Meet consumers' increasing demand for sustainable products and experiences

Discover IBM Sustainable Customer Experience for SAP® Retail

Deliver sustainable shopping experiences personalized to the individual

Highlights

– The global consumer mind-shift around sustainability is transforming retail buying behavior.

– Together, IBM and SAP are helping retailers build trust by making sustainable shopping easier and more transparent, and driving personalized experiences based on individual consumer preferences.

– IBM Sustainable Customer Experience for SAP Retail enhances SAP ERP and CX solutions with IBM's advanced AI and MI capabilities.

– IBM Consulting's market-leading services activate and orchestrate data to deliver highly personalized sustainability customer experiences at scale.

Sustainability is the next big disruptor in retailing. 62% of consumers are willing to change their buying habits to help reduce environmental impact[1], and this trend is particularly evident among Gen Z (born after 1997), who will comprise the majority of US consumers within five years[2]. These consumers want to understand what they are buying, why their purchase will make a difference, and how the product fits into a company's larger sustainability strategy. But while consumers of all ages across the world aspire to be more sustainable, attitudes and expectations still vary dramatically from person to person. To build trust and maintain loyalty, shopper experiences should be personalized, transparent, and informed by your customers' individual preferences and views.

Together, IBM and SAP are helping retailers to establish meaningful customer connections with improved transparency around sustainability. This translates into more satisfied customers and increased profitability.

IBM Sustainable Customer Experience for SAP Retail is a strategic, end-to-end solution that enhances SAP ERP and CX solutions with IBM's advanced AI and machine learning capabilities.

This pre-integrated, proven industry-specific accelerator enables you to meet growing individual customer demands for sustainable products and experiences and can deliver:

– Improved customer satisfaction

– Increased cross and upselling revenue

– Reduced customer churn

Explore how IBM Sustainable Customer Experience for SAP Retail can help you understand individual customer needs and beliefs, and deliver personalized commerce experiences that support their values and drive growth for your business.

Harness the power of data to deliver curated customer experiences

Transparency builds trust. 43% of consumers will pay a 100% premium for products that are evidenced to be sustainable in how they are sourced, manufactured, and delivered[3]. But authenticity is key for purpose-driven consumers, who are skeptical of generic claims and wary of greenwashing. They will check your sustainability claims and boycott – even sabotage – products and brands that are not sufficiently transparent or whose claims are misleading.

Understanding the individual customer
Every shopper will have a unique relationship with sustainability, exhibited through their actions and interactions. There is a vast amount of data available in the retail industry from an array of internal and external sources. Carefully selecting the right data helps you understand an individual customer's affinity with sustainability issues, and deliver the brand experience they expect.

IBM Sustainable Customer Experience for SAP Retail uses data and insights from SAP applications, IBM Watson Assistant, and other sources across the ecosystem to power this personalization:

– Customer identity, segmentation, and permissions data

– Customer past behavior and actions captured across multiple interaction points

– Customer interactions with digital shopper assistance applications

– Customer attitudes and actions from direct and indirect data such as call transcripts, e-mails, and social media activity

– Customer sentiments captured in their own words from insight surveys

Clearly communicating what makes a product sustainable and how their purchases help people and the planet, is key to influencing consumer perspectives as well as their purchasing decisions.[4]

Sources:

1. "Sustainability at a turning point," IBM Institute for Business Value research brief, May 2021.

2. "Greener Consumers Demand Sustainable Brands, The Green Revolution Will Drive The Next Wave of Business Transformation," Forrester Research report, August 2, 2021.

3. "The last call for sustainability," IBM Institute for Business Value research brief, August 2021.

4. "Consumers want it all: Hybrid shopping, sustainability, and purpose-driven brands," IBM Institute for Business Value Research Insights in association with National Retail Federation, January 2022.
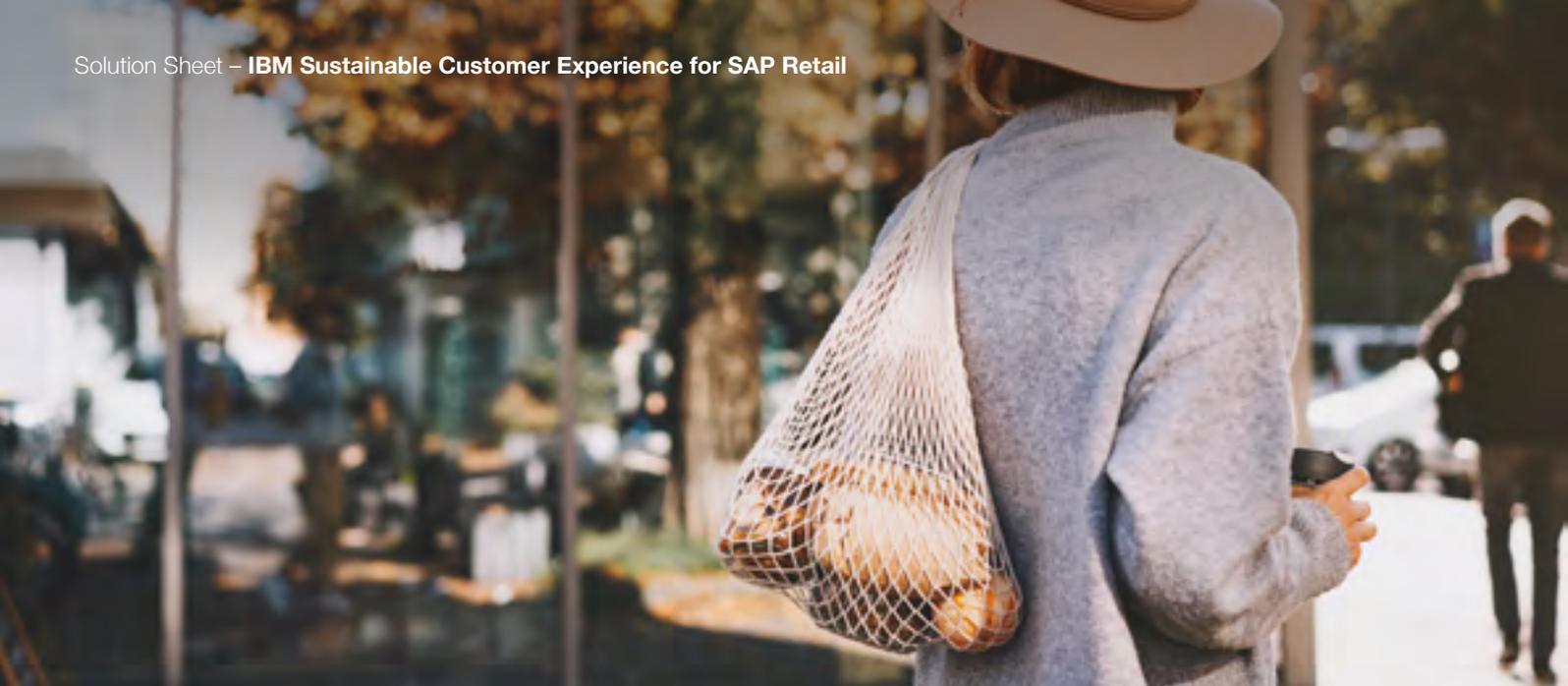
The end-to-end solution is also easily expandable to additional third-party capabilities, enhancements, and integrations with IBM's unique, true headless, open-source Experience Orchestration framework.

Determining each customer's affinity with sustainability

Using intelligent workflows, IBM Sustainable Customer Experience for SAP Retail automates and routes these insights which are then aggregated and augmented with AI and machine learning to determine the individual customer's sustainability affinity. This affinity score is the key to delivering an experience that matches the individual customer's personal sustainability attitudes and priorities.

Delivering a personalized sustainable customer experience

The solution's flexible and expanding attribution model currently provides 56 preconfigured sustainability attributes which can be added or removed as required. These include product and packaging content and the use of water and fossil fuels at every stage of the lifecycle, from manufacturing and distribution to usage, returns, and disposal.

Combining these attributes with the customer's sustainability affinity means content is always relevant and their search becomes highly targeted and friction-free.

This is crucial to delivering dynamic personalization of the customer experience to trigger the promotion of the right products to the right people at the right time – increasing profitability while improving customer transparency and trust.

Summary: Helping retailers deliver on the sustainability promise

Promoting and selling the right sustainable products is good for the environment and good for the customer. Providing personalized experiences that reflect the needs and views of the individual consumer enables retailers to build trust, loyalty, and brand value. IBM Sustainable Customer Experience for SAP Retail can help by:

– Identifying micro-segments who share common views about sustainability and translating into sustainability personas

– Defining, publishing, and integrating product characteristics that relate to sustainability

– Enabling consumers to factor sustainability into their purchasing decisions

– Targeting individual sustainability-driven buyers with the right offer, at the right time and on their preferred channel

– Delivering rapid time to value

IBM and SAP: Redefining the Intelligent Business Standard

Organizations of all sizes and industries are looking to create exceptional customer experiences, uncover new revenue opportunities, optimize investments and fundamentally reinvent how business gets done by using intelligent technologies and migrating to the cloud. But the shift in strategy to do it right is far from easy.

IBM and SAP have the innovation and industry expertise to help set that strategy and see you through the change. We are actively working with businesses around the world to define the standard for how AI, machine learning, and other intelligent technologies are used most effectively and most responsibly, and rapidly developing and deploying industry-specific cloud solutions.

SAP provides the world's leading intelligent applications and technologies – including an industry cloud platform to deliver innovations at scale – connecting, clarifying and using all the data that matters to your organization to make your processes more nimble and decisions more powerful. IBM helps customers build smarter businesses and is a global leader in SAP transformations – offering in-depth industry and process experience, together with game-changing AI, multi-cloud and on-premise deployment, and talent and change management capabilities.

Together, we will lay the foundation for innovation for your business, infusing the best technologies available, preserving your existing investments, and taking your organization where it needs to go. We'll help you take transformation from a boardroom topic to an everyday reality – working together to bring intelligence to your entire enterprise.

For More Information visit: www.ibm-sap.com/digitaltransformation