

FIVE FUNDAMENTALS FOR **OMNI-CHANNEL COMMERCE SUCCESS**

Maximizing the Power of Commerce along the Customer Journey





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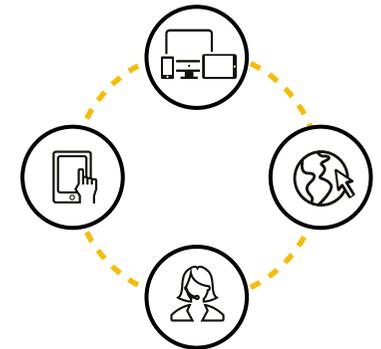


THE NEW COMMERCE RELATIONSHIP.

The marketplace is undergoing a transformation toward individualized consumerization, and this requires the branch of business known as “commerce” to move out of the back office, away from its legacy systems, to become real-time and more customer-centric.

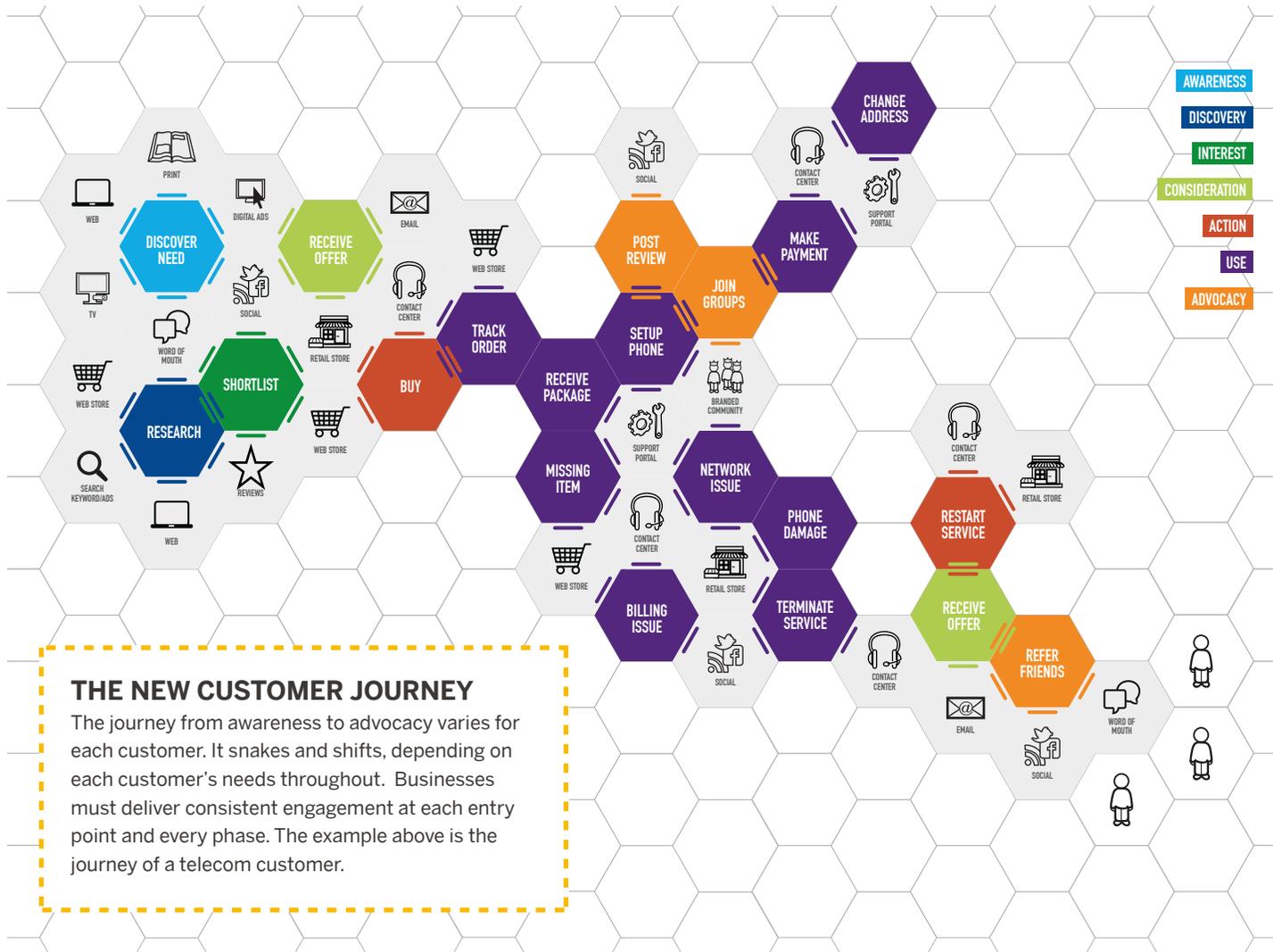
Processes must now be omni-channel. They should flow seamlessly across the various platforms that customers might use, including desktop, mobile, and in-person.

Traditional back office systems worked well for enterprise users, such as the finance and sales departments, but they are no longer sufficiently nimble or agile for individualized procedures.



The priorities of commerce include increasing order value, driving customer loyalty, managing revenue, and processing orders. The mission of commerce is to make sure that the business works – to make it easy for customers to fill their shopping carts, make their purchases, and come back to purchase again. This process must be responsive to their business and should be correspondingly scalable. In short, commerce designs, builds, facilitates, and maintains the architecture of sales.

THE ROLE OF COMMERCE IN EACH PHASE OF THE JOURNEY



Commerce is just one of numerous customer-facing teams within a business. The others include sales, customer service, and marketing. Each of these teams has specific roles to play as a customer moves from becoming aware of a need, to deciding whom to buy from, using the product, and finally accepting the product into their lives or businesses. This is known as the Customer Journey.¹

The journey is not so much a straight line as a patchwork of steps that a customer might – or might not take – in an order of their choosing. Generally, customers navigate across the space, passing through seven phases – awareness, discovery, interest, consideration, action, use, and advocacy.

During the awareness phase, customers perceive an internal need for a product or service, but they have not yet started to reach out to possible vendors. At this point, these potential customers still have no tangible connection to any organization.

Next, customers enter the discovery phase where they match their need to the offerings or services made available by different organizations. Although other teams, including marketing, might work to make the solutions relevant and attractive, commerce has the responsibility of developing and perfecting effortless transaction situations. This helps deliver a sense of comfort to customers that they will remain in control of the transaction.

¹ SAP has a companion publication entitled The Customer Journey: A Handbook for Meaningful (and Profitable) Engagement, which describes the seven phases of the purchase process. You can access this handbook [here](#).



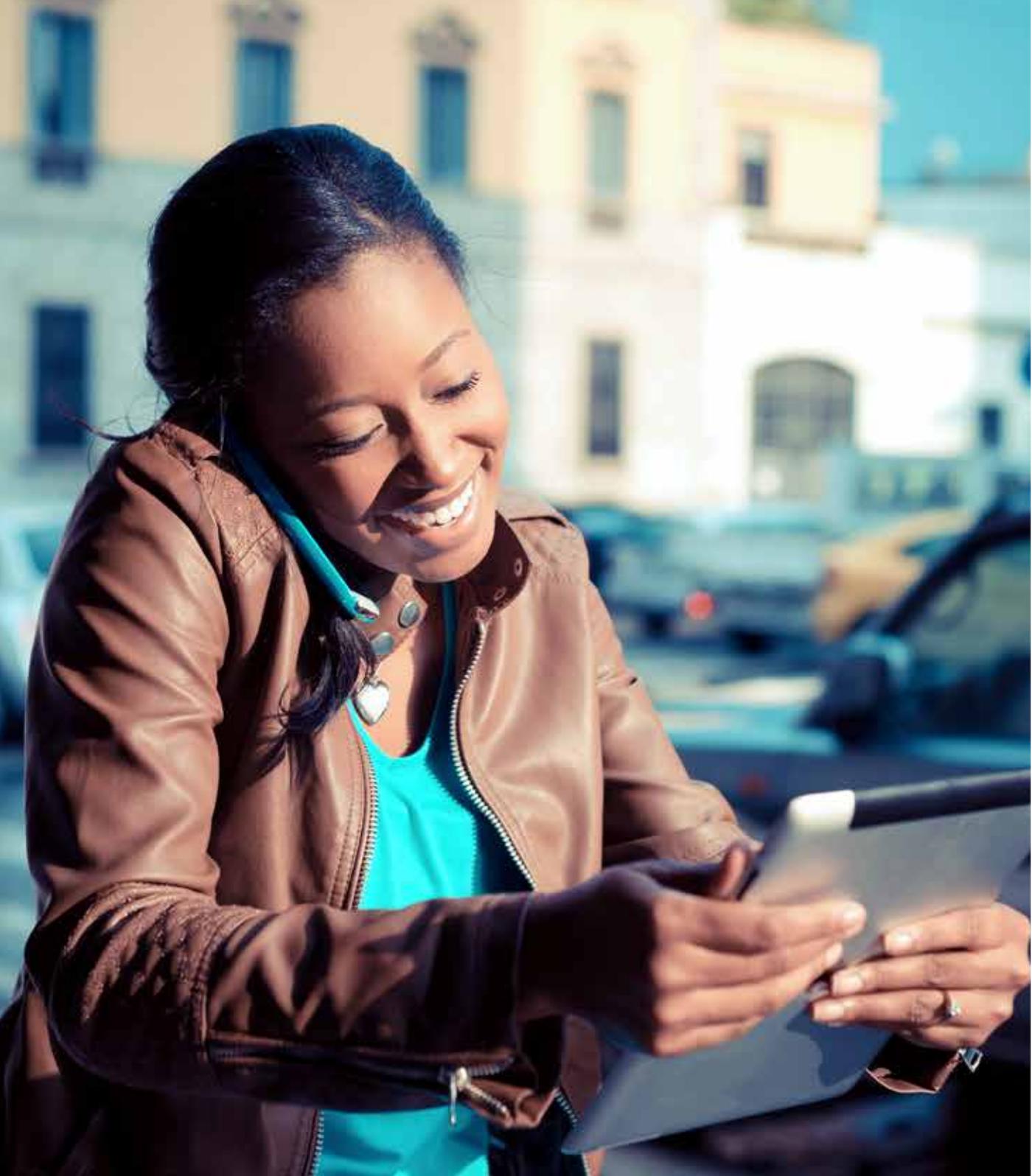
As customers narrow their list of possible suppliers, they develop interest. It is essential at this stage for organizations to differentiate themselves from the competition. This is where customer-centric commerce processes move the organization closer to the customer, providing a familiar and easy touchpoint on a mobile device, store kiosk, or point-of-sale experience.

In the fourth phase of the journey, consideration, the customer reaches a decision. An organization now has an eager audience – one that is genuinely interested in pursuing a relationship, but may still need some reassurance. This is a phase of proactive communication and trust building, where agile and consistent touchpoints guide the customer toward action and commitment.

The action phase represents purchase commitment – the closing of the deal. The customers are still fully in control and can withdraw at any moment. They expect seamless transactions, order summaries, and shipment confirmations, as well as the ability to make change orders and returns.

Once customers have made their purchase, they enter the use phase and can then truly be called customers, but this does not mean they choose to stay that way. They will judge their satisfaction with the product in part by their experience in doing business with you. Consequently, all aspects of the commerce process remain permanently attached to this phase.

When the purchase is complete, a satisfied customer might become an advocate, actively proclaiming the merits of your product to colleagues, friends, and across social media. Less-than-satisfied customers will be even more likely to communicate their feelings publicly. The experience of the purchase process, and the ability to make a return, get a refund, check an account balance, or view the order history, are examples of the influence of commerce in this phase.



**FIVE FUNDAMENTALS
FOR OMNI-CHANNEL
COMMERCE SUCCESS**



Fundamental **1** **MAKE B2B LIKE B2C**

Be **buyer-centric**.

Fundamental to the entire customer journey is the fact that the customer is truly in control of the relationship. This is something that many people have experienced regularly in B2C.

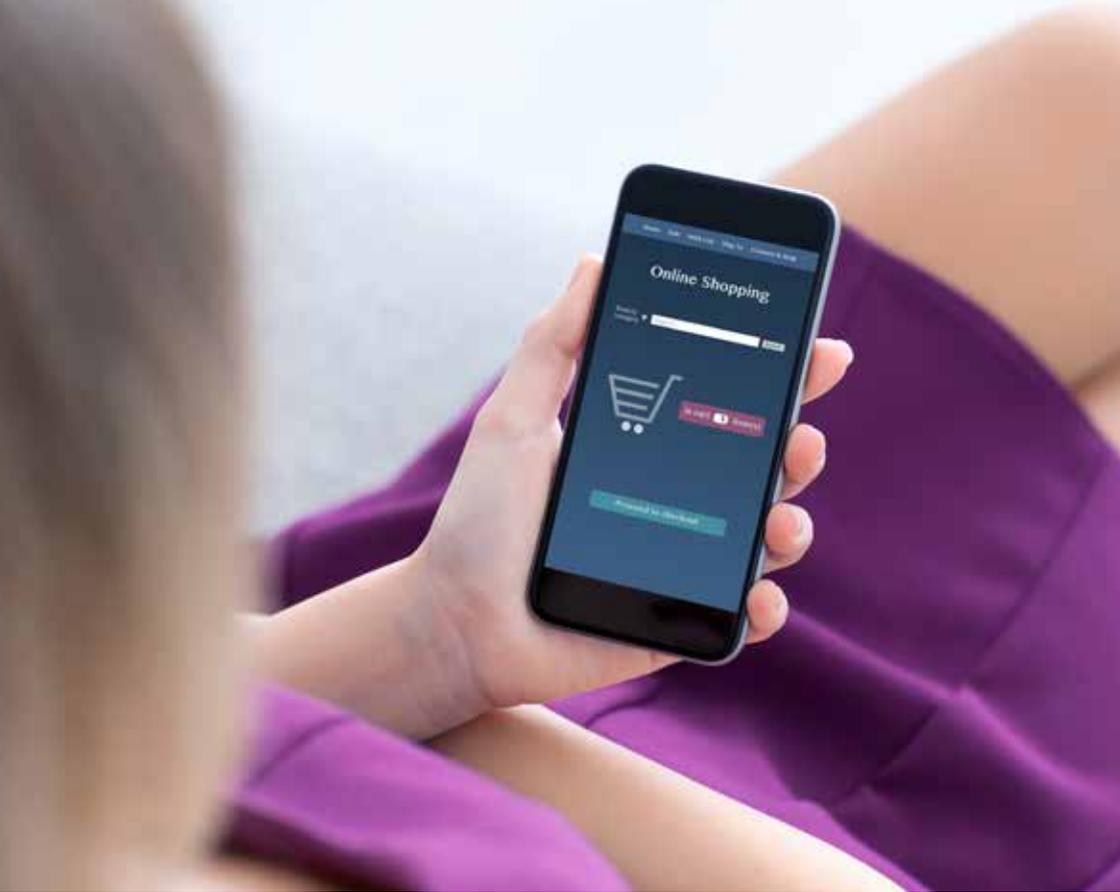
Amazon arguably leads the way in B2C, developing seamless and intelligent methods for connecting with customers, and making the purchase and delivery experiences frictionless.

Dell Computer embraced this approach early in its history, for both the retail and business markets, offering customized products as their primary deliverable, in contrast to the uniform mass-production approach favored by industry contemporaries, such as IBM and HP. Smartphone manufacturers, too, demonstrate a buyer-centric attitude by opening their devices up to infinite customization through the purchase and download of apps.



After having experienced proactive and innovative commerce in the retail world, B2B customers openly ask why industrial channels cannot emulate this, especially since B2B purchasing has recently been growing at roughly three times the rate of retail. B2B customers demand better self-service tools, such as online ordering, account management, and a sophisticated CRM process.

The key to effective B2B commerce is to make it incredibly easy for customers to find, learn about, and purchase products. The key to profitable B2B commerce is to have systems in place that are easy to manage and that unify customer interactions and transactions across products, brands, geographies, and communications channels. The development and delivery of these tools creates a competitive advantage for any B2B organization by matching customer expectations with proactive commerce.



Fundamental **2** SIMPLIFY COMPLEXITIES OF PROCESSES AND TRANSACTIONS

Moving to omni-channel requires a simplification of the commerce process. Customers expect unified records.

They want the ability to manage their complete buying life cycle – researching, handling returns, changing and managing orders, and they want to do this on any channel they choose. They might start the process on a website, but continue it on a smartphone, and conclude it with a phone call. All of these channels must provide correct, consistent information that delivers immediate satisfaction.

THE FORMULA FOR OPTIMUM COMMERCE SUCCESS IS UNIFY, SIMPLIFY, AND AMPLIFY. IN SHORT:



Unifying is about properly addressing the internal challenges of people and process that every large change initiative faces, and turning these into an aligned and orderly method that clearly demonstrates value and yields achievement.



Simplifying is about enhancing the user experience through simplicity. For every step of the journey, customers expect more clarity, consistency, and ease of doing business, while the company itself delivers a clear and compelling message with a singular voice.



Amplifying means bringing forward the best of systems, technology, and people to provide outstanding customer service and grow the business. It also means disrupting and challenging the status quo, while reinforcing your brand identity everywhere.

HERE ARE SOME KEY QUESTIONS TO ASSESS YOUR CURRENT COMMERCE SYSTEM:



How do customers place and process orders with you?



What would make the act of ordering, paying for, returning, or re-ordering your products easier?



What systems are available and how efficient are they?



Are your systems able to take advantage of stored customer data, predictive analytics, and a moment-by-moment awareness of business trends, to improve the transaction experience with customers?



Are your order processing systems truly customer-focused?



Do your order processing systems allow you to adapt to new business models?



Test out your own system and observe what your customers experience. What snags and gaps exist in your current ordering/commerce process?



Fundamental 3

INTEGRATE AND UNIFY EXISTING CHANNELS AND BUSINESS MODELS

This is no longer a one-size-fits-all economy, and it certainly is not one where customers feel they must fit their approach to match yours.

The capacity for effective commerce now relies on how well companies integrate, including scaling up or down to match new markets, always keeping a keen eye on the “audience of one.”

To address these challenges, retailers are turning to omni-channel commerce, which delivers a positive experience across all avenues of interaction, both digital and physical. Omni-channel commerce stores offer both assisted service and self-service options on the floor, and complement this with an online presence. Those who have ventured deeply into e-commerce have discovered that shopping online is not always an exclusive experience, and much online success is due to offering hybrid solutions, such as “buy-online-and-pick-up-in-store.”

Customers are still likely to visit a brick-and-mortar store even after having visited its online equivalent, drawing upon a blend of service modes to start, stop, pause, and resume the journey at their own pace, using a variety of devices and touchpoints. This demands both flexibility and consistency from the seller.

Competition for customers does not exist solely between “competitors.” It also exists between suppliers within the same channel. According to Forrester research analyst Andy Hoar, quoted in CMS Wire, 41% of companies were found to be selling directly against their own wholesalers, distributors, and suppliers.

This means that the need to integrate and unify must take into account that competition for a customer’s business might come from “behind you,” and not simply from across the street. Alternatively, it might mean that the traditional approach of acting as a regional middleman distributor or dealer for a national manufacturer has shifted, and that a new channel relationship – one that covers the distribution of goods and consolidation of customer data – is immediately necessary.

Has your organization reviewed and integrated its current channel structure? What can be improved?



Fundamental 4

ACCUMULATE NEW BUSINESS OPPORTUNITIES THROUGH DATA

The transaction that happens at the commerce level is **not exclusively financial**. It is also an exchange of data that becomes a pathway to greater knowledge. The moment a customer says yes to a purchase, whether using an individual payment card or by initiating their organization's B2B purchase process, a rich source of data appears.

Some of this can be obvious and structured, such as the number of items ordered, the types of items chosen, preferred payment terms, previous purchase history, consumer's zip codes, and so on.

The customers surrender this information either consciously or unconsciously. Its clear delineations make it easy to categorize and store. Other data may be less obvious. It might be unstructured, consisting of comments made by customers on social media, such as Twitter, Pinterest, or Instagram. It may include comments made by customers on your own website's contact us form. It could also take the form of calls made to the customer service or help desk.

Furthermore, intelligent machines on the leading edge of the Internet of Things – coffee machines, photocopiers and industrial equipment, for example – also share information, including reorder requests for supplies, and usage data. Smart room thermostats and CO detectors register passive information, such as room temperature variations.

Most customers in B2C and B2B environments also carry smartphones loaded with apps and browsers. These, too, deliver crucial data – directly related to commerce. Consider an airline check-in app, as described below.

Checking Out the Check-In Data

When a passenger checks in to an airline flight, a sequence of commerce-related activities occurs.

-  The act of checking-in confirms the customer's commitment to use the purchased seat, as opposed to missing the flight, thus reducing lost revenue.
-  An opportunity arises for the airline app to up-sell the customer to a better seat.
-  Another opportunity emerges to generate revenue for checked bags.
-  The time when the passenger checks in (such as six hours before a flight, or when arriving at the terminal) is crucial demographic data, as is the method used to check in – by mobile app, airport kiosk, or via ticket agent.
-  The confirmation of choice of seat helps customize the passenger's current and future experiences.
-  The use of a phone-based app helps with decisions regarding future online and mobile services.

All of these items represent transactional data, collected at the moment the passenger finalizes the purchase of a seat through confirmation.

B2B processes are inherently complex, and the data that forms a central part of commercial transactions can easily become either lost, siloed, or overwhelming in its volume. However, account managers need access to intuitive tools to manage their accounts and related cost centers, as well as contracts and budgets. Every station along the supply chain depends on timely and complete information.

With all of this data, there is a strong need to simplify and reduce the complexity of organically grown multiple business models. It is also necessary to manage the ecosystem of suppliers, distributors, and partners on a single platform. Companies can do this by unifying data domains – supplier catalogs, inventory, contracts, customer information, content and orders – onto a single solution, and by streamlining order processing and fulfillment. Customers themselves can take on some of this burden by populating databases through self-service functions, such as online order forms that direct the data to a centrally accessible space.

Having a strong handle on data also allows a company to engage in sophisticated pricing models, and to manage individually negotiated price lists for each customer.

When this data, both structured and unstructured, is parsed and made accessible across departments, it then becomes a major asset for future business development opportunities, including offering favorable delivery rates, improved techniques for handling shopping cart abandonment, personalization of the customer experience, distinction from competitors, improvement in supply chain and pricing, and much more.



Fundamental **5** **GROW THE BUSINESS**

Growing a business does not necessarily mean making it larger. It refers to growing it into new markets, channels and techniques – **future proofing it** – to ensure it keeps pace with the demands of local and global economies.

Commerce processes must run alongside, or slightly faster than the customer, offering new payment options, personalized shopping options, and faster delivery. Although B2B may generally involve larger orders than B2C, with more decision-makers and more hoops to jump through, the fact remains that customers in both worlds expect their journey to be faster and more convenient than ever before.

Central to the success of the new marketplace is a renewed focus on the customer. B2B organizations can reduce sales administration costs by providing their customers a self-service capability that allows them to place and update their orders, and manage their financial obligations.

Becoming “more helpful” is becoming easier and even more beneficial. For example, companies can increase their average order value by packaging complementary products, proactively recommending accessories, and advertising special promotions based on a customer’s behavior and characteristics. They can increase conversion rates and bulk ordering through easier search and navigation, personalization and transparent product comparisons, while ensuring customers stay within their spending limits through manual and automatic order approval. It is even possible to create individual shops or micro-sites for bigger B2B accounts.

The demands of an increasingly visually oriented public presents an opportunity for companies to add images, technical content, co-branding, customized promotions, local language, and country-specific currency to their customized product lists.

Ultimately, the goal is to deliver a retail-like shopping experience, and exceed customer expectations with B2C-caliber usability, personalization and functionality. This not only applies to purchases that move along smoothly, but also assists in understanding the purchasers’ triggers, including page views and abandoned shopping carts, especially on a B2B level. This helps companies thrive and grow.



MORE INFORMATION FOR COMMERCE PROFESSIONALS

The SAP hybrid omni-channel commerce solution helps companies target and engage with their customers better, wherever they are. As the world of commerce continues to change, it provides customers with a consistent and meaningful experience – across every channel, every time.

Get more details on [our solutions](#) and [customer success stories](#).

ABOUT SAP®

Customer engagement solutions from SAP are a response to the demand for an innovative and simplified approach to managing the complex nature of today's customer journey. We help companies that market, sell, and service their customers around the world by delivering a solution portfolio focused on omni-channel customer engagement.

Companies that are most adaptable to customer-driven change will survive and even thrive. Our customer engagement solutions empower organizations to provide excellence in customer engagements through marketing, sales, service, and commerce activities.

SAP products and services are designed to enable businesses to engage their customers like never before. They deliver the best experience for individual customers across multiple channels and throughout the entire customer journey, whether it is about how a marketer communicates with them or a site, how an app responds to them, or how a sales or service agent helps them.

SAP helps commerce professionals break free of decades-old tradition by helping them fully understand the dynamic nature of today's marketplace. Not only have technologies changed, but so too have timelines and attitudes.

Customer engagement solutions from SAP respond to the demand for an innovative and simplified approach to managing the complex nature of today's customer journey.

Ultimately, commerce is about engagement. SAP provides the tools and techniques necessary to help your organization engage with your customers.