



THE MUTLI-CHANNEL CONSUMER CAN BE THE RETAILER'S BEST FRIEND PLANNING MAKES PERFECT!

Ismail Kaskar, Principle Consultant managing the Merchandise Planning Capability within UCS Solutions, discusses planning applications with visibility, highlighting the benefits of this invaluable resource.

The face of retail has changed and successful retailers must offer their products and services across a number of channels, such as online, mobile and in the social space. These channels cannot operate in isolation but rather as an integrated whole that also includes in-store abilities.

In today's world, consumers are more sophisticated and demanding, and this is really all about meeting consumer needs. Gone are the days of shopping from 09h00 to 17h00. Today's consumer prefers the freedom and ability to shop 24/7 - and comfort and convenience is key. The fact is, multi-channel customers are the most lucrative for retailers, so ensuring that online and physical stores are integrated is a no-brainer. Instead of viewing these additional selling channels as complex, they should be viewed as supplementary methods of connection with valuable consumers. In addition, these channels not only increase sales but also drive customer loyalty.

While creating a seamless multi-channel shopping experience is not an easy exercise, a planning application with visibility is invaluable. Such an application pulls together multiple data sources, enabling the user to make rapid decisions through a plan with visibility - whether goods are inbound or outbound in the supply chain. It also assists with one of the biggest drivers in retail - profitability - as having visibility across the various areas can minimise mark-downs and stock-outs, and maximise your internal investment, which in turn increases profitability.

In the supply chain for retailers, merchandise planning is the starting point. The four-step lifecycle - planning, buying, moving and selling - enables you to plan correctly. Planning correctly ensures that you buy correctly and this aids in moving your stock through your supply chain to reach your customers. This lifecycle generally starts 6-18 months prior to the product arriving in-store.

Planning is a combination of art and science. The art lies in determining seasonal trends while the science involves external factors, such as possible recessions and the impact this may have on potential product sales.

In the past, planning was determined by what transpired in-store. So planning for the next season was based on data gathered from and determined by in-store sales. Today consumers are privy to a wide variety of purchasing options so retailers who wish to stay ahead of the game must provide an integrated solution across all available channels. Furthermore, retailers need the ability to react quickly as price aggregators allow for viewing of competitors' pricing. To retain competitive advantage, retailers have to monitor this constantly.

The end goal of planning is to assist the retailer in maximising profitability by ensuring that all processes take place as cost-effectively and efficiently as possible. This means getting the right product to the right place, at the right price, at the right time.

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