



ORACLE

Use Digital Commerce to Build a Better Buying Experience

The power of ERP,
CPQ, and commerce



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Introduction: when ecommerce isn't enough

More and more people are going online to make purchases. No surprise there; as technology becomes more sophisticated, users become more comfortable making larger, more complex purchases online. In a few years, \$11 trillion will be generated from digital channels, and despite rumors to the contrary, B2B online sales is about to eclipse B2C as a leader.¹

But there is more to the story than just who is buying more online. B2B buyers want B2C experiences, and B2C consumers are continually upping the ante when it comes to what they expect. Again, those two facts are not unknown to those reading this ebook. But there is a catch, and it is that those B2C experiences are expected even when dealing with very complex products with dozens (or hundreds or thousands) of components. With complexity comes friction and with friction comes lost sales opportunities.

Offering a frictionless online buying experience is an integral part of doing business (no matter what type of company you are). The more barriers your customer encounters while trying to make a purchase, the more revenue goes to your competitors.

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 customer buying journey.²

Compared to ecommerce, it 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 Gartner Glossary, "Digital Commerce," gartner.com.

So if you have modernized your back office, and extended configure, price, and quote (CPQ) functionality to your sales teams, the time has come to fully (and seamlessly) integrate those powerful margin-boosting systems with a scalable, and easily customizable/modifiable digital commerce solution.

¹ B2B Ecommerce 2018: Transforming Buying and Selling," *eMarketer*, 2018, emarketer.com. and Jordan McKee, "Global Digital Commerce Sales to Near \$6 Trillion by 2022," *Forbes*, September 11, 2018, forbes.com.



B2B or B2C. In terms of digital commerce, it doesn't matter.

As we mentioned before, the way people buy is shifting. Whether buying in their personal or professional lives, they:

- + Do their own research
- + Want to configure their own products/services and generate their own quotes
- + Expect to make purchasing decisions quickly and easily
- + Are enticed by new consumption models
- + Do not want to wait in a queue or leave a message for someone to get back to them

This is especially true for repeat and low consideration orders.

B2C online powerhouses, such as eBay, Etsy, Target, Costco, and (yes) Amazon, have set the standard against which **all** companies must compete.³ Your company is no longer just competing with companies within your narrow industry set; you are competing with these juggernauts (and others) as well.

The desire for self-sufficiency, the appeal of accessing a wider range of products/services, a general disregard for pushy salespeople (perception is everything, folks), and better access to customized and/or engineered-to-order products are just some of the reasons people are moving online to buy.

But the question you have to ask yourself is how can your sales model take advantage of the future of digital commerce?

Let's continue and see.

“We don't see our competitors doing this type of build-to-order configuration. Using search engine optimization, we'll be able to drive more traffic to our web site. From there, we ask some basic 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, SVP Sales and Marketing, AirBorn Inc.

³ Top 10 e-commerce sites in the US 2020," *Disfold*, December 19, 2019, disfold.com.

The future demands...

Businesses are able to profitably sell now (and in the future) if they can:

- + Sell more with less (overhead)
- + Deliver the information customers need to make the right buying decisions
- + Streamline sales processes
- + Maximize the number of sales channels
- + Use process innovation and automation as a differentiator
- + Provide more ways for customers to personalize purchases
- + Support a variety of pricing models
- + Break down internal data and process siloes
- + Predict customer behavior and make recommendations (using a data-driven, AI/ML approach)

Pretty substantial list, right? And it may not be a full list (for your specific company). But if you can tackle each item and check it off as completed, you will be well on your way to providing the B2C experiences that B2B buyers expect.





3 goals of a digital commerce solution

There are three reasons why you should look to transform and support a digital buying experience. The reasons are to:

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

To **sell efficiently**, remove unnecessary friction from the purchasing experience. This means to:

- + Serve customers 24/7 with a comprehensive experience that includes information; selection; configuration, pricing, and quoting (CPQ); and ordering
- + Create sophisticated workflows to take advantage of lead generation activities (for example, support the seamless handover of data between ERP and CRM processes)
- + Offload low consideration purchases or repeat orders to free up sales reps to work more as trusted advisors on more valuable opportunities and higher-margin deals

What's needed? **Oracle CX Commerce, CPQ, CX Content, and Cloud ERP**

SELL EFFECTIVELY

To **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. To keep this from happening, tools are needed that can:

- + Prompt customers with recommendations for configurations and provide opportunities for upselling and cross-selling
- + Ensure that orders have 100 percent-validated and -compatible products and services (i.e. they are accurate)
- + Automate upsell and cross-sell recommendations to maximize overall order size
- + Improve speed-to-market by expanding your sales channels, including partners and direct-to-customer sales, while reducing costs

What needed? **Oracle CX Commerce and CPQ, and Cloud ERP**

SELL DISTINCTLY

To **sell distinctly**, gain access to new revenue streams and monetization models with minimal effort (think “subscription pricing”). That means:

- + Allowing customers to activate, maintain, and modify their subscriptions easily and efficiently with self-service tools
- + Activating different channel or partner workflows (which will probably require different user-specific rules and approval chains)
- + Handling business rule complexity with simple point-and-click ease, substantially reducing the need for IT’s involvement
- + Addressing specific groups, users, regions, products, agreements, or other variables with configurable workflows

What’s needed? **Oracle CX Commerce, CPQ, Subscription Management, and Cloud ERP**



The necessity of new monetization models and the impact to your systems

The subscription ecommerce market has grown by more than 100 percent a year over the past five years.⁴

So what is holding you back from developing a new pricing model that will help your company grow at rates that have probably not been seen since your company was just starting out? The right tools. Subscription pricing models are complex and can be difficult to implement within the constructs of your current back-office and front-office solutions.

By 2023 **75% of organizations** selling direct to consumers **will offer subscription services.**⁵

⁵Subscription Economy Index, March 2019, info.zuora.com.

Subscription models let customers “set it and forget it.” As part of this payment structure, customers have access to a much wider variety of goods and services—much more than they would with a one-time purchase. But managing subscription revenue is much harder for companies. The ripple effect of subscription-based pricing changes the way companies operate, impacting front- and back-office systems. This is because:

1. The number of buying options infinitely increases, creating a level of complexity that current systems cannot handle
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. When changes (including amendments, add-on services, and cancelations) happen—and they will happen—all relevant data needs to be triggered to flow through different systems for every update
4. Supporting subscription models, with its recurring revenue and level of predictability, shifts how your company must track deal activity, opportunities, and customer buying habits. Churn (and the need to reduce it) and customer lifetime value (and the need to boost it) become KPI focal points.

So how do you reap similar “set it and forget it” benefits as your customers? With the right technologies.

⁴Tony Chen, Ken Fenyo, Sylvia Yang, and Jessica Zhang, “Thinking inside the subscription box: New research on e-commerce consumers,” *McKinsey Insights*, February 2018, McKinsey, mckinsey.com.

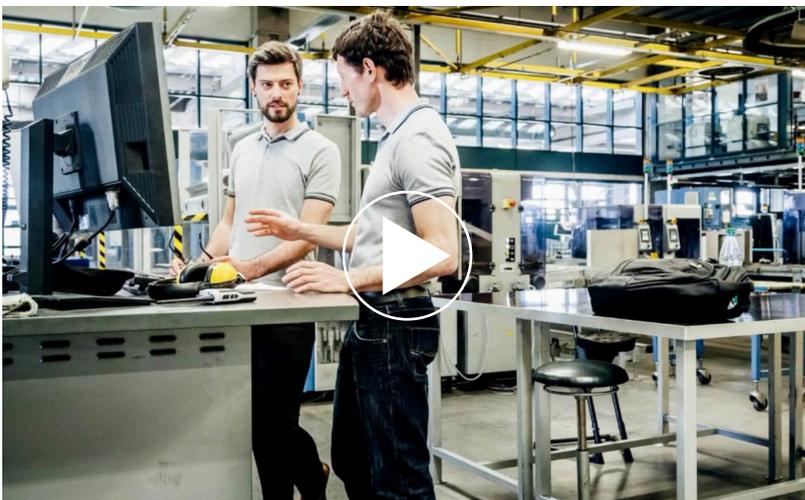
Let's look at the components of a true digital commerce solution

To summarize, a digital commerce solution needs to:

- + Support extremely complex pricing models
- + Support a variety of billing options
- + Leverage a central data repository
- + Offer configuration, pricing, and quoting functionality
- + Provide the ability to conduct the entire purchase in one online session
- + Quickly push new product/pricing iterations out to market
- + Provide profitable guided selling, upsell, and cross-sell mechanisms
- + Automate low-value or repeat orders, allowing sales teams to focus on higher-margin products

In addition, a digital commerce solution must be:

- + Scalable
- + Automated
- + Easily customizable and modifiable



“We are almost exclusively a digital retailer. You find us online. With the help of Oracle CX Cloud and Oracle ERP Cloud, that day you will receive a firm quote from us digitally. Here’s the quote, the price, shipping, and a graphical rendering. That’s a custom product, not off the shelf. Speed. That’s the way we win.”

— Mike Daniel, CEO, Sportable Scoreboards



Ask yourself: do you want to sell online or do you want a complete digital commerce solution?

To remain successful, B2B companies must grow (and scale) sales, iterate new products, provide choice, enter new markets, add new sales channels, add accounts, establish new pricing models, and scale their business model.

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 we've discussed a lot about the "why it matters," but what you may be wondering "what are the benefits for me?" What will I achieve if I deploy a digital commerce solution across CX Commerce, Subscription Management, ERP, and CPQ? Here are nine fantastic benefits.



9 benefits of a true digital commerce solution

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

Consolidates sales data

One of the main benefits of true ERP/CPQ/Commerce integration—not just a hodge-podge of bolted-on applications—is the centralization of all sales data (no matter the source). Omnichannel functionality is something your customers no longer loudly demand; they quietly expect. And quiet expectations can be harder to meet than vocal 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 Cloud ERP 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 Cloud ERP with CX Commerce makes real-time data available to the storefront, allowing customers to view and access (for example) available inventory, latest order status, and also track shipments using the lot/serial or other tracking numbers. This reduces operational costs and improves the online customer experience.

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



Reduces inventory cost

An integrated Oracle Cloud ERP 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 forecast what (and how much) inventory is needed. No more waiting for quarterly reports to begin planning. You can react quickly, capturing more revenue and reducing loss.

Supports subscription-based pricing

Subscription-based pricing extends your reach into new demographics and markets. Subscriptions also add a predictable revenue stream, and the higher the percentage of predictable revenue, the better you can organize your business to innovate faster and boost customer satisfaction.

By combining the power of Oracle CX Commerce and Subscription Management with Oracle Cloud ERP and CPQ, your business can support subscription pricing, recurring licenses, support agreements, or modular solutions through an online storefront. These transactions can be handled effectively beyond the initial sale in the form of support and management of renewals and changes. (And) again, they provide capabilities for up-sell and cross-sell opportunities, delivering enhanced revenue and profit.

The key benefits of working with a subscription-based system are the ability to manage all these transactions through your ecommerce 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.

Increases productivity and saves time

An integrated Oracle Cloud ERP/CX Commerce/CPQ solution streamlines multiple business processes, reducing the need for human involvement at a less-than-ideal part of the lead-to-order process. 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. Salespeople can transform into business advisors. Operations personnel can spend more time planning and executing tactical initiatives to address theft and loss or surpass customer retention goals.

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



Reduces data redundancy and error

Information such as customer details, web orders, payment & shipping information will be accessible in Oracle Cloud ERP. 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.

Improves customer service

By combining Oracle Cloud ERP 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, which creates more favorable impressions and leads to higher customer retention rates and greater customer lifetime value. Really, who would not like a solution in hand before we even become aware of a problem?

Simplifies financial operations

Oracle CX Commerce can generate sales reports. Through the integration with Cloud ERP, businesses can easily combine that data with Balance Sheet, P/L Statement, Trial Balance, Cash Flow, etc. providing transparency on web transactions and accuracy in terms of financial information across the organization.

Provides better business controls

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

Let's get started

Your customers' needs and expectations will never remain static. By providing an online, frictionless experience designed to meet your customers' needs today and the challenges and opportunities of tomorrow, you are in a better position to earn their trust, improve their loyalty, and turn them into true advocates of your brand.

Learn more about the power of combining Oracle Cloud ERP and CPQ with Oracle CX Commerce and Oracle Subscription Management to gratify instantly, deliver more than expected, and knock your customers' socks off.

For more information...

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