



How Outsourcing Can Help Retail Deal with Retail Sales.

DEC 2022
Case Study



Background

Retail Sales marks recurring events. As retailers advance to make final preparations for the big day, they must ensure their strategies are in line with the current developments in customer shopping.

Adobe Analytics data suggests that consumers spent \$72.2 billion online in October 2022. This is up by 10.9% when compared to the previous month and is in line with the \$72.4 billion spent in the same month last year. Mastercard Spending Pulse annual holiday forecast suggests that this holiday season, U.S. retail sales, excluding automotive, are expected to increase by 7.2% year-on-year,

Retail Sales marks the busiest time of the year for retailers, with more and more shoppers eager to participate in the day's shopping. Last year's data suggests Retail Sales spending for 2021 was 1.3% lower than in 2020, amounting to \$8.9 billion.

More people are choosing to shop from online avenues rather than door-bustling their favorite stores. Over the last few years, many big brands damaged their customer's trust in these sales owing to slow load times, outages and unpreparedness in infrastructure. According to Shopify, a one-second delay in load time costs a 7% loss in conversions and an 11% loss in page views - and this is just what one second can do, not a full-blown outage.

Challenges Faced by Retailers During Retail Sales

Here is a list of the key issues that retailers experience during these sales.

- **Server response times** - Additional servers must be brought online faster when there is a sudden spike in website traffic\
- **Improving customer insights** - The widening social media platforms imply more to draw upon and integrate.
- **Managing multiple outlets** - Retailers need a presence across various channels like Google and eBay, which could lead to trouble managing inventory.
- **Promotion problems** - Multiple promotional offers and dynamic pricing can create issues in checkout.
- **Security and data privacy** - Maintaining security and data privacy are among the top challenges faced by online retailers.
- **Warehouse efficiency** - Higher sales could put immense pressure on the warehouses, and inefficient management often leads to a frenzy.

The Client

A large e-commerce retailer has been undergoing a series of troubles during the Retail Sales season for the last couple of years.

The company did not want the inefficiencies to impact its sales yet again and needed suitable expertise to restructure its operations. The issues faced by the company are detailed below:

1. Faulty Product Management:

The company's website showcased more products than the current inventory levels. Customers could successfully place their orders, and later, the company had to apologize and refund to compensate for the unavailability.

2. Website Inefficiencies:

The website performance was below-average, with a considerable response time and crashing servers. Additionally, many customers complained they would get a 404 Error notification while filling their shopping carts.



3. Improper Pricing & Promotions Management:

The company had been strategizing on offering a considerable variety of offers on different products. However, customers complained that they could not subscribe to most of the offers during checkout.

4. Security Breaches:

During the company's previous year's Retail Sales, the website showed malicious links to customers, redirecting them to another payment page. This caused a massive blow to the company's reputation.

5. Flawed Warehouse Management:

The company's warehouses consisted of a team of experts who were required to update the inventory levels manually in the systems. Delays and errors in the manual data entry process were causing reputational loss to the company.



Retail Statistics & Online Revenue:

7.2% YoY

Retail Online Growth

\$72.2 Billion

Consumer Spent on Oct 2022

7% Loss

On one second page load delay.

How Business Process Outsourcing Helps

Business Process Outsourcing companies have taken up the challenge to help retailers manage their Retail Sales efficiently by providing well-structured strategies and cost optimization.

Technological Support:

Outsourcing companies have access to the latest tools and resources to help retailers cope with increasing website traffic. BPOs ensure retailers do not damage their reputation due to server issues, increased website traffic, delayed response time or outages.

Resource Management:

BPOs assign a team of highly experienced professionals to take over the delegated tasks. The team of experts with a solid background in handling such issues can work with the clients to help create optimized strategies for a smooth user experience.

Safeguarding Data Security:

Maintaining website security is one of the prime concerns for retailers. Business Process Outsourcing companies help their clients safeguard data security and prevent data leaks, Distributed Denial of Services (DDoS) attacks and phishing scams.

Advanced-Data Management Tools:

Outsourcing companies have access to the best tools to enhance database management in a company, such as automation, machine learning, artificial intelligence and much more.

ARDEM's Success Formula

The client reached out to ARDEM to seek help restructuring their operations before the upcoming Retail Sales period, so they do not incur such issues again. ARDEM, in turn, helped the client recover their losses and improve growth and scalability across their businesses. Let us dig deeper into how ARDEM helped its client.

The ARDEM approach	
Establishing a cloud-based infrastructure	Step 1 for ARDEM was to ensure the company had a solid infrastructure. Attaining this required setting up a cloud-based platform. ARDEM helped the company with all aspects of cloud server management. The platform was enhanced with various advanced features, such as auto scalability, to ensure a smooth process.
Machine Learning for Demand Forecasting	Forecasting demand accurately helps retailers stay better prepared for incoming website traffic. A sudden spike in traffic can lead to multiple failures. ARDEM deployed machine learning tools to assess how many spikes the client can expect in the website traffic. ARDEM ensured the bandwidth would cater to the forecasted traffic.
Implementing a Solid data security system	It is common for hacks to occur during the Retail Sales period when customer shopping data and credit card numbers get leaked to hackers. ARDEM helped the client protect sensitive customer data with firewalls and encryptions with private connections between the website and server. ARDEM implemented cloud-native solutions to enhance data security.

ARDEM's Success Formula

The ARDEM approach	
Using a Blend of Data Analytics and Machine Learning to add Scalability	Retailers must have an easy return policy for customers to have a smooth shopping experience. Returns may not happen on Retail Sales. However, Retail Sales creates an influx of returns before the end of the holiday season. ARDEM used a blend of data analytics with machine learning to understand why returns happen so that the website could make better recommendations.
Robotic Process Automation to Streamline Operations	ARDEM automated the back-office operations relating to warehouse inventory management. ARDEM used a combination of machine learning, service bots, and robotic process automation to create an automated platform for warehouse processing. The manual data entry process was replaced with highly efficient, reliable centralized databases. The data consisting of inventory information was updated in real-time to update the website consistently.
Deploying a Highly skilled Team of Experts	ARDEM deployed a team consisting of highly skilled professionals to overlook the process and help managers form efficient and well-structured strategies. The planning included making additional provisions for increased traffic, external threats, efficient monitoring analytics and performance, inventory maintenance, among others. ARDEM also provided constant technical support to help the client with unforeseen issues.
The Final Step: A Trial Run	ARDEM helped the company with a trial run before the big day to ensure everything was in place and the client was prepared for the upcoming Retail Sales. The trial was designed to run double the expected traffic to ensure the website stayed efficient and there were no crashes.

The Results

With ARDEM's help, the company witnesses a smooth sales process on Retail Sales. Automation in inventory management led to efficient tracking and monitoring of the supply levels.

1. The company experienced a growth in their sales of more than 20% on a year-on-year basis.
2. The website ran swiftly with zero cases of errors or inefficiencies.
3. The products being sold the fastest were flagged separately to the management.
4. The website was accurately updated based on the latest inventory levels.
5. The website traffic was in line with the projected estimates, and the company had sufficient bandwidth to accommodate it.
6. Data privacy and security remained intact, with no cases of hacks or breaches.
7. The company experienced fewer cases of returns since the website showed customers more relevant products according to their preferences.
8. Management was efficiently able to track the sales in real time.
9. There was no misalignment in the coupons and offers section. Customers were able to redeem the best schemes provided by the website.
10. ARDEM's technical support team continuously monitored to ensure there was no technical glitch.

The Takeaways

Although online retailers are well-equipped with advanced features and technical know-how, most experience significant issues relating to the spike in sales on Retail Sales. Diverse issues arising from mismanagement or inaccuracies can lead to loss of sales and even reputational loss for the company.

Business Process Outsourcing companies contain the most suitable and efficient framework for companies to incorporate that can help them on the big day. Outsourcing firms have the latest technological tools along with skilled resources to help companies manage sales efficiently.

ARDEM offers retail outsourcing services with the best-in-class technological tools such as machine learning, robotic process automation, OCR and ICR data capture technology for its clients to manage their processes cost-efficiently.



ARDEM Incorporated

ARDEM Incorporated delivers success for companies looking to efficiently streamline their processes and improve ROI. We implement the world's most sophisticated Technology platform combining human interaction with advance technologies to automate business processes and lower operational costs.



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