

The perfect fit: What the right POS system can do for Canadian apparel businesses

Last modified January 2024



It's no secret that apparel shoppers appreciate the ease and speed of ecommerce.

They can pick the styles, colours, and sizes they want, load up their carts, and simply click "purchase." But as more customers begin and even complete their purchases on the web, they're not abandoning apparel brands' storefronts—far from it.

More than half of consumers in a recent study said they preferred to buy apparel in-store. In another study, more than 31% of US consumers said they picked up their most recent online purchases in-store compared to 23% in 2021. And in Australia, clothing businesses have caught on that shoppers are blurring the lines between their online and in-store purchases, and they're rolling out digital innovations to ease shoppers' transitions between channels.

There are several reasons shoppers still value visiting a physical store to buy clothing: they can try on items before they buy them (which is <u>especially important for European shoppers</u>), ask staff for input and advice, and even build relationships with their favourite salespeople. It's clear that the in-store experience is still a crucial touchpoint for apparel brands, a fact that even those with exceptional ecommerce platforms and online presences can't afford to overlook.

<u>Point-of-sale (POS) systems</u> can make or break an apparel business's <u>in-store</u> <u>customer experience</u>. Retailers who get it right with a robust POS system can delight shoppers the moment they enter their stores, prime their staff for success, and rapidly deploy and scale new features and tools as they grow. On the flip side, those who miss the mark with a basic POS offering risk leaving sales staff ill-equipped to support their shoppers, which can drive them to other retailers.

So how can a business's POS system elevate the in-store experience for its customers? In this paper, we examine the challenges these retailers face as they work to deliver exceptional customer interactions at scale. We also explore how a comprehensive product like Shopify POS can help brands solve these issues by fully integrating with their existing ecommerce platforms, providing real-time insights into inventory, offering standout customer-facing functions, and more.

Let's take a look at the POS features that apparel businesses should keep top of mind to separate themselves from the competition and level up the in-store customer experience.



Purchasing pains and POS solutions

As apparel brands work tirelessly to build and differentiate their brands, their efforts to resonate with shoppers must include streamlined checkout experiences. This is especially true for businesses that operate across different locations, since shoppers expect purchasing experiences to be consistent across channels and storefronts.

Here are a few of the key pain points plaguing multi-location apparel retailers and how they can harness comprehensive POS systems to solve them.

Inventory management

Pain points

Multi-location apparel businesses face the considerable challenge of <u>managing their inventory</u> across various warehouses and storefronts. Inventory is often high in volume and moves in and out quickly, and the many variations in sizing and colour across products, as well as clothing's seasonality, add complexity. As a result, apparel brands often spend countless hours manually taking stock of their inventory and shuttling items between warehouses and stores, risking <u>stockouts</u> or <u>overstocking</u> if they fail to account for even the smallest variables like sizing or colours.

How the right POS system can help

One of the superpowers behind an optimized POS system is that it offers a unified view of inventory across channels. Apparel brands can stay on top of ever-changing stock levels across stores and warehouses in real time, and there's no disconnect between what's listed as available for online and in-store shoppers. The right POS software also gives apparel retailers the tools to analyze sales data, establish trends, and streamline fulfilment to move stock efficiently. This helps them accurately determine demand and improve their inventory turnover so store shelves are constantly replenished and clothing doesn't languish in warehouses.

What to look for

Omnichannel functionality that unifies inventory insights gleaned from online and in-store sales Forecasting tools that allow apparel businesses to move items efficiently across stores and warehouses Software that tracks stock levels across multiple locations in real time to avoid stockouts or overstocking

The Shopify POS edge

With <u>Shopify POS</u>, businesses can track inventory states across 1,000 locations, access real-time insights, and get forecasting tools to carry the right products at the right locations both in store and online.



Customer retention and CRM

Pain points

Businesses benefit greatly from building strong customer relationships, reaping the rewards of increased average order values, insights into purchase histories, and long-term loyalty. In fact, research shows that just 20% of a business's customers account for roughly 80% of its profits. Yet customer resource management (CRM) is an area where multi-location apparel brands can fail to provide a unified experience. Without tapping into a comprehensive POS system with CRM capabilities and the ability to sync across channels, businesses will struggle to reconcile customers' profiles across locations, costing them sales and harming retention if they can't anticipate shoppers' needs.

How the right POS system can help

Comprehensive POS systems let apparel brands pair sales insights with customer profiles to ensure staff have access to invaluable customer details, preferences, and loyalty offerings at their fingertips. This harmonization can create prime opportunities for personalized experiences that make customers feel valued, drive omnichannel loyalty, and encourage them to make purchases they otherwise might have skipped.

A sales associate in-store, for example, could pull up a customer's profile at checkout and notice that they'd left an item in their online shopping cart. The associate could then remind the shopper about the pending purchase and even sweeten the deal with a discount or promotion. These types of sales opportunities could lead to significant profits, especially as <u>almost 70% of consumers abandon their carts</u> before they click "purchase" online.

Almost **70**% of consumers abandon their carts before they click "purchase" online.



What to look for

Integration with CRM tools to power instore experiences based on individual customer preferences Built-in features that link customer details online and in-store to offer a cohesive and consistent experience Tools that allow brands to tailor checkout experiences to their customers, from loyalty integrations to APIs that enable satisfying payment experiences

The Shopify POS edge

With Shopify POS, businesses can treat every shopper like a VIP with customer profiles that share purchase history, lifetime spend, preferences, and more. Brands can use these insights to build lasting relationships and reward loyal customers with exclusive events, discounts, and other perks.

Data management

Pain points

The inability to capture, reconcile, and capitalize on data is another potential pitfall for apparel brands. For example, retailers that can't log their online and in-store sales under one system must spend time and resources reconciling the gaps in their inventory and chasing stock shortfalls across warehouses and storefronts. Customer interactions, inventory management processes, and order histories offer a wealth of valuable insights, but only if businesses are equipped to analyze, manage, and act on customer information that exists across channels.

And there's plenty of evidence to show what businesses can gain from investing in data analysis and management. Research shows that during the pandemic, 25 top-performing retailers leaned heavily on their digital capabilities, including data analysis, to outperform laggards in digital adoption—making the leading retailers 83% more profitable.

Customer interactions, inventory management processes, and order histories offer a wealth of valuable insights.

How the right POS system can help

A powerful POS system unifies back-office processes, saving store managers and staff time by connecting customer, sales, and inventory data across channels and stores in real time. The software that underpins these systems can compile and process sales data that helps apparel businesses tease out customer trends and pair it with inventory data so they can ensure they're stocking what shoppers want.

Truly transformational POS systems can take this efficiency a step further with customizable dashboards, giving brands and their staff full control over the insights they access and allowing them to display the data most relevant to their needs.

What to look for

Tools that sync customer data across channels to ensure instore staff have access to the most up-to-date customer information at checkout

Integration with software that tracks ecommerce data, giving sales associates in-store a holistic view of their customers' preferences and the ability to recommend items or offer loyalty perks

The ability to reconcile data across channels to gain insights such as which products sell well and at what times

The Shopify POS edge

Shopify POS provides data-driven omnichannel reports to give apparel businesses detailed analyses of their sales data. Brands can make informed decisions with detailed insights on reports by staff, location, time period, or customer. The "Sales by billing location report," for instance, measures upticks in web sales in the area surrounding a given storefront, while the "Customers over time report" details how many new customers shopped for the first time at a storefront.



Omnichannel selling

Pain points

Shoppers don't like being restricted to any one channel, with <u>22% of consumers in a recent study</u> saying that they plan to pair their previous online orders with in-store retail outings. Keeping track of their orders and data as they shift between channels is a necessity, but this can be tough without the aid of a unified POS system.

Siloed sales channels create a fractured experience for shoppers, leaving in-store staff in the dark about shoppers' purchasing preferences and making customers likelier to seek out competitors who can anticipate their needs across channels. They also make it challenging for apparel brands to stay flexible on fulfillment, as retailers without unified sales channels rely on siloed supply chains and data insights that put them at risk of stockouts or overstocking.

How the right POS system can help

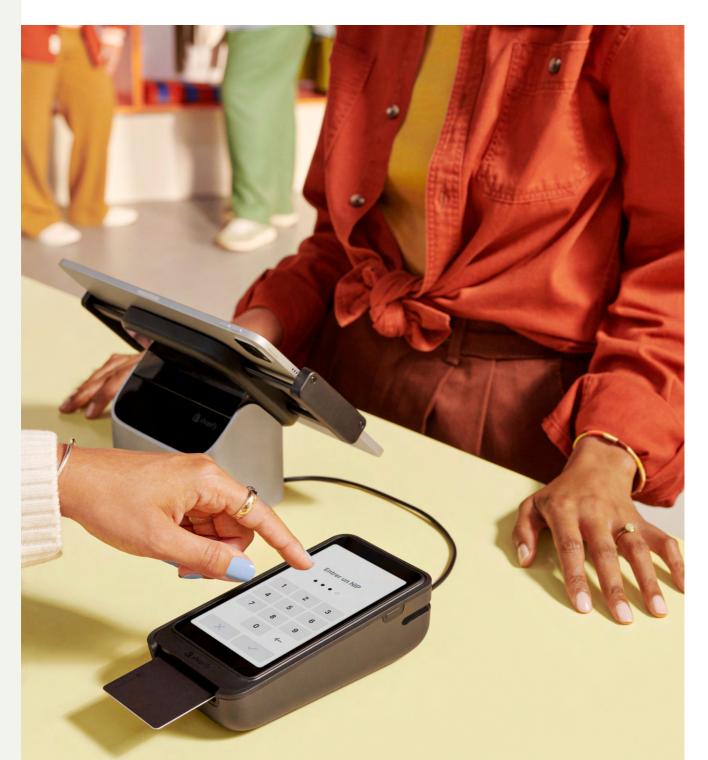
Today's customers want the freedom to make purchases digitally, in-store, or even using a mix of both channels. A business's POS system should be able to meet shoppers' needs at any point during the purchasing journey with features such as buy online pickup in-store (BOPIS), in-store exchange or return options for online purchases, and gift cards that function across channels. They also expect to find what they want, or to be able to purchase it and have it shipped to them directly, when they enter stores, and an omnichannel sales strategy enables this by streamlining order fulfilment across channels.

What to look for

A single solution that allows businesses to sell wherever their customers are without creating inventory or data silos Software that lets shoppers who purchased clothing online exchange or return their items instore with no hassle Reporting capabilities that seamlessly blend insights from online and in-store sales

The Shopify POS edge

Shopify POS provides a unified experience that offers apparel brands the tools and data to sell across multiple channels and provide a consistent, enjoyable experience for their customers, whether they're shopping online or in-store at any location.



Staff management

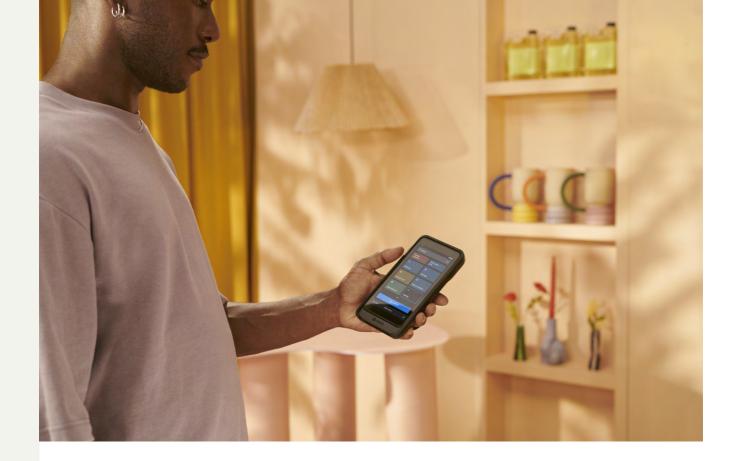
Pain points

Staffing up at a storefront can be daunting. Employees at each new location must set up systems to track, monitor, and manage their inventory and customer data, which can be time-consuming and complex. And many apparel brands offer commissions or other sales incentives for their staff, making accurate reporting and performance tracking even more critical. An optimized POS solution will streamline these processes, but retailers that rely on disjointed systems risk saddling their staff with data duplication errors, manual reconciliation, and inaccurate performance assessments that fail to account for hard-earned sales.

How the right POS system can help

A comprehensive POS system will boost efficiency and give staff—from sales associates to warehouse workers to corporate employees—real-time data and insights while ensuring that they have access only to what they need. Optimized POS systems also provide powerful hardware that allows store staff to complete a sale on the floor or at the counter, preventing staffing bottlenecks and keeping the journey smooth for shoppers. Plus, powerful POS systems accurately track performance and attribute sales to the right staff members as they're made, ensuring that associates are rewarded for their hard work on the floor and can be deployed as needed during peak shopping times.

A comprehensive POS system will **boost efficiency** and give staff real-time data and insights while ensuring that they have access only to what they need.



What to look for

The ability to create an unlimited number of POS profiles for staff, allowing apparel businesses to scale without issue as they add stores or employees

Controls that allow
managers to review and
approve certain tasks or
functions, such as
processing returns or
offering perks or discounts

Software that gives brands real-time insight into staff performance so they can help their team celebrate wins and staff up during peak hours

The Shopify POS edge

Whether brands employ teams of 10 or 200 people, Shopify POS lets them manage their staff with ease. With features such as custom roles and permissions, ability to add unlimited staff, and staff sales attributions, Shopify POS has the tools they need to manage employees across many locations. It also provides manager-specific tools that accurately track metrics for each sales associate and offer insights into their performance.

Extensibility

Pain points

Mid-sized businesses looking to scale further need a POS system that grows with them. While out-of-the-box POS solutions work great for smaller-sized brands, larger businesses might require customizations to take their POS systems to the next level. Rigid POS systems also lock businesses into specific features without offering access to new functions as they grow. The challenge comes in finding the right POS system that can seamlessly accommodate extensions.

How the right POS system can help

Adaptable POS systems provide tools like UI (user interface) extensions and APIs in addition to an already-robust lineup of features, allowing apparel brands to tailor their POS system to their exact needs. Businesses can also rely on flexible POS systems to integrate with features such as loyalty apps.

What to look for

A POS system offering apps that can seamlessly integrate with their POS software so staff members can leverage add-ons with ease A POS provider that regularly updates component libraries to help businesses unlock new workflow opportunities

The Shopify POS edge

Brands can level up their user engagement with POS UI extensions on Shopify POS. They can easily customize their POS systems with creative features that feel seamless and native to Shopify. These extensions provide businesses with the flexibility and agility they need to integrate custom features and stand out from the competition.

The takeaway

The POS systems that multi-location apparel businesses choose plays a vital role in determining the success of their omnichannel sales strategies, their staffs' readiness and preparation, their customers' purchasing experiences, and ultimately, their ability to grow and scale.

Choosing a basic POS system that lacks flexibility and doesn't integrate with their ecommerce platforms creates data silos and leaves little room to adapt to customers' changing habits, which can negatively impact their experience shopping with an apparel brand.

That's what makes incorporating an optimized POS offering so important. A comprehensive POS system empowers businesses to break down barriers separating their back-office and sales functions, meet customers who start and finish their purchases across channels, and gain real-time insights into inventory management.

Shopify POS is ideally suited to keeping brands' back-office processes in sync and giving them the adaptability to monitor inventory and stock in ways that make sense for each storefront and season. Their staff members can access data for immediate visibility into available inventory, and with Shopify hardware, such as POS Go, they can securely complete checkout anywhere in the store. Shopify POS is also easy to launch, with out-of-the-box functionality that'll have a business's checkout up and running in minutes. At the same time, it offers opportunities for integrations with UI extensions to help them fine-tune their systems and offer perks that wow their shoppers.

Comprehensive POS systems have the power to energize and inform apparel brands' sales staff, meet their customers' needs across channels, and eliminate logistical growing pains as they scale. It's time brands found the perfect POS fit to take their business to new heights.

Let's talk

