

Tackling the challenges of omnichannel distribution

How 4 grocery retailers boosted their e-commerce sales
through better order and inventory management

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Introduction

It's obvious the grocery sector is changing. Like so many areas of retail and customer service, it's becoming more complex and competitive. The change brings opportunity as well as challenge. It's up to grocery retailers to embrace the change and adapt to the demands of the market.

In recent years, the European grocery retail market has experienced significant growth in online sales, driven by factors such as increasing internet penetration and changing consumer preferences. Services like drive-thru, click-and-collect, and quick commerce, that bring convenience to the forefront, are more popular than ever.



The shift has not come without complications. Retailers grapple with issues such as stock-outs that can derail meal preparations for their customers, maintaining a consistent customer experience across various channels, and efficiently preparing orders within tighter timeframes than ever before.

Throughout the grocery sector, technology plays a crucial role in enhancing the customer experience and streamlining supply chain operations. To navigate the complexities of customer demand, retailers turn to software solutions such as Order Management System (OMS) alongside their existing Enterprise Resource Planning (ERP) systems. The former brings agility and flexibility to the latter, giving grocers that much-needed edge to make the crucial step up from 90% to almost 100% order fulfillment.

By adopting technology in an intelligent way, retailers can optimize inventory management, enhance order fulfillment processes, and deliver a seamless shopping experience to customers. This ebook explores how four grocery retailers are harnessing advanced technology to overcome the challenges of omnichannel order fulfillment, ensuring they stay competitive in an increasingly digital marketplace.

1

Cora over-delivers on its customer promise on digital channels with enhanced inventory management



Cora's collaboration successfully transformed its order and inventory management model. With the right OMS, the French grocer not only reduced stock shortages and substitutions, but also paved the way for significant online revenue growth.

In its 60 stores across France, Cora has a stock of 40 million food and non-food products. Operating at this scale means the rise of online commerce brings complex challenges in terms of inventory management.

To grow its e-commerce activity while consistently meeting customer expectations, Cora needed a more reliable inventory management along with fewer supply chain disruptions.

Ensuring accurate and real-time visibility of stocks was paramount. Cora manages a broad range of products and runs with minimal stock levels for each item. Where a stock shortage was not reflected on the e-commerce site, some orders were not being 100% fulfilled. Despite the product substitutions on offer, customer dissatisfaction was on the rise, representing an additional cost to the business.

It was crucial to coordinate inventory between physical stores, and digital channels like drive collection services, curbside pickup, and home delivery to ensure a seamless shopping experience, regardless of the customer journey.

Cora adopted a flexible and scalable OMS that would streamline processes and guarantee a smooth customer experience by reducing errors and missing products. The OMS gives Cora the power to centralize inventory management while displaying a single inventory per store. The inventory is visible on the e-commerce site and accessible via any path to purchase: e-commerce, curbside pickup, drive collection service, and home delivery.

“ The objective of this OMS is to increase our online turnover by 20%, while having access to an automated system that allows us to manage the order preparation area.

Laurent Gheux, E-commerce Operations Manager

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1 Cora over-delivers on its customer promise on digital channels with enhanced inventory management



The system supports 'hybrid inventory,' an innovative approach that maximizes product availability. For example, if a customer orders a single bottle when the stock only contains six-packs, the order picker can split a pack to meet the immediate need, and the remaining bottles are available for other orders.

The OMS also manages 'graying out,' a process that shows a product as temporarily unavailable for online sale when it is out of stock or when all remaining stock is already reserved for other orders.

The real-time view of the stock displayed on the e-commerce site allowed Cora to better manage customer expectations. The hybrid inventory approach adds flexibility to stock management and has a direct impact on order fulfilment and customer satisfaction.

Cora's stock shortage rate is now significantly lower. The e-commerce site has higher product availability and a lower product substitution rate for orders. Stores with the OMS have recorded a higher increase in turnover compared to the group average, demonstrating the direct impact of increased reliability on sales.

The OMS helped Cora significantly improve customer satisfaction by providing a seamless experience and reducing instances of orders being canceled or modified due to stock shortages.



“Kbrw's OMS has effectively helped us to reduce shortages and substitutions and that has created tremendous value for us.”

Laurent Gheux, E-commerce Operations Manager

2 Carrefour integrates a highly-configurable WMS to deliver the best digital customer experience



Through strategic software investment, Carrefour Spain accelerated the growth of its online business while significantly improving its customers' shopping experience. An efficient WMS lifted the constraints imposed by the retailer's legacy on-premises systems.

Carrefour, Spain's second-largest food player, has 1,200 stores and 16 warehouses. With digital retail channels increasing in popularity among its customer base, Carrefour's warehouse management was challenged.

The company needed to ensure its logistics infrastructure could keep pace with the growth of its online business while maintaining impeccable service. The existing systems, based on an on-premises WMS, had reached their limits in terms of capacity and flexibility, and falling customer satisfaction showed that something needed to change.

Carrefour had to improve the punctuality of shipments, the rate of complete orders before and after substitution, and picking productivity. The challenges were many: guaranteeing customer satisfaction to avoid any loss of market share, migrating from an on-premises system to a tailor-made cloud solution, increasing order processing capacity without disrupting existing operations, and deploying on a national scale.

The flexibility of the WMS transformed complex, sensitive processes into efficient workflows that support scalability. To ensure on-time, in full delivery, Carrefour Spain uses customized workflows, supported by the

WMS, to handle both standard products (representing 80% of orders) and items requiring special treatment such as bakery and butchery.

In the field, pickers use Zebra devices to ensure their efficiency and accuracy. Pickers follow multi-zone picking circuits, customized for the specificities of each store. All this helps the pickers prepare orders faster and with fewer errors.



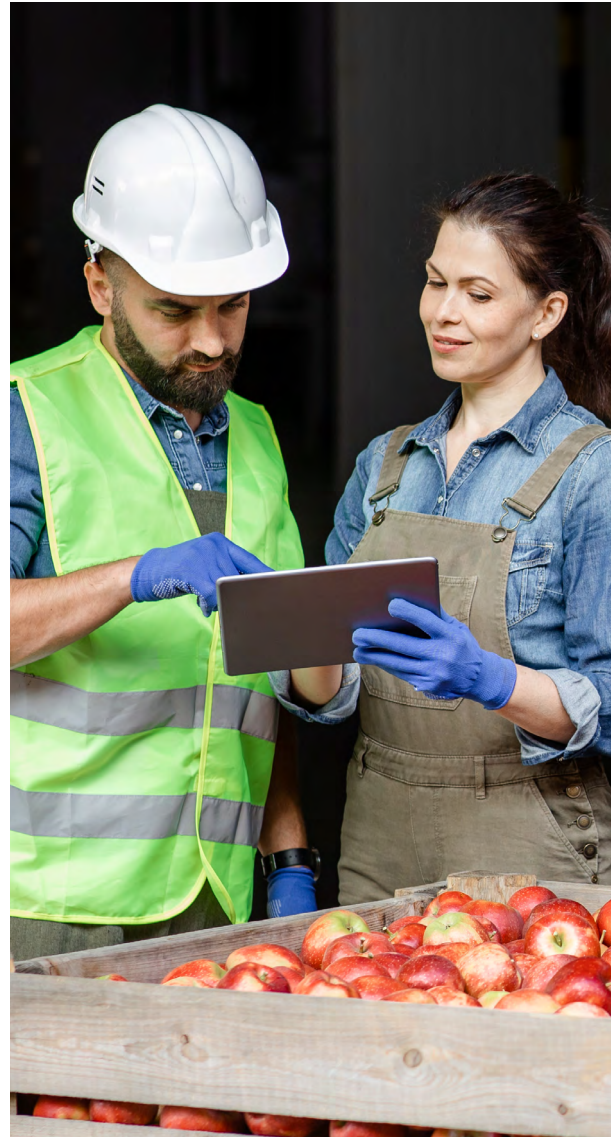
2 Carrefour integrates a highly-configurable WMS to deliver the best digital customer experience



This minimization of errors is reinforced by the adaptation of rules and parameters according to preparer profiles and user roles. The simplicity of the solution means new employees are trained very quickly, which helps greatly when dealing with peaks in demand.

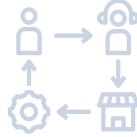
Carrefour Spain has seen a significant reduction in operational costs and processing times, thanks to highly efficient integration between the WMS and ERP, eliminating duplication of tasks previously carried out in both environments.

The cloud platform can be flexibly adapted to Carrefour Spain's eight hybrid stores integrating both physical and online sales.



Feedback since the implementation of this system has been unanimously positive from users, marking a clear improvement on previous configurations. Significantly, Carrefour Spain has seen a marked increase in its NPS, and now delivers one of the best e-commerce offers on the market.

3 Auchan optimizes its in-store picking for omnichannel orders



Thanks to a new picking system, Auchan reduced its order preparation time while improving the omnichannel experience for customers. This project boosted employee productivity and customer satisfaction across the entire Auchan network.

In 2023, with a turnover of €32.3 billion, Auchan ranked as the second largest retail brand in France, holding 680+ stores in France and 2000+ worldwide. Adapting to customer demand, the business expanded through digital transformation, catering to new types of orders and deliveries.

Auchan's customers can place orders via the e-commerce portal, [auchan.fr](https://www.auchan.fr), or on in-store terminals. They can choose to receive their purchases by delivery to the store via click&collect, various drive-thru and walk-in options, collection from a locker, or home delivery provided by Auchan services. They can also order through quick commerce apps.

Once these different types of orders are placed, the challenge is to prioritize them and allocate them to an order picker in-store.

At Auchan, picking products in-store was a relatively analog process that needed optimization to remove potential delays and delivery errors. To make its digital offering a success, Auchan needed to develop, optimize, and standardize its in-store picking at shelf level for online orders.

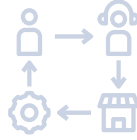
The ambition was to completely redesign this process to offer an improved customer

experience, hitting three main objectives:

- To reduce order preparation times
- To optimize pickers' routes with accurate store mapping
- To enable transparency to analyze performance and implement a continuous improvement process



3 Auchan optimizes its in-store picking for omnichannel orders



The technology to help realize this goal was a new order preparation software that interfaced with Auchan's Product Information Management (PIM) system to coordinate the entire order process.

The solution is based on a precise mapping of store zones. Modular mapping caters to each different point of sale, enabling the preparation path to be optimized according to the specific features of each location.

Each store manager can create as many zones as they like, divided into three types of category: dry, fresh, and frozen. Orders are broken down into "missions" by temperature

zone. For each mission, the tool generates an optimized path, saving time on order preparation.

The pickers use a Zebra barcode scanner giving access to a specific screen where they can select different picking assignments, depending on their user rights.

The tool shows real-time stock levels thanks to an Available to Promise (ATP) system, which anticipates the arrival of products on the shelf and registers them as soon as they become available. In the event of a confirmed missing item, it also allows authorized pickers to quickly substitute the product with an equivalent, which may or may not be accepted by the customer.

Where applicable, at the time of handover, the tool provides a detailed list of missing products and suggested substitutions to ensure transparency for the customer. It then allows the picker to enter whether the customer has accepted or rejected the substitutions.

This approach, combined with the smart allocation of pickers by area, has increased the efficiency of order picking. Now deployed in more than 200 stores in France and throughout wider Europe, this new solution is on track to boost productivity and customer satisfaction across the entire Auchan network.

4 Monoprix sets up high-performance picking for quick commerce orders



By transitioning from a pen-and-paper process to a digital picking solution, Monoprix increased the number of perfect orders for quick commerce operations and reduced its operator training time.

Monoprix is an omnichannel leader in the food sector, operating over 700 stores and two e-commerce platforms, with a strong presence in more than 250 cities across France.

In 2018, Monoprix operated on a system that managed preparation of e-commerce orders, coordinating the store's capacities and schedule delivery slots. The process was complex; pickers were downloading and printing lists and working with pen and paper – a manual process that was prone to errors and customer dissatisfaction.

Needing a change of strategy to cope with the growing demand for quick commerce order preparations, Monoprix onboarded a picking solution adapted to its network of stores and evolving challenges.

For UberEats and Deliveroo orders, stores have 40 minutes to prepare the order, otherwise it is canceled, leading to a loss of turnover and customer frustration. Faced with this urgency, the company worked with its technological partner to put several functionalities in place.

As soon as an order arrives, the picker receives an audible notification on their Zebra smartphone, allowing them to process it immediately. Product information reduces

errors and simplifies the process. For instance, an image of the product helps pickers spot it at a glance.



4 Monoprix sets up high-performance picking for quick commerce orders



Pickers then use the application to scan products to check them off the list before bagging. When scanning, the device makes a sound to save the picker from having to visually check that each item is recorded in the system, speeding up the process.

Few stores have good Internet access in every aisle, so the picking app is designed to work without a continuous connection. This means pickers don't have to wait for each scan to be validated before moving on to the next product.



As some pickers work with gloves (especially in frozen goods aisles), the application requires little touch-based processing. The idea is to find the right balance between speed of execution and error handling.

The new solution allows every stakeholder to view their data digitally and in real time, optimizing the fluidity of operations. Store managers view daily and monthly reports providing KPIs such as order preparation speed and the number of products processed per person. This data allows them to keep an eye on operations and make any necessary adjustments in the mapping or management of pickers.

The reporting showed that Monoprix improved on a range of KPIs, including fewer order picking errors and more items processed per hour by pickers in-store. The technology now helps more than 200 stores in the Île-de-France region respond to quick commerce orders made via the Deliveroo and UberEats apps.

“When we switched to Zebra smartphones with Kbrw's customized picking solution... fewer errors were made, thanks to all the detailed data we can see on the mobile devices.”

Amélie Dupuis, food e-commerce project manager

5 Bonus - Some innovative customer journeys in grocery



Experience has a great impact on where customers choose to shop for groceries. Creativity is key in improving that experience. Here are two examples that remove friction in the purchasing process to offer innovative customer journeys.

Delivery of your order to your office

Shopping for groceries after work is a chore. French grocery chain Cora solves this through its EasyBox service, delivering direct to offices.

Companies sign up for EasyBox and offer it to their employees as an attractive benefit. Users place their order online and pick it up from the automated and refrigerated containers located in their own offices.

Cora boasts a remarkable 98% user satisfaction rate, with over two-thirds of customers placing repeat orders after their initial EasyBox experience.

Automated basket population based on recipe choices

Customers like to avoid searching stores for recipe ingredients. The customers of services like HelloFresh, HomeChef, and QuiToque receive curated ingredients for creating specific meals.

Grocery retailers can also streamline their shopping and ordering processes by listing recipes in an online catalog. The customer clicks on a recipe and the retailer automatically populates their online basket with the necessary ingredients, simplifying the shopping experience and attracting customers seeking convenience.



Conclusion

The pressure for grocery retailers to consistently meet – and even exceed – customer expectations is constant. While many find success at the front end of the shopping process, true value is found in optimizing the back-end processes of order and inventory management.

It's crucial for grocery retailers to deliver the type of experiences that build customer loyalty while keeping the cost per order low. The way technology is implemented helps grocers deliver on their promise to the customer. The agility of modern OMS enables grocers to adapt to demands in the market, implement innovative customer journeys, and remain competitive throughout.

Customer-centric grocers who adapt their technology and supply chain to anticipate and meet their customers' needs are laying the foundations for future success.



Kbrw is a SaaS company dedicated to developing high-performance solutions that empower retailers and their supply chains to deliver personalized customer experiences while optimizing operational efficiency.

Our flagship products, including the Order Management System and Warehouse Management System, are recognized for their exceptional performance and flexibility, making complex processes easier to manage and track.

For over a decade, we have supported retailers of all sizes across multiple industries, helping them deploy omnichannel operations in more than 123 countries, with a gross merchandise value exceeding €30 billion and integration across more than 16,500 points of sale and inventory locations.



Kbrw is proud to be an EcoVadis certified Committed company towards sustainability goals. This reflects our unwavering commitment to sustainability, ethical practices and making a positive impact globally.



Kbrw is recognized as a Representative Vendor in the 2024 January Gartner® Market Guide for Distributed Order Management Systems, a Tier-1 leading OMS provider for fast-moving consumer goods with “extensive grocery capability” in IHL’S 2024 Order Management Market report, and a Notable Vendor in Forrester’s Q3 2024 OMS landscape report.



Kbrw is a member of the MACH Alliance, which presents and advocates for future-proof enterprise technology that is composable, open and best-of-need - microservices-based, APIfirst, cloud-native SaaS, and headless - supporting agile businesses ready to take advantage of the latest innovations as they emerge.

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