

## CHANNEL-SURFING TO SALES SUCCESS



An omnichannel strategy centers around creating a cohesive, consistent and engaging customer experience across all touchpoints, from marketing to servicing. Such a strategy must be seen against the backdrop of key trends in the industry, such as the surge in D2C business – not just in retail – but across all sectors, including manufacturing, CPG and automobile. Companies across sectors are preparing for “direct customer sales and order anywhere-fulfill everywhere” readiness. The speed of delivery required across B2C and B2B channels makes it important for businesses to streamline, simplify and integrate internal operations to ensure logistics visibility. Another key change is the push towards sustainability, for this is influencing buying decisions. The marketplace revolution and the increase in drop shipment channels, outcome-based models, and the expectation from customers of a consistent, personalized and tailor-made experience across all channels right through pricing, order management and delivery are the other trends pushing enterprises towards an omnichannel strategy.

Enterprises that can handle such complex variations of order entry and fulfillment – across B2C/D2C, retail stores, social media and B2B (large customers/channel partners) streams – will emerge as multichannel leaders that exhibit multichannel sales growth significantly above the industry average.



## The four cornerstones of an omnichannel strategy

A few years ago, it appeared that consumers would leave behind physical contact points such as retail stores to wholly embrace the online world, but that is not what has happened. Instead, today's digital savvy consumers are also channel-agnostic individuals. As a senior analyst at Forrester Research points out, "B2C and B2B buying is situational – it will never be one way because consumers/buyers get different kinds of value from different ways of purchasing." This is good news for companies that can orchestrate an effective omnichannel strategy.

That orchestration is, however, more a matter of execution – around processes, technology and metrics – rather than vision and strategy. And one Forrester believes is built by focusing on four key areas: (a) Engagement, as the path to purchase is a connected journey, (b) Fulfillment, which is the ability to sell anywhere & fulfill orders anywhere, (c) Product, pricing and promotions consistent across channels and finally, (d) an omnichannel view of the customer.

## One customer, many facets

The last is critical, and building a unified layered profile of a business' consumer is about using all the omnichannel interfaces as data collection touchpoints that feed into that profile. Therefore, The omnichannel strategy can be used to build richer customer data for the enterprise, translating into targeted selling and better personalized customer service across channels. This can be supremely challenging – large consumer product companies, for instance, may have over one thousand sales channels. The key is understanding which transactions drive volumes while presenting the greatest automation opportunities.

Here, another critical question is whether an omnichannel approach or unified customer experience is meant more for B2C than B2B. Personal life B2C interactions and their quality – such as a great cross-channel brand experience – will influence goalposts for B2B interactions as well, points out the Head of Digital Advanced Services at a leading material handling equipment supplier. He believes that the importance of omnichannel in B2B will increase in the future until "one day there is going to be some sort of a merger between B2B and B2C, and it is all just considered commerce." For consumer product companies, the focus is not just on B2C but the e-commerce marketplaces (such as Amazon) driving volumes, points out a senior executive from the Digital CX and Commerce team @ SAP.

## From engaging right to delivering the goods

Conversely, engagement is building one continuous path to purchase as companies move from a multichannel mode to an omnichannel one. That could be making product recommendations based on shopping behavior across channels, maintaining a unified account and order history, and a unified wish list/shopping cart. Doing this means changing how tools are designed – they need to be created outside of, not within, organizational silos.

Getting fulfillment right is about correctly answering the challenges around inventory planning, management, and logistics operations, including delivery, shipping, and returns. At the material handling equipment supplier firm, which manufactures forklifts, real-time inventory visibility is critical to the service parts business, as typically, forklift customers have no fallback if a machine needs maintenance. So, the company makes parts inventory visible to customers through a proprietary app and for dealers through a dealer portal. The ERP (SAP ECC) plays a major role in managing inventory, and this is connected to the business systems of dealers through the Dealer Connect application – this ensures that dealer inventory can be tapped to meet an urgent customer requirement. The critical last piece of the puzzle for a good fulfillment execution is putting the right metrics for omnichannel programs in place – "...measuring success is critical for knowing what is working and, more importantly, what is not", points out the Forrester analyst.

According to Forrester, the final area of focus is getting a consistent pricing strategy across channels. That is easier said than done – Forrester data shows that three out of every four consumers in the United States say they expect to pay the same final price no matter what channel they use to buy. Still, just over half the sellers currently offer a consistent experience across online and in-store touchpoints. The situation is made more complex due to the proliferation of sales channels, with a typical result being that pricing quoted at a front-end system to a customer does not match with backend ERP pricing.

How can enterprises avoid such snafus while scaling their channel presence? One solution, points out De Mersan, is to use an abstraction layer such as SAP BTP. This ensures that non-scalable point to point (one to one) integrations are avoided, with integrations instead routed through API-based cloud services. In the pricing context, pricing on any channel is served out by a pricing service connecting to the ERP through the BTP layer – this ensures consistency.

The greatest challenge in executing this four area focused strategy is that goalposts are always moving as new channels and ways of buying and fulfilling are always around the corner. Given this, companies must identify which channels work for them (i.e., are profitable) and only unveil omnichannel services when they are truly ready. As the Forrester analyst points out, "poor experiences are usually rewarded with attrition."

## From front to back

The SAP One Office Platform offers enterprises a comprehensive omnichannel platform fully integrated with the enterprise technology ecosystem.

At the center is the Digital Core or Cloud ERP deployed for the specific needs of industry segments, including Retail, Consumer Products, Utilities and Automotive. The ‘clean core’ play with integrations managed via the Business Technology Platform (BTP) layer is central to the architecture. The omnichannel capability comes with the CX portfolio, which spans Customer Engagement, Commerce, Sales and Service.





## CASE STUDY: Becoming an Omnichannel Leader

Infosys' client is a premium sports equipment, sportswear and fashion lifestyle company with a portfolio of global brands across the globe. The company has 575+ stores across 76 countries and is one of the biggest suppliers of outdoor products in its markets. A key, rapidly growing channel is D2C, which they previously facilitated through multiple websites. The company also sold through self-owned stores and outlets in addition to B2B sales via franchise stores. A third channel was direct sales to large corporations and the military.

This three-pronged sales model was supported by a self-service order management system delivered via an app for in-season and pre-season orders and a CRM app used by sales and customer service teams. However, this technology framework created multiple challenges for the company. As it had grown via acquisition, the backend was a patchwork of various ERPs. There were cross-channel allocation issues – limited stock led to inventory blocking by wholesale channels at the expense of retail/e-commerce. Sub-optimal returns management across channels was an issue due to a lack of automated workflows to manage returns.

From a customer standpoint, there was a lack of visibility for repair and warranty replacements, part of a wider inefficient customer service operation. There were inconsistencies in pricing and promotions, and significantly, customer profiles were scattered due to the multiple e-commerce platforms in play. IT systems could not connect to create a unified profile of a customer shopping on various shop fronts. Overall, shoppers were denied a great consumer experience, and the need was felt for a next-gen tech solution.

## The Infosys solution was rolled out in stages:

**#Stack 1: SAP Commerce Cloud** was implemented for a few regions, and this rollout is underway in more geos. This provided a modern B2C omnichannel storefront to the client, delivering:

- Personalized digital commerce experience, with real-time recommendations and adaptive search based on customer browsing history
- Product visibility across different sites
- Provided Powerful promotions engine
- Order capture and tracking through tight and seamless integration with S/4HANA

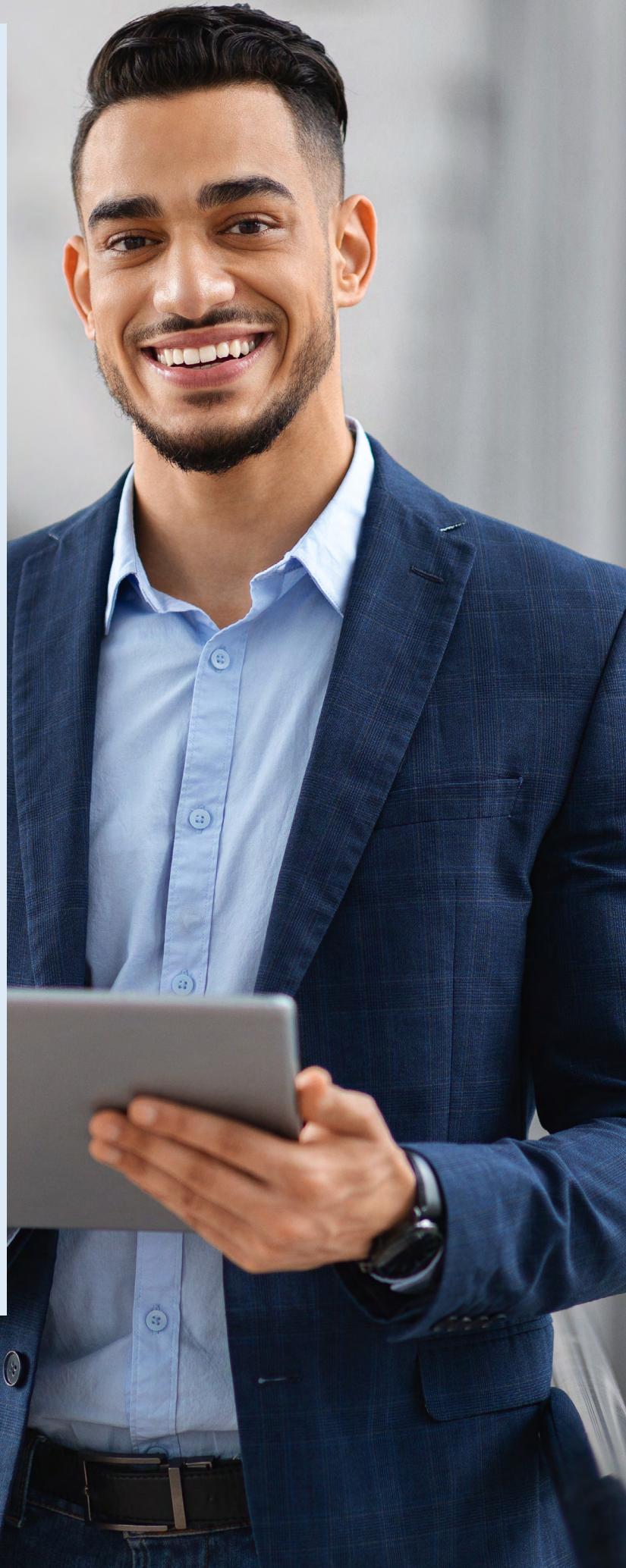
**#Stack 2: Implement SAP Customer Data Cloud (CDC) for a few brands with additional rollout** underway. With this, the business finally has a unified profile of the customer across multiple online shop fronts. The solution delivers:

- A unified customer profile for a customer - a single source of truth for a customer across different geos and brands
- Seamless identity and user access/authentication across websites
- Consent and Preference Management, ensuring compliance with data privacy and security legislation such as GDPR and CCPA

**#Stack 3: SAP CX** for the sales team standardized Sales Cloud processes across lead, account and order management through sales planning, forecasting, and reporting. This ensured:

- A SINGLE view of all customer communication in terms of sales and service
- Elimination of manual tasks
- Greater insight into business performance and an ability to scale operations for anticipated high customer growth

The digital core for the ERP backend came from SAP S4/HANA, which was fully integrated with D2C components (SAP Commerce, CDC, as well as legacy systems), Retail PoS systems and B2B components (EDI/OMS/SAP DX). S4/HANA functionality deployed included Procure to Pay, Order to Cash, Finance & Controlling and Retail. Order to Cash was a key component implemented across wholesale, e-commerce portals and retail channels. The system now manages pricing strategies, stock allocation, sales and customer service across these channels.



## Key benefits delivered

- Around 40% improvement in Material Resource Planning (MRP) performance.
- Increase in order fulfillment and better future season planning by adopting aATP and backorder processing
- Approximately 50% savings in customs duty with Brexit solution
- Better inventory visibility across channels in one Single S/4HANA system
- Common stock and separate demand segmentation strategy across channels to avoid stockouts
- Improved customer service operations for repair, replacement and refusal process for warranty claims across channels

**Omnichannel enablement for any company is not brought by a single product, a single solution.... it is a journey.**

Saurabh Kumar, SAP Q2C Transformation Leader @ Infosys

- Channel specific planning as input for the MRP live avoiding stockouts and cannibalization
- Real-time inventory updates on e-commerce platforms and pre-defined intervals for B2B customers via EDI

## CASE STUDY: Material Handling Equipment Supplier

Infosys's client is a North American Subsidiary of an auto major that offers material handling products, including forklifts, warehouse equipment, aerial work platforms and tow tractors, in addition to IoT services, lean management and fleet management services.

Customer touchpoints included the dealer network managed through a dealer portal and a national accounts team using SAP CRM. TMH was facing several issues with this setup, including:

- Departments were operating in silos to serve dealers and end customers.
- Self-service capabilities sought by customers were not available
- The business model itself was transforming – from selling forklifts to providing end-to-end logistics service – and the current systems were not geared to support this switch.

Among the solutions that TMH is rolling out to address these challenges include MY Toyota, a centralized customer portal. Dealer Connect enables dealers to manage the day-to-day operations and build strong relationships with end customers and t-matrics, a telematics solution for managing equipment remotely to analyze tracking, maintenance risk and safety data.

Key benefits that TMH has begun to accrue from the new tech landscape include the following:

- Digital transformation with a core digital component of ERP
- Enablement of new business models
- Greater visibility on dealer operations and customer engagements



For more information, contact [askus@infosys.com](mailto:askus@infosys.com)



---

© 2023 Infosys Limited, Bengaluru, India. All Rights Reserved. Infosys believes the information in this document is accurate as of its publication date; such information is subject to change without notice. Infosys acknowledges the proprietary rights of other companies to the trademarks, product names and such other intellectual property rights mentioned in this document. Except as expressly permitted, neither this documentation nor any part of it may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, printing, photocopying, recording or otherwise, without the prior permission of Infosys Limited and/or any named intellectual property rights holders under this document.