

Customer Experience
Cloud

The Digital Commerce Guidebook

—
Making the Business Case for Unification



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In a marketplace where products have become commodities and competing on price is a race to the bottom, brands and retailers need to be looking toward experience as a key differentiator. The question then becomes who are your customers and what are their biggest needs?

- Scott Lachut, President of Research and Strategy, PSFK

Digital Commerce Has Grown Up

Think back to how the world of online sales used to be.

The mobile frontier was yet to be explored. Artificial intelligence was little more than science fiction. The Internet of Things hadn't been born. And, given the (limited) tools at their disposal, companies sold more through brick-and-mortar storefronts, wholesalers, and other channel partners than online—relying on a patchwork of siloed point solutions to bring everything together.

Then, the market changed.

Mobile bloomed. AI graduated from silver screen to mainstream. Leading-edge companies unveiled new online storefronts and began working toward providing fully integrated digital experiences. And customers—quick to translate “novel” to “normal” all while looking for the next new thing—ratcheted up their expectations at every turn.

The sea of change washed over all, but future-minded companies rode right in on the tide. They built bridges between siloes by embracing integrated cloud suites spanning front and back office (commerce, content, CPQ, ERP, and even subscription management).

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In emerging markets, many consumers have access to smartphones, while lacking access to desktops or tablet devices. Surprisingly simple ‘mobile-only’ strategies are yielding big gains for smart digital commerce professionals breaking into new global regions.

- Katrina Gosek, VP of Product Strategy, Oracle CX

Digital Commerce Has Grown Up

They are leaders, but you can do better. Read on to learn their secrets and how to make the right decisions as you build your (better) unified digital commerce solution.

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Our number one ask is ‘Can you make it look like Amazon?’ And that usually leads us into a discussion on ‘Why do you have to be like Amazon? Why can’t you be even better?’ It is about personalization, configuration, customization, and for B2B, intelligence (i.e. research). That is where CPQ can play a big role. You can configure it, visualize it (in 3D if you want to), purchase it, save it as a favorite, reorder it—there are a lot of capabilities and we work with our customers to help them understand how they can be better than Amazon.

- Sri Ayyeppen, President and Chief Technology Officer, Keste

Unified digital commerce fulfills the following goals:

1. Growth of repeat buyers and customer advocates
2. Improved site traffic and product discovery
3. Increased engagement, conversion, and average order values

Establishing Your Baseline

Your online customers today expect their shopping experience to flow, uninterrupted, across devices. They also want accurate information that updates in real-time, personalization, and frictionless checkout—benefits you can build by embracing three central tenets of digital commerce:

- **Agility:** Utilizing technology to adapt to market shifts without tapping IT's resources
- **Customer-centricity:** Meeting the precise needs of customers at every touchpoint, in real-time
- **Innovation:** Delivering a world-class shopping experience unique to your brand

So the question is: Do you provide those elements with your current toolset? And better yet, can those tools operate automatically? This checklist of digital commerce capabilities will help you spot areas where you have room to improve:

Can you:

- Provide consistent online, mobile, and in-person customer experiences?
- Easily configure custom offerings, adjust prices, and provide professional-looking quotes?
- Personalize experiences and recommendations at the right “micro-moments?”
- Offer up real-time information on inventory levels, order statuses, and shipments?
- Provide content to help customers researching your offerings?
- Support new monetization and consumption models, such as subscription pricing?
- Run financial reports to assess performance, sales, profitability, and more?

Establishing Your Baseline



If the checkboxes are looking a little bare, making strategic changes will help you gain market share and increase revenue.

Let's discuss what you can do to grow from ecommerce to a complete digital commerce solution.

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Ecommerce can certainly be deployed as a standalone solution, but manually entering or exporting/importing data from the ecommerce storefront into backend systems is time intensive...you are not able to provide an accurate view of product data, available inventory, or latest pricing and promotions in real-time. And if shipping and tracking details are not sent on time, it can cause significant disruptions in merchandise procurement and delivery, leading to customer dissatisfaction, returns/refunds and eventually loss of revenue. Ultimately, your customer experience takes a hit—so why not integrate?

- Ranjit Goray, VP of Ecommerce, Hitachi Solutions

Embracing Agility

Customers expect companies they do business with to be agile (i.e. to quickly and successfully adapt to new expectations). And increasingly, those expectations have timelines attached. For any of the items you checked off your list to really resonate with customers, you'll need to make them happen sooner rather than later (think days/weeks vs. months/years).

If you're thinking to yourself "Well, that's unrealistic," you're not alone. Legacy point solutions present stubborn hurdles for companies working to deliver connected commerce experiences.

In many cases, the clunky integrations that ostensibly "connect" front office systems with ERP or SCM systems just force manual workarounds, adding cost and complexity.

What's more, when it comes to implementing changes, customized code forces a reliance on IT that creates bottlenecks and leaves users unable to quickly evolve legacy features or add needed functionality.

And, perhaps most detrimentally, the ability to analyze and act upon behavioral data can be cumbersome with legacy platforms. This forces manual workarounds that leave management in the dark, with no way to make decisions—even when such decisions are needed to keep pace with (or pull ahead of) the marketplace.

How your legacy systems can get in the way:

- The amount of information available to customers and partners is limited, hindering the self-service capabilities that are integral to digital commerce experiences.
- With limited information available, companies struggle to provide the online functionality that's needed. Why? Because they don't know what is needed.
- Decision-making demands a significant investment of personpower—and too much time.
- They are unable to support a variety of emerging technologies such as AI, machine learning, and voice-activated assistants.

Embracing Agility

So, it's not that sellers don't grasp the value of complete digital commerce experiences. Rather, a crack has opened between how most companies envision their digital commerce strategy and the stark reality of what they can create.

| Customers want: | Companies try: | But in reality: |
|--|---|---|
| Frequent fresh offers 75% of shoppers' site search queries are brand-new every month . ¹ | 77% of organizations want to launch new offers in two days or less . ² | Only 32% can actually get new products or offers in-market within days. ² |
| Guided selling 46% of online buyers have abandoned a purchase because there were too many options to choose from. ³ | Personalization is the top strategy for 47% of B2B marketers in 2020. ⁴ | 35% of buyers say companies do a "poor" or "very poor" job of personalizing recommendations. ⁵ |
| Seamless experiences Mobile influences more than 40% of revenue in leading B2B organizations. ⁶ | 42% of companies have a mobile-optimized website. ⁷ | 60% of companies think they're providing a good mobile experience, but only 22% of buyers feel the same. ⁸ |

So, what does it take to grow beyond vision and create reality? The first step is to become more agile.

Standards-based, integrated, flexible commerce platforms overcome barriers to agility by allowing companies to adapt and innovate, independent of IT and developer support. For example:

- New products/promotions are pushed to market quicker, when the customer still views them as relevant
- Self-service options are provided, automating many customer interactions
- Customer service issues are dealt with quickly and efficiently
- IT teams can shift focus from managing integrations to nurturing performance
- Companies are able to establish unique pricing for each customer and honor custom price quotes
- Inventory counts from multiple distribution points are managed effectively
- The speed of order fulfillment increases
- Online and brick-and-mortar sales are fully integrated

Changing Your Mindset

A shift in mindset—oriented to the new normal of continually changing customer expectations—is key to maximizing the value of your toolset. Consider:

More than **40%** of consumers are only willing to scroll **two pages** searching for a product before abandoning a site.⁹

B2B buyers expect vendor websites to provide them with augmented reality options (**38%**), video chat options (**33%**), and real-time IM options (**22%**).¹⁰

32% of customers would walk away from a company they previously loved after **one bad experience**.¹¹

So, pure capabilities aside, what do organizations need to overcome to carve out a leadership position in terms of digital commerce? Let's take a look:

1. Insight blindness

Even if digital commerce professionals see growth stagnating, many couldn't provide a reason why. While data from multiple sources may be available, the ability to bring it together and analyze is not.

Embedded AI capabilities combine insights on customer touchpoints gleaned from first-, second-, and third-party data sources. By combining statistical models from machine learning libraries with this real-time customer data, AI can deliver the insights needed to provide personalized recommendations in real-time. To reach their customers, companies can use chatbots, virtual shopping assistants, in-store push notifications, and more.

2. Siloed decision-making

IT, distinct lines of business, and marketing decision-makers all have budgetary discretion, but their lackluster interdepartmental collaboration makes it challenging to identify budget efficiencies.

3. Incomplete content

Customers turn to self-serve videos, reviews, and other channel-customized content to round out their experiences and build trust. Still, many brands struggle to keep pace with the demands.

The Four Rungs of Innovation

Digital commerce groups can embrace customer-driven innovation by focusing on four capabilities needed to transform into market leaders:

Connected data

Continually evaluating products and channels provides the foundation for the action plans needed to adapt to purchasing trends. However, continuous evaluation demands the ability to easily access data from multiple sources to quickly make informed decisions.

Integrated commerce and ERP (bridged with CPQ) can make it possible to compile key data which can be used to glean insights on pricing, seasonal trends, lost sales, inventory turns, sales patterns, obsolete configurations, and new product opportunities—all while realizing more profitable sales opportunities.

Unified content

Ensuring that customers have access to a variety of multimedia content to compare options and evaluate benefits calls for an integrated content solution focused on the effective management of different content varieties, including digital assets spanning video, rich media, text messaging, social media, and more.

Providing an array of content in whichever form a customer desires mirrors the personalization customers covet through product recommendations and guided selling capabilities.

Unified teams

Allowing all teams that touch your digital customer experience—whether they be customer-facing or behind the curtain—visibility into all parts of the process fosters collaboration and connectedness to quickly resolve issues. (In many cases, before your customers even realize that there are any.)

Personalized, at-the-moment experiences

Leading digital commerce solutions incorporate AI to interpret massive amounts of data across numerous systems to recommend personalized, moment-by-moment experiences for customers. AI and machine learning unlock shoppers' patterns and user behavior insights gleaned from first-, second-, and third-party sources. The conclusions—that, just a few years ago, took data scientists weeks of regression analysis—are now achieved in minutes. With streamlined access to multiple customer data touch points, these technologies help developers, merchants, and innovators deliver a variety of personalized campaigns and product suggestions.

Picking Your Partner

The decision to invest in a variety of point solutions versus an integrated suite poses challenges. Selecting a technology vendor with a comprehensive cloud technology stack, like Oracle CX Commerce, CPQ, ERP Cloud, Subscription Management, and Content ensures a simplified IT footprint and a seamless experience (for both customers and employees).

Our customers have access to an integrated suite for managing marketing, social, sales, service, analytics, data, third-party applications, and more. This unified approach significantly speeds integration times and frees up development resources to create innovative commerce experiences.



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