



Business challenge

To drive same-store sales, Kotipizza wanted to grow its online business and increase revenues from digital sales channels. How could it deliver seamless digital experiences to achieve the goal?

Transformation

Takeaway customers expect a fast, convenient ordering experience online and on mobile. To meet these demands and grow digital revenues, Kotipizza aimed to shape seamless journeys on all channels. Today, the company enables digital customers to check out in as fast as nine seconds, driving conversion and lifting digital revenues by 50 percent.



Tommi Tervanen
CEO
Kotipizza

Business benefits:

87%
of customers complete their digital orders in under a minute

54%
increase in average basket size on the digital channel

50%
revenue boost achieved for digital orders

Kotipizza

Generating millions in incremental revenues with seamless journeys

Founded in 1987 and headquartered in Helsinki, Finland, Kotipizza is a leading pizza restaurant chain. With 269 franchise restaurants operated across the country, the company generates combined sales equivalent to approximately USD78 million.

“Thanks to our IBM solutions from Solteq we’re ideally placed to shape new services to delight our customers.”

Tommi Tervanen, CEO
Kotipizza

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Growing appetites, new opportunities

In Finland, sales at traditional restaurants are in decline—creating valuable opportunities for growth in the quick-service market. To drive revenues in this space, Kotipizza aimed to increase its same-store sales, but the shifting demographics of its customer base presented new challenges.

Tommi Tervanen, CEO at Kotipizza, takes up the story: “Our vision is that everyone in Finland should be able to eat locally and responsibly sourced food for under 10 Euros. Because millennials now make up a significant and ever-growing portion of our customer base, we knew that winning their business meant delivering an experience that was relevant to them.

“As millennials favor the digital channel above all others, we wanted to grow our online business; it would be a great achievement if we could drive 20 percent of our total revenue through the digital channel within the next few years.

“In the past, we relied on a third-party provider to host and manage our e-commerce platform. The difficulty with this approach was that it was not possible for us to add new features, such as a dedicated mobile site. In addition, we had no visibility of how our customers were interacting with the online channel, which made it impossible to identify individual customer preferences and deliver tailored marketing messages.”

Shaping seamless digital journeys

To reach its target customer base, Kotipizza engaged IBM® Premier Business Partner Solteq to help build a new e-commerce platform based on IBM Commerce solutions.

“The Solteq team helped us to pare our approach to the digital channel right back to first principles,” recalls Tommi Tervanen. “Working together with Solteq’s expert consultants, we decided to adopt a food-first approach. The concept was that the digital journey should be visual and intuitive, driven by attention-grabbing images of our bases, toppings and sides. The aim was to help our customers to browse, customise and check out their order with the smallest possible number of clicks.”

He continues: “By adopting IBM WebSphere® Commerce as the heart of our e-commerce platform, we have brought our food-first approach vividly to life—whether customers are visiting us from a laptop, a tablet or their cell phone. Thanks to a fast-scrolling display, it’s easy for our customers to find the items they want and add them to their basket.”



Understanding the customer experience

To refine the design of its new e-commerce stores, Kotipizza utilizes IBM Tealeaf® CX software to track how its customers move through its sites, and detect any struggles they encounter along the way.

Tommi Tervanen comments: “More than 50 percent of our traffic comes from mobile, which can be one of the most difficult channels to achieve conversion on. With IBM Tealeaf CX, we can monitor customer interactions, and identify ‘sticking points’ that might cause visitors to abandon their journey.

“By designing our e-commerce stores based on actionable insights into the way that our customers actually use the digital channel, we enable our customers to move from browsing to checkout in as fast as nine seconds—although many customers choose to take more time browsing our menus!”

Claiming a bigger slice of the market

Powered by IBM Commerce solutions delivered by Solteq, Kotipizza's new approach to e-commerce is already winning over customers across Finland.

"The proof of our success was always going to rest on the response from our customers," says Tommi Tervanen. "The results speak for themselves—since we launched our new online and mobile stores, we have seen 50 percent boost in our digital revenues, equivalent to millions of Euros in incremental sales per year."

He continues: "We believe that one of the most important factors in the success of our new e-commerce platform is how easily and quickly our customers can move from browsing to checkout, even if they are visiting us from devices with relatively small display areas. Around 87 percent of all our online orders are completed in less than a minute, and the entire journey can be completed in as few as three clicks."

Developing personalised marketing

By bringing its customer data in house, Kotipizza is beginning to uncover valuable new insights into customer preferences, which will ultimately enable it to deliver personalized, relevant promotions that nurture customer loyalty.

"We can already see that our registered customers are more likely to spend more per visit than customers that visit us in-store or call in over the phone," adds Tommi Tervanen.

"In fact, our average basket size for registered digital customers is 54 percent larger than unregistered customers. As a next step, we plan to use this deeper understanding of individual preferences to create compelling, tailored messages to incentivize customers to visit us time and again."

He concludes: "Our journey with e-commerce is just beginning, and thanks to our IBM solutions from Solteq we're ideally placed to shape new services to delight our customers."



Solution components

- IBM® Tealeaf® CX
- IBM WebSphere® Commerce

Take the next step

To learn more about IBM Watson Marketing solutions, please contact your IBM representative or IBM Business Partner, or visit the following website: www.ibm.com/WatsonMarketing

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