

# THE ABCs OF OMNICHANNEL

Your Essential Glossary to the World of  
Omnichannel Retailing

Developing an omnichannel strategy introduces a plethora of new terms and acronyms determined to make your head spin. Whether you are using DOM to implement BOPIS, or trying to increase your NPS with an RAP and in-store KPIs, the world of omnichannel retailing can be a confusing place.

Fortunately, this glossary is here to help. Whether you are a branded manufacturer or global retailer, this essential overview of the ABCs of omnichannel will give you the tools needed to make sure you get the best solution for your business.

## A

### Allocate

In inventory management, the process of assigning a product as “sold” so that it cannot be applied to another order and does not count toward on-hand inventory

### Amazon Web Services (AWS)

Cloud computing services. AWS hosts Kibo’s platform. See “The Cloud”



### Anywhere Returns

The omnichannel strategy that allows the consumer to return a product in the way that works best for them: at any store (even if they didn’t purchase it there) or shipped back to the warehouse, even if bought in store

### Appeasements

Discounts customer service representatives can offer to make good an error or please a customer who had a challenging experience

### Application Program Interface (API)

A set of routines, protocols, and tools for building software applications. APIs allow different software programs to interact and exchange information with each other

### Available to Promise (ATP)

When evaluating overall inventory, available to promise is the on-hand inventory that has not been allocated elsewhere and is available to commit to an order

## B

### Brick and Mortar

A common way to refer to a physical storefront. The opposite of brick and mortar is an online store, marketplace or e-tailer



### Buy Online Pickup In Store

A popular fulfillment model, see In-Store Pickup

### Business to Business (B2B)

A commerce transaction that takes place between two or more companies or businesses, like a manufacturer and retailer

### Business-to-Consumer (B2C)

A commerce transaction that takes place between a business and a consumer, who is the end user

## C

### Cart Abandonment

The process in which a consumer puts an item in their cart, then leaves the website without finishing the checkout process. The average shopping cart abandonment rate for online retailers is 68 percent

### Customer Care Interface

A customer service program or tool used in call centers to look up customer information, modify orders, process returns and provide customers appeasements

### Channel Conflict

Channel conflict occurs when brand manufacturers sell directly to consumers online and consequently harm existing relationships with their other distribution channels such as distributors, retailers, and dealers

### Click and Collect

Another common way of saying that a consumer purchased a product online and picked it up in the store



### Cloud Computing/ the Cloud

The practice of storing and accessing your programs and data over a network (typically the Internet), rather than on a local server or a personal computer

### Customer Relationship Management (CRM)

Managing the relationship with customers through technologies, strategies, and programs, to manage customer interactions throughout the customer lifecycle

### Customer Service Representative (CSR)

Someone who interacts with customers to answer questions on behalf of the company, typically referring to commerce orders placed with a company. Uses a customer care interface to accomplish tasks

**D****Dealer Locator**

A tool on your website that helps consumers find a local dealer that carries your products. Dealer locators are slowly becoming extinct, as consumers move their preferences to product locators that allow them to find (and purchase) the exact product they desire before driving to the store (see Local Product Search)

**Distributed Order Management (DOM)**

The process in which an order management system handles complex fulfillment networks and acts as a central hub for the management of all aspects of a customer's order

**Distribution Center (DC)**

A large, specialized facility with the sole purpose of storing inventory for quick redistribution to nearby stores or homes. Distribution centers are also commonly referred to as warehouses

**E****eCommerce**

Business conducted over the Internet. Two of the most common forms of electronic commerce (eCommerce) are online shopping websites and online marketplaces

**EMV**

Intended to reduce fraud, EMV (which stands for Europay, MasterCard and Visa) refers to the global standard for credit cards equipped with computer chips, rather than magnetic stripes, and the technology used to authenticate them. Also known as chip cards or smart cards

**Endless Aisle**

An omnichannel strategy that prevents sales loss by giving in-store consumers access to your full catalog from a kiosk or mobile application. If you are out of stock of an item, or do not carry a particular product, consumers can still purchase the item they need from your store without having to go to a competitor

**Enterprise Resource Planning (ERP)**

An integrated view of core business processes, usually integrated applications, used by companies

to manage, collect, and store resources for inventory management, shipping and payment, product planning, manufacturing, distribution, customer service, accounting, and/or human resources

**F****Franchise Business**

The process of selling your firm's business model, brand, and products to third parties in order to capture market share as an alternative to building chain stores.

**Fraud Engine**

A sophisticated program that monitors and tracks order payments for suspicious activity, payment errors, and potential fraudulent activity

**Fulfillment Options/ Models**

Consumer order shipping options that include in-store pickup, ship-from-store, ship-to-store, third-party vendor dropship and ship directly from a warehouse or distribution center. The ability to flexibly offer all of these fulfillment options is the heart of omnichannel retailing

**Fulfillment Partners**

Stores that carry a branded manufacturer's products and have agreed to act as an order fulfillment source. In omnichannel retailing, fulfillers are the valuable partners responsible for managing orders that are assigned as ship-from-store or in-store pickup

**Future-Proof**

The idea that technology can be constantly evolving with the commerce and omnichannel space, instead of being stale and stagnant, ensuring relevant technologies in the future

**G****Gift Card**

A prepaid money card that is used as an alternative to cash within a particular store or online. Not all eCommerce platforms support gift card programs.

## H

### Hosted Services

Outsourced IT systems and functions. Typically hosts physical servers offsite. Hosted services is not the same as the Cloud. Also see Cloud Computing and On-Premise

## I



### In-Store Pickup (ISPU)

The omnichannel fulfillment option that allows shoppers to purchase a product online, but pick it up from a local store, sometimes within an hour or two of the purchase. In-store pickup saves shipping costs, drives traffic into stores and allows retailers and branded manufacturers to offer an expanded product mix

### Integrated Inventory Sharing

The process in which retailers share their real-time inventory data feeds with branded manufacturers through APIs. By increasing visibility across all platforms with integrated inventory sharing, retailers are enabling their inventory to be easily found where the consumer is researching or purchasing. Also known as inventory lookup

### Inline Analytics

Kibo Inline Analytics provides displays of Key Performance Indicators (KPIs) in context within the Kibo Administration (Admin) tool, to help merchandisers make data-driven decisions as they manage, merchandise, and implement marketing for a shopping site

### Inventory Turnover

The measure of the number of times inventory is sold and replaced over a certain time period. Omnichannel retailing strategies such as in-store pickup and ship-from-store can help increase inventory turnover

## J

### Jumble Display

Also known as a clearance table, jumble displays are an array of varying products offered at the same price.

## K



### Key Performance Indicators (KPIs)

A metric used to evaluate factors that are crucial to the success of a business. In retail, KPIs should be defined specifically for each sales channel, including eCommerce (online), in-store and mobile.

## L

### Line Busting

The ability to place customer orders from anywhere in the store with a mobile point of sale device (rather than fixed location registers), allowing store associates to alleviate long checkout lines and provide a superior customer experience.

### Local Product Search, See Product Locator

## M

### Manufacturer's Suggested Retail Price (MSRP)

Pricing guidance from manufacturers regarding the price they recommend their products sell for. Because MSRP is simply a suggestion, price points can vary greatly between vendors



### Markdowns

A reduction in the price of an item, usually taken to encourage sales. An order management system reduces markdowns by fulfilling online orders from stores with the slowest moving inventory

### Merchandising

A set of merchandising tools used to create presentations that feature products, content, categories, or groups on the pages of your shopping experience

### Minimum Advertised Price (MAP)

Set by the manufacturer, the minimum advertised price is the lowest possible price that your channel partners can advertise your products for, both online and offline



### Mobile Point of Commerce (mPOC)

A complete solution for mobile point of sale, including checkout, omnichannel fulfillment, line busting, and an instant view of a customer's lifetime value

**Mobile Point of Sale (mPOS)**

A mobile device that functions as a cash register

**Multi-Channel Retailing**

See omnichannel retailing

**Multi-Tenant Architecture**

Programming architecture that allows a single instance of a software program to serve multiple customers (tenants). In a multi-tenant architecture environment, all applications share a single, common infrastructure and code base that is centrally maintained

**N****Net Promoter Score**

A customer loyalty metric created in 2003 that allows companies to produce a clear measure of performance through a customer's eyes. Having a high net promoter score means loyal customers, which in turn means growth

**O****Omnichannel Retailing**

The concept of creating a seamless shopping experience through all available shopping channels, such as mobile, online, in-store, catalogs, direct mail and more. Omnichannel retail strategies can be made easier and more effective with an order management system

**On-Hand Inventory**

The total number of a particular item in your inventory across all your channels. On-hand inventory includes items that have been allocated or designated as safety stock

**Online Marketplace**

A website where multiple vendors sell and fulfill product purchases, but transactions are processed by the marketplace operator. eBay is an example of an online marketplace

**On-Premise**

When a technology solution is hosted on-site, or locally, it is on-premise. The opposite is hosting in the Cloud, see Cloud Computing

**Order Management System (OMS)**

The most important tool in your omnichannel retailing strategy. Enterprise-level order management systems handle complex order entry and fulfillment models, allowing for advanced order routing capabilities and all critical omnichannel fulfillment options, such as in-store pickup, ship-from-store and ship-to-store

**Order Routing**

Advanced rules that determine which of your fulfillment locations are best suited to ship a customer order. Order routing fulfillment options can include dealer proximity to the consumer, velocity of product, store ranking, load balancing of orders or cost-based

**P****Packing Slip**

A piece of paper outlining the items in a shipment. It can usually be found in a pouch attached to the package, or inside the package itself

**Partner Network**

A group of third-party vendors that a software provider integrates with. Software providers with strong partner networks offer manufacturers and retailers more options and flexibility when establishing an omnichannel infrastructure

**Pick and Pack**

The process of picking an item off a shelf and packing it into a package for shipment to a customer

**Payment Card Industry Data Security Standard (PCI DSS)**

Mandated by the major credit card brands, the PCI security standard is required for all businesses that process credit cards and is intended to increase controls around credit card data in an effort to reduce fraud

**Point of Commerce**

Combining the physical and digital worlds as a customer interacts with a brand or retailer



### Point of Sale (POS) System

The primary element of the front end eCommerce system, the point of sale software accomplishes the same functions as a cash register during the check out process.

### Product Locator

Unlike a dealer locator, a product locator offers real-time inventory visibility directly on a website, so consumers can find a product online before they head into the store

### Promotions

Enhanced tools for personalization, product display, merchandising, and content integration

## R

### Real-Time Inventory

An instantaneous look at all of your inventory items across all of your locations. Real-time inventory feeds can help your products be found easier, as well as ensure availability before purchase (see integrated inventory sharing)

### Resolve

The process through which orders are routed to the appropriate



### Responsive Design

Web design that resizes automatically so it can be correctly viewed on a variety of different sized devices, such as computers, tablets and smart phones.

### Retail Associate Platform (RAP)

An interface tool for retail associates that makes it easy for them to provide seamless customer service, either by shipping orders, saving the sale, processing returns and more when the customer is in the store

## S

### Safety Stock

A reserved amount of stock maintained to avoid the risk of running out of inventory, due to uncertainties in supply and demand

### Save the Sale

An omnichannel fulfillment tool that allows retailers to look up inventory and find the product in another store, even if they don't carry it

### Search Engine Optimization (SEO)

The process of increasing the visibility (and thereby increasing traffic) of a web page or website on a web search engine's unpaid results



### Ship-From-Store

Pick, pack, and ship eCommerce orders in stores. Increase sales without inventory costs and provide a better shopping experience by fulfilling online orders with inventory already on the shelves of local retailers



### Ship-To-Store

Ship any order directly to a specific store from other stores and warehouses. Provide an endless aisle to in-store customers by offering fulfillment from another nearby location.

### Shipping Carriers

Third-party shipping companies such as the United States Postal Service, UPS, FedEx and Canada Post

### Shopping Cart

An eCommerce software that allows visitors on an eCommerce site to set aside or select items with the intent of an eventual purchase

### Showrooming

The process of researching the reviews and prices of a product while standing in a store looking at that product

### Software-as-a-Service (SaaS)

A software licensing and distribution model based on subscriptions and available to customers over the Internet.

### Stock Keeping Unit (SKU)

A store r catalog's product and service identification code, typically shown as a bar code

### Street Price

A retail price that is typically lower than advertised price

## T

### **Turnkey**

A software package that is easy to be set up and operated, frequently including shopping cart, checkout functionality, or a complete eCommerce solution

## U

### **User Interface (UI)**

The interface in which a person (the user) interacts to communicate with a program to accomplish certain tasks

## V



### **Vendor Drop Ship**

A system where a retailer sells goods but does not keep them in stock. Instead, they transfer the customer order to a vendor who ships the good directly to the customer

## W

### **Wardrobing**

When a customer purchases an item, uses it, then returns it for a refund

### **Warehouse Management System (WMS)**

Software that supports the operations in a warehouse or distribution center, tracking inventory levels and locations of stock

## ABOUT KIBO



FUTURE-PROOF  
WITH THE CLOUD



TRUSTWORTHY  
INTEGRATIONS



AUTOMATIC  
UPGRADES



UNIFIED YET  
MODULAR  
SOLUTIONS

### Kibo Products

- ▶ eCommerce
- ▶ Order Management
- ▶ Mobile Point of Commerce
- ▶ Real-Time Individualization

Kibo empowers retailers and branded manufacturers to achieve optimal performance of B2C and B2B commerce through unified consumer experiences. With over 40 years of innovations, Kibo provides a complete omnichannel commerce platform delivered with the lowest total cost of ownership and the fastest time to market. By leveraging cloud technologies, individualized buying experiences, and true enterprise scale, Kibo enables you to reach higher peaks of sales and consumer loyalty. No matter the challenge, Kibo powers your success.

To find out more about Kibo call 877-350-3866  
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