Balancing Inventory Between Your Website and Brick and Mortar Store

By Lisa C. Dun

Most business owners today who sell products understand the notion of inventory management and how it can affect their bottom line. For example, poor inventory management can result in an excess of unwanted goods or unavailability of items often in high-demand.

For those stores that practice **smart inventory management**, product turnover can increase. What does this mean? In a nutshell, it means their products are not going to sit around collecting dust on warehouse shelves.

As consumer demand increases and e-commerce sales rise, achieving a healthy balance of online and in-store inventory management is increasingly difficult to reach, as is figuring out the inventory you need to prevent out-of-stock scenarios or managing inbound products.

In this blog post, we aim to emphasize that whether you are operating an e-commerce website, managing a brick and mortar store – or both – smart inventory management is critical for business success.

According to a recent **joint study** by Cap-Gemini and Oracle, approximately 29 percent of retail stores report a lack of inventory visibility across stores and warehouses, which affect their ability to guarantee multi-channel fulfillment. Without good inventory management in place, you risk:

- Frustrating customers with out-of-stock messages
- Losing money due to overstocking
- Increasing order delays and cancellations
- A rise in human error-related issues

Fortunately, smart inventory management technology is available to help businesses more easily track, manage and organize inventory sales and purchases, as well as production across all channels.

The best part about many of these solutions is that you no longer have to rely on old-school spreadsheets to track inventory. And with the greater connectivity of inventory management with CRMs, POS software, and **marketing automation tools**, you can ensure your inventory and your messaging are consistent across all of your branded outposts on the internet.

Instead, you can use software based on barcodes and radio-frequency identification to know precisely when shipments are coming in, where certain products are located or stored, and when they are scheduled to be dispatched. These cloud-based solutions ultimately give businesses 24/7 mobile access to their inventory data – in real-time.

Many business owners today would agree that the key to smart inventory ordering is to not order too much or too little.

If you order too many items, for instance, you risk having unsold items wasting away in storage, costing you money that could be better spent elsewhere. Alternatively, if you don't order enough products, your brand's reputation can take a hit when customer orders have to be canceled due to lack of supply.

By implementing quality inventory management technology, your forecasting accuracy can improve over time. Here are four other advantages to using this type of solution:

Win Repeat Customers

Whether it's to your physical store or online, customers typically return to a business if they experience efficient, pleasant customer service. So if you want them to select your brand again, it's essential to provide a streamlined service. Inventory management technology can ensure that the products you receive match the inventory that you ordered. This process was traditionally completed on paper, with team members manually checking off each item individually. This antiquated approach is time-consuming, often ineffective, and can lead to confusion. Today's smart inventory management tools, however, can automatically identify if the correct products have been delivered, saving time, preventing error, and ensuring customers get their orders on time.

Organize Your Warehouses

Good inventory management software can help you more effectively organize your warehouse, allowing you to quickly identify best-selling products, which items are most likely to sell seasonally, and so on. As a result, you can keep your customers happy, and can make sure warehouse operations run smoothly.

Boost Productivity

When used in conjunction with processes and mobile warehouse technology such as barcode scanners, inventory management tools can help enhance business efficiencies. They can also help streamline the inventory-taking process, reducing the time your employees have to invest in the process. The technology can also help you organize products as they move from A to B. So whether you are moving items between physical stores, or from one warehouse to another, the process can be streamlined.

Reduce Liability

Another big advantage of using an inventory management solution is that it can reduce any liabilities and loss related to overstock. A smart system will notice any sales declines and identify one-time occurrences to eliminate over-ordering items. For example, if a shoe business is having a sale on a sandal; it may order extra stock to meet customer demands. The technology will take the sale into account before ordering more of the sandals based on the uptick in sales. Otherwise, the business may have to offer even deeper discounts to get rid of the extra inventory.

Inventory is by far the most vital asset to your business. If you don't have inventory going out, you don't have any revenue coming in. And if you don't know how much inventory you have, where it is being stored, and what you need to fulfill orders, it can be impossible to run a successful operation.

Remember: today's consumers and retailers view inventory in very different ways. As a business owner, you see the inventory in each of your channels, whether it is in a physical store or online. Customers, on the other hand, are typically only concerned with getting what they want–when, where and how they want it.

As a retailer today, your inventory must move with greater speed and precision than ever before to keep pace. And you can maximize profitability and deliver the best possible customer experience when you optimize your inventory by connecting crucial information between both your brick and mortar and online stores.

At the end of the day, meeting customer expectations is the only true way to cultivate solid, loyal relationships with customers, and optimizing your inventory management process across channels is key.