Transforming the customer experience

IBM Consulting Services with hybris
The new normal

It is no secret that customer expectations have changed considerably in recent years. What’s remarkable is the gap between the experience customers want and the experience they actually get. That gap is playing a larger role in whether a customer stays your customer, or decides to go somewhere else.

At its core, these trends are driven by experiences your customers have come to expect. A multi-year study conducted by IBM shows that nearly half of today’s shoppers prefer to make their purchases digitally.1 Broken down by age, shoppers under the age of 40 skew the results with an “above average and growing preference” for online purchases.

At the same time, consumers are showing more sophistication – looking to combine the benefits of digital with the ability to shop in the physical space. This has created an important opportunity for traditional companies to better defend themselves from the threat of new players competing for customer’s mindshare and share of wallet.

But this trend in behavior has also increased the pressure on companies to better integrate across online and offline channels at all stages of the customer journey. It’s not easy. Many companies have reacted with an online-only solution separated from their offline channels. In many cases, this has not stemmed the tide, but has led companies to the practice of regular discounting. This stifles profits – profits needed for investments to meet new customer expectations. Other companies, particularly in industries that thought themselves immune from such changes, are now looking for ways to catch up quickly. In a recent Global Chief Marketing Officer (CMO) study a staggering 82 percent of CMOs report feeling unprepared for this shift in consumer behavior.2 This puts businesses at risk – especially at a time when it’s easier than ever for customers to shift loyalty based on their experience.

1 Shoppers disrupted: Retailing through the noise, published by IBM Institute for Business Value
2 CMO insights from the Global C-suite Study, published by IBM Institute for Business Value
Changing the game

The first thing that companies must realize is that e-commerce is no longer a term reserved for a single channel offering with customers placing orders via web sites.

That idea is one part of what is increasingly referred to as just “commerce.” It’s not just about capturing orders online. It’s about a holistic approach to your business – offering a seamless experience for your customers at all stages of their relationship with you. It’s using the “commerce platform” as the center of your customer engagement strategy, and aligning your efforts around that. It’s about marrying the digital engagement capabilities with the physical, real world experience your customers desire.

The next thing that companies need to think about is how to approach change. For a long time the standard approach has been to add additional capabilities over time to address needs as they arise. Yet this approach has led to fragmented customer experiences across business lines and channels. They often leave gaps between key stages of the customer journey leaving customers frustrated and eager to find alternatives. Unfortunately, as leaders begin to recognize the need to improve the customer experience, they find themselves struggling to change the systems and processes that have sprung up over time.

IBM’s view is that companies should first focus on a key mission: simplify. Sounds easy, but what does it mean? It means creating a clear vision on how the customer experience is simplified. Then use this vision to prioritize new operational and technology models. These models should be redesigned horizontally across different stages of the customer journey. Focus on enabling prospective customers to accomplish their goals. Give them a great experience so they want to do business again. When customers find value, they’ll come back for more.

Simplification of the customer experience requires a focus on the second key mission: innovate. Innovation should begin by consolidating the platform your company runs on. It will be much easier to integrate the customer experience when it’s not touching so many disparate systems.

The resulting profits can be channeled into the next phase of the journey: transform. By getting your company out of a defensive position, you can invest further in capabilities that truly differentiate your business, and transform your place in the market.
This makes us uniquely qualified to help your company’s journey toward a unified, profitable customer experience in the digital age. To this challenge, we offer three key offerings.

First, we offer IBM Smarter Commerce services. A smarter approach to change requires more than a new product. You need an experienced hand. This team has led transformations over the years in several industries using many platforms.

Second, we offer IBM Experience (IX) design service. As one of the largest, continually operating interactive design agencies, our IX team brings deep skill in design to reshape the experience you want your customers to have. They help you think through more than what your screens look like. They imagine the path your customers want to take, and how you can deliver to build valuable, lasting customer relationships.

Third, IBM offers SAP hybris practice. SAP hybris is the leading commerce platform on the market today, and the reasons are clear:

- The modern framework gets you up and running faster than legacy offerings.
- The unified, omni-channel engagement model enables the kind of integration critical to the experience your customers want.
- It’s the first and only platform that approaches customer relationships from beginning to end – offering solutions to align your customer’s experience across touchpoints.

With IBM expertise and offerings around cloud, analytics, mobility, social and security, the combination is a winning formula.

Success Stories

Technopolis is a Bulgarian B2C retail chain for home appliances and office equipment. Although online sales thrived, customers were unhappy due to poor web performance. Technopolis also missed the mark in connecting online and in-store promotions – resulting in missed sales opportunities.

Technopolis deployed SAP hybris B2C Commerce which helped standardize its online and instore retailing. It optimized selling potential while ensuring brand consistency and user experience. Promotions that once took days to create were rolled out in hours and customers experienced a reliable, integrated online and in-store shopping experience. The implementation also provided tools and capabilities to staff enabling them to more confidently execute their daily tasks.

Before implementing SAP hybris, 30 percent of Technopolis’ web purchases not being completed, and as a result call volume to the service center for manual resolution increased. With this solution, incomplete orders dropped to zero and the company saw a 70 percent performance improvement with web page loading times. Today Technopolis has doubled their number of online orders, saved up to five days on creation and implementation of marketing campaigns and has an estimated 20 percent increase in operation activity.3

A global Fortune 500 company in the distribution of industrial supplies and one of the premier SAP hybris customers in the world. Selling to both consumers and professionals, this company supports a variety of construction projects. Since moving to hybris, the company’s online revenue has grown rapidly. With online sales dominating the company’s revenue, it found their needs outgrowing their existing vendor relationships.

To address a growing backlog of projects, and lay the foundation to meet their needs over the long-term, they turned to IBM as a strategic partner for hybris. IBM provides services that include project-based, hybris Application Development Services to enhance existing North American businesses.

In addition, IBM helped this client launch the e-commerce platform of an European subsidiary. IBM provided its own hybris senior developers to ensure quick returns. The result? The client’s business continues to grow at scale, and is ready to tackle the next phase of their plans to stay ahead of the competition.

3 Technopolis case study, http://ibm.co/1NezMBM
IBM differentiators

IBM has created a competitive advantage with several key differentiators.

Experience design is a key strategic part of IBM global service offerings, and with 20 years of experience, IBM has been providing these services longer than any other company. IBM offers proven e-commerce consulting capabilities, and as a strategic hybris global partner, IBM provides depth, capabilities and innovation to deliver a low risk, cost effective solution to meet your business challenges.

• **Hybris on IBM Cloud:**
  We can quickly deploy and manage your assets in a cloud environment provided by IBM

• **Global hybris delivery centers:**
  Onshore hybris expertise in NA and Europe, onsite and onshore, in addition to offshore options with global delivery centers in India

• **Integration with SAP and IBM Assets:**
  We’ve pre-integrated hybris with SAP, and can connect IBM software and solutions to complete your solution

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Accolades

2015 “Newcomer Partner of the Year” at hybris Global Partner Summit.

2015 SAP HANA Adoption Partner of the Year

For more information, visit: [ibm.co/1OFcu9S](http://ibm.co/1OFcu9S)

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