



APIs: The Cornerstone of Omnichannel Retailing

HOW APIS ARE DRIVING SALES THROUGH AN INTEGRATED OMNICHANNEL EXPERIENCE



78%

OF RETAILERS
say there is no one
brand experience
across channels

45%

SAY PROGRESS
in this area is not
happening fast
enough.³

Omnichannel Retailing— The Gold Standard

In the digital era—where buyers are shopping not just in store but through multiple online channels—brands are staking their futures on omnichannel retailing. This integration between physical and digital touch points is the logical next step in the evolution of multichannel retailing. Through omnichannel retailing, buyers are connected usefully, either sequentially or simultaneously, to any number of retail channels, creating an experience that is seamless, consistent and continuous regardless of the device or touch points a customer is using.

In omnichannel retailing, the shopper experience and the retailer's view of the customer are united. With a 360-degree perspective of shopper histories and preferences, retailers are armed with the insight they need to deliver personalized offers, recommendations and experiences that drive revenue and boost conversions.

Many retailers, however, **are struggling to deliver** the omnichannel experience. The challenge lies in linking disconnected touch points securely, with consistency and fluidity in experience. APIs provide the means for solving this challenge.

When compared to single-channel shoppers, omnichannel customers:

- Spent an average of 4% more on every in-store purchase and 10% more online¹
- Logged 23% more repeat shopping trips and were more likely to recommend a brand to family and friends²

1, 2 Harvard Business Review, "A Study of 46,000 Shoppers Shows That Omnichannel Retailing Works," January 03, 2017, <https://hbr.org/2017/01/a-study-of-46000-shoppers-shows-that-omnichannel-retailing-works>

3 Realwire, "Periscope Research Shows Retailers Know They Are Not Delivering Omnichannel Experiences Fast Enough," April 21, 2016, <http://www.realwire.com/releases/Periscope-Research-Shows-Retailers-Know-They-Are-Not-Delivering-Omnichannel>



67%

Lack of customer analytics across channels⁴

48%

Siloed organization⁵

45%

Poor data quality⁶

45%

Inability to identify customers across shopping trips⁷

Top Omnichannel Roadblocks

Though an integrated omnichannel experience is the goal, the reality is most organizations aren't structured this way. Each channel operates separately, powered by distinct technology platforms, databases and management teams. Thus, customers often encounter different functionality, pricing, content and promotions as they move from one touch point to the next. All of this can increase customer frustration—and decrease their satisfaction—with a brand.

And because touch points are disjointed, retailers don't have access to analytics that cross channels. Without this understanding, it's a challenge to deliver personalized shopping experiences that can deepen a customer's relationship with a brand.

Security Challenges

Beyond a lack of integration, externalizing data to apps and a network of internal and external developers exposes retailers to significant risk. Each new connection potentially provides hackers with a view into the inner workings of retail systems and a route to accessing those systems. This creates the increased possibility that hackers will be able to steal confidential data or crash critical systems. Matters of security then become a barrier to omnichannel progress, slowing time to market, limiting what services are leveraged, what data is exposed and what vendors and partners are engaged with.

THE FALLOUT OF A DATA BREACH



\$172 =

THE AVERAGE COST
FOR EACH LOST OR
STOLEN RECORD⁸



23,834 =

THE AVERAGE NUMBER
OF EXPOSED OR
COMPROMISED RECORDS⁹



\$4.1m =

THE ESTIMATED
IMPACT PER BREACH¹⁰

For large retailers, the risks are higher with the possibility of a mega breach affecting hundreds of thousands or even millions of records.

At the same time, security affects the customer experience. While shoppers expect a secure shopping experience from end to end, they don't want to jump through numerous authentication hurdles. Such security complexities can hamper the buying journey with undue friction that impedes smooth handoffs between channels.

Building a Solid Omnichannel Foundation Through API Connectivity

Every retailer has the pieces in play to deliver an omnichannel experience, but few have mastered linking together the galaxy of systems that make up the modern retail enterprise. API-led connectivity and management is the answer.

Using APIs, retailers can link together all customer touch points to:

- Engage buyers wherever they may be, whether online or in store.
- Enable immersive and relevant commerce experiences by delivering data and capabilities to various digital and physical channels.
- Deliver consistency in experience—from content and promotions to products, rewards and pricing—by providing retailers with a single source of truth.
- Provide the connectivity to bridge channels and devices, so the customer experience is seamless throughout the entire





API-Enabled Omnichannel Use Cases for Retail



This expanded ecosystem empowers entirely new omnichannel use cases, which expand in scope and capabilities as retailers increase their API maturity level.

Digital Experience

Features and capabilities accessed by consumers via the web, mobile app and other personal digital channels.

Experience Consistency

Features and capabilities that standardize the shopping experience across all digital and physical channels.

In-store Experience

Features and capabilities that bring digital channel capabilities to the physical store environment.

Omnichannel Experience

Features and capabilities that deeply integrate online and offline fulfillment.

Emerging Experience

Features and capabilities that rely on newer technologies that have not yet been deployed at scale.

LOW MATURITY

HIGH MATURITY



Digital Experience

A good omnichannel ecosystem delivers value by allowing shoppers to save time and put forth less effort by making the brand available anytime, anywhere. This requires surfacing high-level and real-time data to customers in every digital channel.

Using APIs, retailers can orchestrate and safely expose data—such as inventory, product descriptions and store information—and deliver that data in the appropriate format for desktop, mobile and app consumption.

Examples of API-Enabled Omnichannel Experiences

Persistent identity and cart:
Customer account/history across all channels

Store locator and favorites:
Find store, save as favorite

Store-level inventory

Store-level search and filter:
Store availability/filter on digital channels

A CLOSER LOOK:

Jan needs a dress for a wedding just two short days away. Given the tight timeframe, an in store purchase 10 Available in store is her only option. But she doesn't have time to visit multiple stores. So, she checks out the websites of several retailers to narrow down her options. She finds a style that she likes, and using the store availability feature on the website, confirms that the dress is available in her size and preferred color. When she arrives, she decides the color is not right for her complexion. The problem is, the color she now wants isn't available in her size. So, using her mobile app, she checks the availability of the dress at a nearby location.



72%
OF CONSUMERS
that **“valuing my time”**
is the most important
thing a retailer can do to
provide a good online
customer experience.¹¹

¹¹ Forrester, “Omnichannel Requires Scoring a Trifecta,” January 30, 2017

Experience Consistency

Omnichannel anticipates that customers may start in one channel and move to another as they progress to a resolution. Handoffs between channels must then be fluid and the experience across them, consistent.

Using APIs, retailers can connect distributed endpoints, including in-store kiosks, mobile apps and websites to any number of retail systems, ensuring that features, promotions, gift cards and loyalty points work uniformly across channels and in real time.



58%
OF RETAILERS
still operate with
inconsistent pricing and
33% with inconsistent
promotions.¹²

Examples of API-Enabled Omnichannel Experiences

Mobile feature parity: Same features/functionality on web/mobile

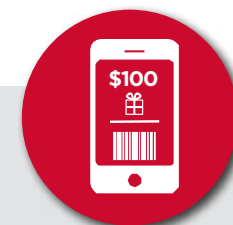
Omnichannel promotions: Coupons, sales, discounts work consistently across channels

Omnichannel gift cards

Omnichannel loyalty: Loyalty points/programs work in store/online

A CLOSER LOOK:

Jan arrives at the nearby store and grabs her dress in her size and color. While passing the shoe department, she spies a pair of boots she loves. She doesn't have time to wait for service, so she logs into her mobile app while waiting to be checked out and orders the boots online, paying for them with an electronic gift card. Jan then presents the same gift card to the sales associate at the kiosk. The associate scans the barcode and the remaining balance is then applied to her in-store purchase.





In-Store Experience

Offline and online shopping have their own distinct advantages; to be able to tie them together through applications and services offers customers the best of both worlds.

Using APIs, retailers and their customers can leverage online apps and services not in isolation, but through a connected ecosystem to meet higher customer expectations around service, efficiency and merchandise availability.

Examples of API-Enabled Omnichannel Experiences

Store stock pickup: Buy online, pickup in store

Endless-aisle ordering: Inventory ordered and shipped to customers/store via POS, mPOS, app or kiosk

Mobile-enabled service

Mobile checkout: POS tasks performed anywhere via mobile device

A CLOSER LOOK:

As Jan makes her way to the store exit Employee ID and passes the home goods section, she remembers that she needs to replace a set of broken dishes. She quickly scans the department but does not see her pattern. She flags down a store associate who is armed with a tablet. Though she purchased the set online and cannot remember the name of the manufacturer nor the style, Jan's optimistic that the store associate can provide some answers. Using a mobile app, the store associate accesses Jan's online purchasing history and quickly pinpoints the set in question. He then checks to see if the set is in stock at their location or distribution center.





Omnichannel Experience

Customer expectations go beyond a simple “buy anywhere, anytime” mentality. They increasingly treat stores as destinations that integrate their physical and digital experiences with the brand.

Using APIs, retailers can interface with entities across their entire supply chain to provide enhanced delivery, return or customer service capabilities that other retailers or pure-play internet sellers may not be able to match.

Examples of API-Enabled Omnichannel Experiences

Ship-to-store fulfillment:
Non-stock items shipped to store from DC/warehouse

Ship-from-store fulfillment:
Ship to customer location from nearby store

Third-party fulfillment

Buy and return anywhere:
Return items to store regardless of purchase method

A CLOSER LOOK:

The dish set Jan needs to reorder is no longer a stock item. Fortunately for Jan, the sales associate has visibility into the supplier's catalog and can confirm that the set is available for order. Using the tablet, he places the order on Jan's behalf, collects payment and enters Jan's shipping information, so the supplier can ship the set directly to her residence.



50%
SHIP-FROM-STORE
help retailers **cut**
one-day shipping costs
by up to 50%.¹⁴



40%

OF RETAILERS
are currently working
with RFID to enable
interactive environments,
streamline logistics,
increase efficiency and
reduce shrinkage.¹⁵

Emerging Experience

It's clear that customers love the experience they get from omnichannel shopping. They can compare prices, check availability and decide when and where to pick up or receive products. The biggest question is: What can retailers do to keep this going and stay ahead of customer expectations? The answer—The Internet of Things (IoT).

The IoT opens the door to unprecedented visibility, enabling emerging omnichannel retail experiences that can elevate the customer experience and drastically streamline the supply chain and back-end operations. APIs are key for unlocking the data each connected thing holds, providing the lightweight connectivity essential for architecture of enormous scale.

Examples of API-Enabled Omnichannel Experiences

In-store digital experiences:
Smart mirrors/dressing rooms, augmented or virtual reality demos or connected product demos/showrooms

IoT-enabled supply chain

Connected smart products:
Products that can call home, order supplementary SKUs, request service or interact program-matically with store capabilities

AI-enabled stores: Store environments using advanced sensors/machine intelligence/learning algorithms to expedite service

A CLOSER LOOK:

At the supplier warehouse, a truck has just arrived containing Jan's set. As each pallet is unloaded, an RFID reader installed in the doorway automatically checks Jan's set into inventory. The supplier is immediately notified to pick Jan's order and prepare it for shipping.



15 Kurt Salmon and Accenture Strategy, "Kurt Salmon RFID in Retail Study," October 11, 2016, <http://www.kurtsalmon.com/en-us/Retail/vertical-insight/1628/Kurt-Salmon-RFID-in-Retail-Study-2016>

How APIs Power Omnichannel Growth

The competitive retailer, the one that will keep its edge, will find a way to capitalize on the opportunities of omnichannel by opening its assets to create an integrated, cross-channel experience. A full lifecycle API management solution is the fundamental piece in this puzzle, enabling retailers to:

Integrate and Create APIs

The collection of channels and systems that make up a modern retail enterprise continues to grow. And to create a true omnichannel experience, this distributed environment must be connected. Using a full lifecycle API management solution, you can quickly spin up services

and APIs to provide lightweight connectivity between systems to deliver a streamlined and continuous cross-channel experience.

Secure the Omnichannel Ecosystem

You face critical security threats every day, yet you still need to

deliver a frictionless customer experience that is unhampered by authentication checks. With the right API solution, you can help strike the balance between security and ease of use.

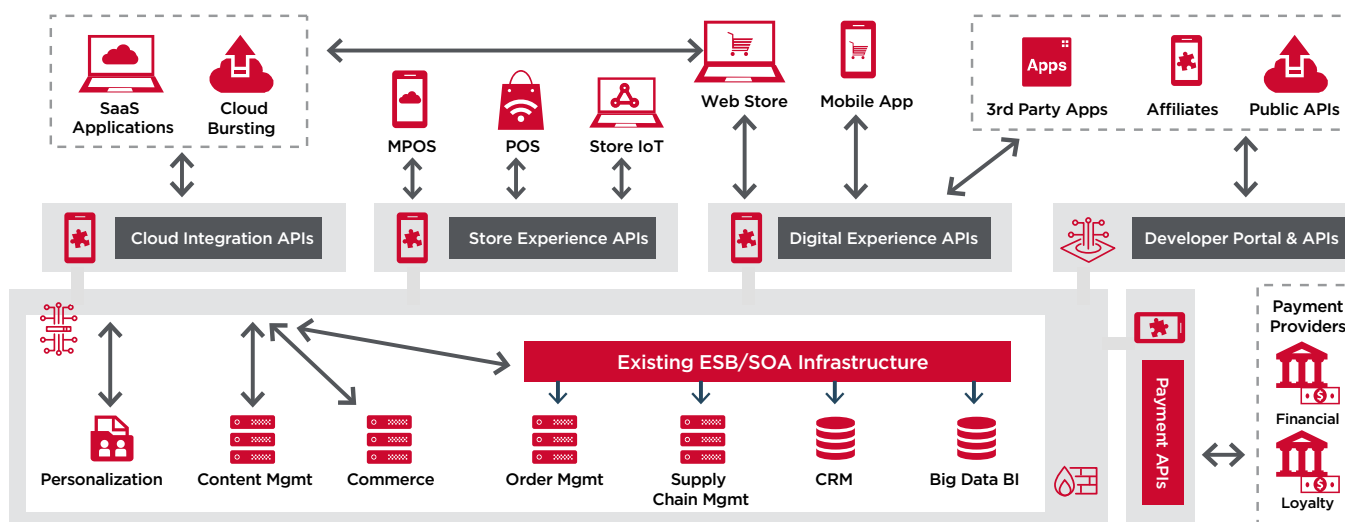
Accelerate Development

Technology adoption and business innovation are moving

at lightning speed, forcing you to proactively evolve before your competitors do. With the right API management solution, you can securely expose retail systems as APIs, providing developers with the information they need to create applications against them.

Unlock the Value of Data

You already sit on a treasure trove of data, and you're constantly updating this information and collecting more each day. Through a robust API solution, you can unleash the value of data by quickly establishing secure and scalable connections.



Introducing Layer7 API Management

As we just covered, omnichannel capabilities are heavily reliant on APIs to provide the connectivity that is a prerequisite for all new retail business models. But the foundation of the API program must be trusted, reliable and secure—which can be difficult to achieve while also maintaining the uptime, reliability and scalability needed by retail brands.

Layer7 API Management helps to address these challenges by empowering retailers to:



Integrate systems, adapt services, orchestrate data and rapidly create modern REST APIs from different data sources.



Identify and neutralize critical threats, enable robust policies, offer consistent and repeatable security and provide the capabilities needed to deliver convenient features such as single sign-on and risk-based access.



Help app developers **discover**, acquire and consume APIs quickly, while also providing tools that speed up or eliminate the time needed to repeatedly build core data and security functionality.



Build a robust omnichannel ecosystem by expanding partnerships, nurturing developer communities and leveraging digital connections to create and continuously optimize new omnichannel opportunities.

Learn more about the advantages Layer7 API Management

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