Deliver Better Experiences

You need to deliver on consumer expectations.

You need to provide a great, consistent consumer experience across traditional *and* new channels and touchpoints: geographies, social channels, marketplaces, the internet of things, customer service, etc. Doing this well requires visibility of inventory and orders across all touchpoints and the business rules to fulfill the order for what's best for the consumer... and your business.

Don't have what the customer is looking for? Instead of sending the order to a distribution center across the country, why not route the order to the store across town that has the product? Offer to ship it to the customer, or have them pick up in store if that's more convenient. You can only do this if you know where your stuff is. The result is a better customer experience, higher sales, and lower fulfillment costs. Isn't that the dream?

### Getting There Isn't Easy

75% of retailers have inaccurate inventory levels in-store.<sup>6</sup>

77% of retailers rank inventory planning and visibility as top priorities.

35% of merchants claim they lack technology to span online, in-store, and mobile.

94% of merchants face significant integration barriers to achieve these seamless experiences.

<sup>6</sup>Multichannel Merchant, Inventory Visibility: The Real Omnichannel Challenge, Oct 04, 2016

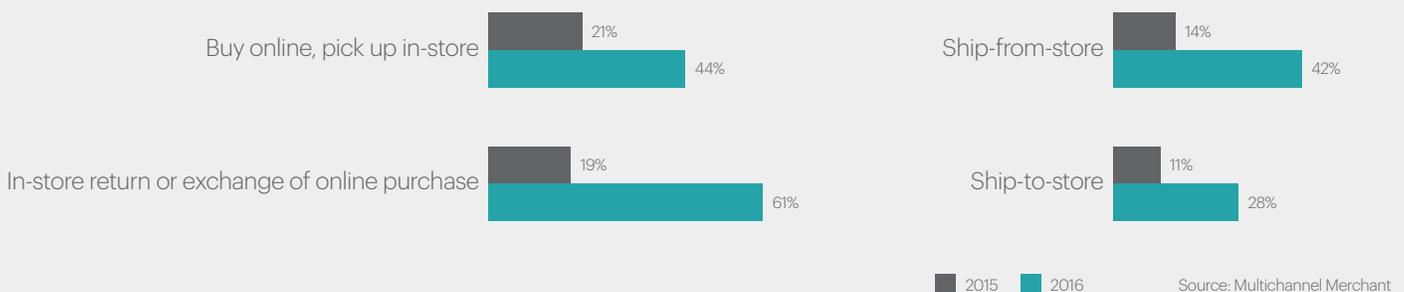
Merchants are trying to connect an array of new touchpoints using ad hoc approaches, and it just doesn't work.

- **ERP systems:** Forrester states “ERP platforms are ill-equipped to manage omnichannel orders that must transcend online and offline channels”.<sup>7</sup> They are inflexible, can't dynamically manage orders, inventory and sourcing across multiple channels.
- **POS:** This is a single channel-oriented model that struggles to manage inventory across multiple sources. It lacks the business rules to optimize fulfillment across those sources.
- **Webstore:** Integrating order management into a webstore requires more extensions and adds complexity. It also ignores the fact that your webstore is a channel, not a central system of record for orders and inventory that serves multiple channels.
- **Manual processes:** We all know that manual processes don't scale and are error-prone. It might work for a company generating 100 orders per month, but 100 orders per hour, or minute is impossible to manage manually.

### Time is of the Essence

Your competitors are making technology investments to drive revenue, lower fulfillment costs, and delight their customers. The growth of these investments is forecasted to double this peak season.

#### US Merchants Offer Omnichannel Services



Now is the time to get started to get on the right track for 2017. As a Magento customer, you have what you need to quickly and easily implement an order management strategy that delivers all this and more.

<sup>7</sup>Forrester Research, OMS Wave Study, 2016

# Magento Commerce Order Management

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Magento Commerce Order Management is a perfect complement to your existing Magento platform, and integrates data across all touchpoints. That information is immediately available to both in-store staff and management, enabling better decision-making and customer experiences.

Magento Commerce Order Management coordinates your customers' experience across all sales and fulfillment channels. Instead of replacing existing systems, it works with them, gathering information from each touchpoint. It orchestrates and optimizes based on rules and processes. From capture to source, and ultimately fulfillment, at all times your customer remains at the center of your operation.

The open cloud architecture seamlessly connects with your existing Magento platform. You get the familiar user interface plus a rich feature set that includes distributed order management, omnichannel fulfillment, inventory management, Payments and Risk, and reporting and analytics. This modular based solution, pre-integrated with Magento 1.X and 2.X, gives you the flexibility to implement as a fully integrated, open-architecture solution.

Together with your Magento platform, Magento Commerce Order Management gives you the systems and processes necessary to master this business fundamental – delivering better customer experiences, higher sales, and lower fulfillment costs.

# Learn More



## Questions?

We've got a team of friendly commerce experts ready to answer them! We don't bite, but we will help you grow your business.

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## About Magento Commerce

Magento Commerce is the leading provider of cloud commerce innovation to merchants and brands across B2C and B2B industries, with more than \$124 billion in gross merchandise volume transacted on the platform annually. In addition to its flagship digital commerce platform, Magento Commerce boasts a strong portfolio of cloud-based omnichannel solutions that empower merchants to successfully integrate digital and physical shopping experiences.

Magento Commerce is the #1 provider to the Internet Retailer Top 1000, the B2B 300 and the Top 500 Guides for Europe and Latin America. Magento Commerce is supported by a vast global network of solution and technology partners, a highly active global developer community and the largest ecommerce marketplace for extensions available for download on the Magento Marketplace. More information can be found at [www.magento.com](https://www.magento.com).