

Go Beyond Ecommerce to Digital Commerce

—
Why integrating Commerce, ERP, and CPQ
adds up to better digital selling



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“The greatest need right now
is around the entire concept
of unified commerce.”

- **Greg Buzek**, President, IHL Group, and Donor
Trustee of Retail Orphan Initiative

Part 1

Why Ecommerce Is Not Enough

As technology grows more sophisticated, users become more comfortable making larger, more complex purchases online. In just a few years, \$11 trillion will be generated from digital channels, and, despite beliefs to the contrary, B2B online sales are expected to eclipse B2C sales.¹

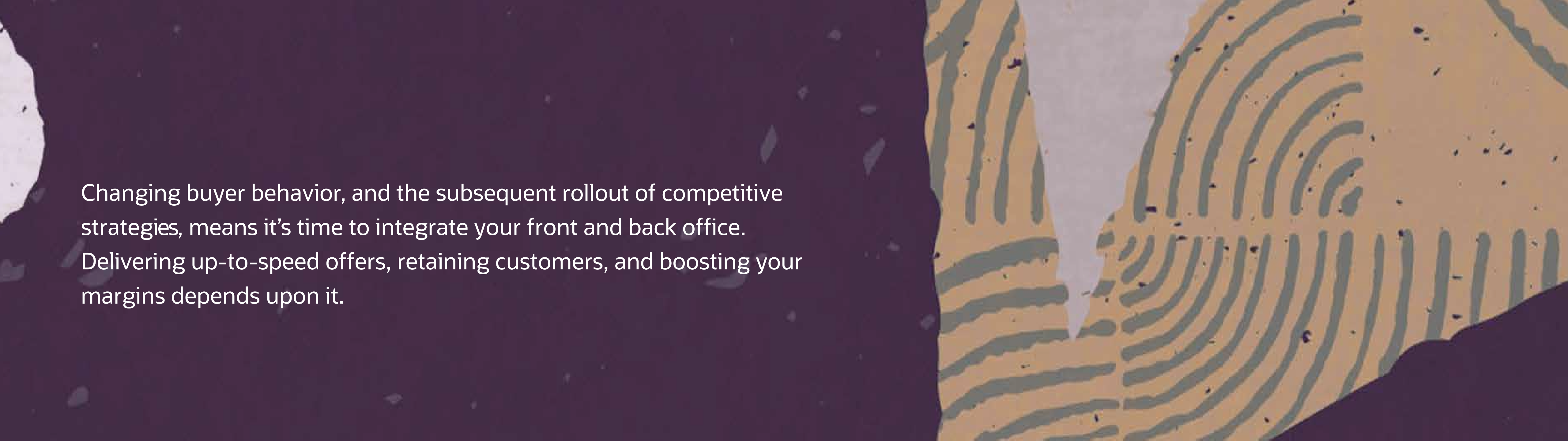
But there's more to it than simply who buys more online. B2B buyers want B2C experiences, and B2C customers are continually upping the ante when it comes to what they expect. The challenge? Those B2C experiences are expected even when dealing with very complex products with dozens (or hundreds, or thousands) of components. And with complexity comes friction, guesswork, and mistakes.

No matter who your buyers are, to them, a frictionless online buying experience is non-negotiable. That means if all you provide is the ability to buy online—and then have to manually work between siloed systems behind the scenes—you are doling out a large percentage of your revenue stream to your competitors.

Digital commerce vs. ecommerce

Digital commerce allows customers to purchase goods/services through an interactive and self-service experience. It includes the people, processes, and technologies to execute the offering of development content, analytics, promotion, pricing, customer acquisition and retention, and customer experience at all touchpoints throughout the buying journey.²

Compared to ecommerce, digital commerce is a more holistic way of doing business online, allowing companies to generate demand, control the supply chain, enhance the customer experience, and access data to analyze how to maximize and integrate their marketing efforts.²



Changing buyer behavior, and the subsequent rollout of competitive strategies, means it's time to integrate your front and back office. Delivering up-to-speed offers, retaining customers, and boosting your margins depends upon it.

In 2019, 14.1% of all purchases were made online. By 2023, that number will increase to 22%.³

Digital commerce influences up to 56% of on-site purchases.³

Over 70% of B2B buyers research independently and define their needs before talking to sales.⁴

Personalized product recommendations can double conversion rates.⁵

B2B or B2C: Why it Doesn't Matter in Digital Commerce

Increasingly, people conduct independent research, look for different ways to utilize products or services, and want the ability to configure their own products/services and generate sample quotes. Translation? They may avoid your sales teams altogether, especially for repeat and low-consideration orders.

Digital B2C powerhouses such as eBay, Etsy, Target, and Costco have set the standard against which all companies must compete.⁶ That means, regardless of what you sell (and to whom) your company is no longer just competing with others in your industry. In terms of the digital buying experience you offer, you're competing with these juggernauts (and others) as well.

A desire for self-sufficiency, access to a wider range of products/services, a general disregard for pushy salespeople, and the ability to customize, engineer-to-order, or configure-to-order products are just some of the reasons people are looking to buy more online.

So the question is: Can your sales model perform in the new world of digital commerce? Let's continue and see.

“We don't see our competitors doing build-to-order configurations. Using search engine optimization, we'll be able to drive more traffic to our site. From there, we ask questions and then recommend the right product families, which could come from different product lines. It can be overwhelming for customers when you put too many options out there.”

- Robert Kleinschmidt, Sr. VP of Sales and Marketing, AirBorn Inc.

Meeting Future Demands

Every B2B buyer is a consumer. And those B2C experiences have created a laundry list of expectations for future B2B purchases. So, in the world of B2B sales, profitability calls for:

- ✓ Minimal overhead (so you can sell more with less)
- ✓ Ability to provide the information customers need to make buying decisions confidently
- ✓ Streamlined sales processes
- ✓ Migration from multichannel sales to omnichannel sales
- ✓ Differentiation through process innovation and automation
- ✓ Multiple purchase personalization options
- ✓ A variety of pricing models
- ✓ Silo-free internal data and processes
- ✓ Ability to predict customer behavior and make data-driven recommendations leveraging AI and ML

Even so, it's not so simple as just checking every item off the list. Given the complexity of B2B sales as compared to B2C, it's much more difficult to deliver these capabilities when each sale may include hundreds of configurations.

Why? Because when trying to provide an online, self-service buying experience, the logical first step is to sprinkle on a “human element” at an appropriate point in the process, whether that be transferring data between systems, manually quoting or pricing, confirming inventory, dealing with exceptions, or requesting (and waiting for) approvals. And when that happens—no matter where or when—the opportunity for mistakes increases.

But it's not all dark on the horizon. A truly integrated digital commerce solution can help you overcome roadblocks to future sales success by fulfilling three key goals:

1. **Sell efficiently: Address more buyers in more ways**
2. **Sell effectively: Ensure every order is accurate and maximizes opportunities**
3. **Sell distinctly: Explore new sales models with minimal effort**



Sell efficiently

Remove unnecessary friction from the purchasing experience. Provide buyers the assistance they want, when and how they want it.

These capabilities will get you there:

- A comprehensive 24/7 experience that allows buyers to thoroughly **research** their options, **compare** and **select** their purchase, obtain an accurately **priced quote** for the exact **configuration** they need, and complete their order
- Sophisticated workflows that connect to lead generation efforts, supporting a seamless handover between ERP and CRM processes
- The ability to offload low-consideration purchases and repeat orders, freeing up sales reps to work as trusted advisors on more valuable opportunities and higher-margin deals

What's needed?

- **Oracle CX Commerce**
- **Oracle CPQ**
- **Oracle CX Content**
- **Oracle ERP Cloud**



Sell effectively

Streamline online buying decisions by providing customers with everything they need to make selections easier. If customers are not able to identify which components (or products) go together, the purchasing process ends right there. No one wants to fight to make a purchase.

These capabilities will get you there:

- Provide ideal product configurations and upsell and cross-sell opportunities
- Ensure orders have 100 percent validated and compatible products and services (i.e. they are accurate)
- Automate upsell and cross-sell recommendations to maximize deal value
- Shorten time-to-market and reduce cost through omnichannel sales including partners and direct-to-customer

What's needed?

- **Oracle CX Commerce**
- **Oracle CPQ**
- **Oracle ERP Cloud**



Sell distinctly

Provide new revenue streams and monetization models with minimal effort (think “subscription pricing”).

These capabilities will get you there:

- Supporting self-service activation and maintenance across monetization models
- Easily controlling omnichannel and partner workflows with different user-specific rules and approval chains
- Handling business rule complexity with point-and-click ease, substantially reducing the need for IT’s involvement
- Having configurable workflows tailored to specific groups, users, regions, products, agreements, or other variables

What’s needed?


- **Oracle CX Commerce**
- **Oracle CPQ**
- **Oracle Subscription Management**
- **Oracle ERP Cloud**

The why and how of subscription pricing

For companies, subscription models make it possible to enjoy recurring product deliveries or services for an ongoing fee—a “set it and forget it” experience that’s very attractive to today’s self-serve buyers. It comes as no surprise, then, that the online subscription market has more than doubled over the past five years.⁷ And, companies embracing subscription pricing can extend their reach into new markets and demographics—and the impressive growth that comes with them.

By 2023, **75%** of organizations selling direct-to-consumers will **offer subscription services.**⁸





Still, while they feel effortless for customers, subscription pricing models are quite complex to manage and can be tricky to implement within the constructs of existing front and back office solutions. This is for several reasons:

1. Buying options increase infinitely, translating to thousands of consumption choices for the average B2B business.
2. How customers buy—no matter if that purchase is made via sales rep or self-service— affects how your service is going to be delivered and fulfilled, billed, paid, and accounted for.
3. Each amendment, add-on, cancellation, and every other change/update triggers all relevant data to flow through different systems.
4. Supporting subscription models shift how your company must track deal activity, opportunities, and customer buying habits. Customer lifetime value (CLV) and churn become KPI focal points.

There's a lot at play here. But, armed with a total digital commerce solution, you can turn subscription management into the same set-it-and-forget-it experience for your team as it is for your customers.

“ We are almost exclusively a digital retailer. With the help of Oracle CX Cloud and Oracle ERP Cloud, [you will receive a firm quote digitally, on the day]. Here's the quote, the price, shipping, and graphical rendering. That's a custom product, not off the shelf. Speed. That's the way we win.”

- **Mike Daniel**, CEO, Sportable Scoreboards

Digital Commerce vs. Ecommerce: Making the Smart Choice

So do you want an online ecommerce solution or a digital commerce solution?

To remain successful, B2B companies must scale sales, iterate new products, provide choice in an easily consumable fashion, enter new markets, add new sales channels, add accounts, establish new pricing models, and scale their business models.

The same holds for B2C companies. They need to utilize each and every channel their customers expect them to (and provide an omnichannel experience across all of them), iterate new products, add upsell and cross-sell opportunities, enter new markets, acquire new customers, and offer customers a variety of pricing and consumption models.

So you may be asking, “Why do I need to deploy a digital commerce solution across CX Commerce, Subscription Management, ERP, and CPQ?” Let’s explore.



Nine benefits of a true digital commerce solution

A range of benefits materializes once the front and back office align to support a digital commerce solution. Because ecommerce is self-service, it runs quickly (and at a high volume). It is what the customer expects. Therefore, having an automated commerce solution (including content and CPQ) fully integrated to financial, inventory, logistical, and manufacturing data provides outsized benefits:

Sales consolidation

One of the main benefits of ERP/CPQ/Commerce integration is the centralization of all sales data—no matter the source. Omnichannel functionality is something your customers no longer demand, they expect. And expectations can be harder to meet than demands. So, if your company conducts sales across multiple channels (brick-and-mortar stores, online, catalogs, field sales teams, partners/distributors, etc.) without a centralized data repository, it can be challenging to keep sales-related information organized, especially if it comes from a variety of 3rd party platforms.

Oracle ERP Cloud consolidates all relevant data points, making your automated CPQ and CX Commerce systems accurate. It also leverages the power of AI and machine learning to turn that data into actionable insight for more accurate forecasting and planning (bye, bye spreadsheets).





Improves functionality available on commerce site

The integration of Oracle ERP Cloud with CX Commerce makes real-time data available to the storefront, allowing customers to view and access (for example) available inventory and the latest order status while also tracking shipments using the lot/serial or other tracking numbers. This reduces operational costs and improves the online customer experience.

Reduces inventory cost

An integrated Oracle ERP Cloud and CX Commerce solution provides all web sales information and real-time updates about online transactions. Accurate ecommerce sales and inventory data improves your ability to track inventory in real-time and forecast what (and how much) is needed

Supports subscription-based pricing

Subscription-based pricing extends your reach into new demographics and markets. By combining the power of Oracle CX Commerce and Subscription Management with Oracle ERP Cloud and CPQ, your business can support subscription pricing, recurring licenses, support agreements, or modular solutions through an online storefront. These transactions can be handled beyond the initial sale, effectively managing renewals and changes. And again, they provide opportunities for upsell and cross-sell, delivering enhanced revenue and profit.

Working with a subscription-based system provides the ability to manage all these transactions through your digital commerce storefront. Traditionally, any contract changes were a back office/ERP maintenance process, disconnected from the customer-facing commerce site. It's invaluable to have this information linked to the site since subscription-based pricing meets a real need by quickly providing the customer the right deal at the right price.

“The advantages of using Oracle CX Commerce and CPQ together are for the customers themselves. They can check orders, inventory, configure products, etc. Self-service allows them to be agile and on-the-go.”

- **Mike Cristancho**, Taistech, a Masteck Company



Increases productivity and saves time

An integrated Oracle ERP Cloud /CX Commerce/CPQ solution streamlines multiple business processes, reducing the need for human involvement. Employees no longer have to manually input data into individual systems or migrate data between different systems (e.g. shipping info, inventory levels, product info). Everything is automated, saving time and money and freeing employees to be productive in other ways.

With this integration, the order fulfillment cycle shrinks since all online orders are automatically inputted into/accessible from ERP Cloud. Back-office employees can track orders and start processing them.

Improves customer service

By combining Oracle ERP Cloud and CX Commerce, businesses can provide up-to-date and real-time product information, inventory availability detail, order tracking detail, etc. In addition, the process of tracking shipments and sending notifications when a product has arrived can be automated. By streamlining these after-purchase processes, your company is able to meet customers' needs proactively, creating a more favorable impression which leads to higher customer retention rates and greater CLV.

Reduces data redundancy and error

Information such as customer details, web orders, and payment & shipping information will be accessible in Oracle ERP Cloud. Also, the item and inventory details can be uploaded from ERP to CX Commerce, eliminating the need to re-enter the data. The integration (again) reduces human involvement, data redundancy, and errors.

Simplifies financial operations

Oracle CX Commerce can generate sales reports. Through the integration with ERP Cloud, businesses can easily combine that data with balance sheet, P/L statement, trial balance, cash flow, etc., providing transparency into web transactions and accuracy of financial information across the organization.

Provides better business controls

Integration of the business processes within Oracle CX Commerce and ERP Cloud provides the ability to manage all processes from one location. It unifies CX Commerce with inventory, logistics, financials, etc., improving the communication between departments. Finally, if you sell both online and offline, integration allows you to have one holistic picture of your sales.

Let’s get started

Your customers’ needs and expectations will never remain static. But by providing an online, frictionless shopping experience, your company has the opportunity to earn their trust, loyalty, and advocacy.

Learn more about the power of combining Oracle CX Commerce, Oracle ERP Cloud, and Oracle CPQ (along with Oracle Subscription Management and CX Content) to gratify instantly, exceed expectations, and promote customer advocacy.

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Oracle is in the Leader’s Quadrant again in the latest Gartner Magic Quadrant for Digital Commerce. [Read the report](#)

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