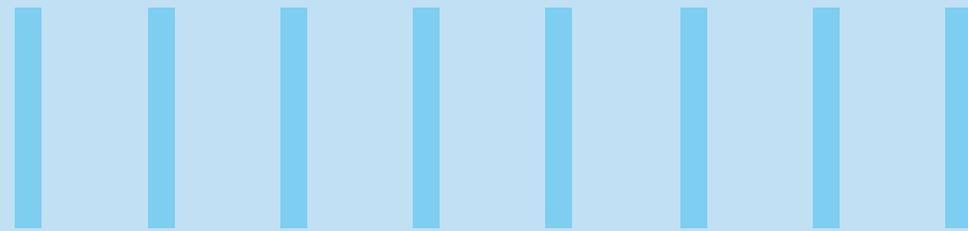# EXPERIENCE COMMERCE

When electronic commerce was introduced, the term was appropriate. A way of commercial transactions via the internet and electronically, without physical interaction and neatly slotted and defined. The nature of such a transaction was also monochromatic for a long time. View what you want on a portal, see more details, add to basket and checkout. For years e-commerce shopping optimization remained focused on the desktop (yes it's still there – but rapidly receding into the background). These small incremental changes to desktop experience was a massive area of focus.

However, in the last 3-4 years, the rate at which technology has handed colored lenses to the ways transactions can be performed, the way a shopper has used these lenses to shop and the way retail industry has morphed to capture the opportunity from each of these lenses is just the tip of the iceberg.

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Three fundamental forces are altering the playing field like never before

1. Customer driven 'anywhere' commerce

a. Today a customer expects to research, know, transact and collect wherever s/he is. There are no defined shopping runways to come to, board on to a defined path or land in expected zones. Find a runway anywhere and expect to be served. S/he expects the best experience of shopping in ways never explored/expected before. Its not e-commerce anymore. Its now Experience commerce!

b. With new technologies in virtual reality, augmented reality, multi image scanning, 3d printing and wearables/ readables abounding galore, shopping and fulfilment is expected to be a plug and play!

c. All interactions with the customer have really no boundaries. Digital Marketing, CRM, Digital Commerce, mCommerce, TV Commerce – it's all about identifying the same customer and serving up rich coherent experiences!

2. Data driven competitive advantage (Big Data analysis)

a. Cheap storage, humongous amount of performance availability and unlimited ability to tap into any and every data sourc that emits information is a mind boggling opportunity. It is this axis of customer behaviour and insights from billions of bytes of data that will continuously feed the frenzy of expectation. Fulfilment will only get wider, faster and better with such data analysis. A vital cog to continuously improve Experience in commerce!

3. Agility and faster go to market (Cloud and SaaS)

a. Cloud infrastructure and platforms is almost a natural shift now. Hundreds of organisations are saving millions of pounds and gaining significant reliability and elastic scale by making this shift. In addition the complementary software as a service (SaaS) applications market in almost every conceivable business space will permanently alter faster go to market and agility in such a frenetically changing landscape.

With 20% growth rate of SaaS and 4% de-growth of on-premise applications, the region of core apps like traditional ERP will shrink rapidly but still be of key importance. This core represents the slow moving and solid soul but at the same time must connect and relate to the fast moving agile body of apps around it. The body and soul have to find the rhythm! And deliver the right Experience to the end Customer!

What does this mean to the Retail, CPG industry and the traditional IT Service providers. A Lot –

1. For Retailers –

a. Business –

i. Facing extreme pressure with margins, competitiveness and growth, SaaS applications provide them a perfect way for faster go to market as well as fail fast options.

ii. Leveraging vast store estates to bridge the physical and digital by providing engaging customer experience is vital. Big Data provides an excellent opportunity to tap into unbelievable number of signals to extract the right insights to validate, innovate and march ahead!

iii. Cloud infrastructure options means being not worried about heavy costs to foot and being

bold to try new concepts without being dragged into performance concerns.

iv. Another major front opening up is from the likes of pure play marketplaces. They are perfecting their logistics and delivery and enabling CPG companies to serve direct. This could lead to significant changes

b. IT –

i. Has the perfect opportunity to work with business to identify the most vital problems, discover the most appropriate solutions which can bring them the best of SaaS and fast go to market as well as tie in to the legacy systems quickly.

ii. IT will need to get into the integrator role rather than define complete requirements and systems. Devise best ways to integrate outside in with the plethora of options available.

iii. Invent new ways with business to neutralize, synergise or participate in the fast optimizing marketplace phenomenon (own or competition)

2. For CPG –

a. Business –

i. Marketplaces like amazon, ocado and ebay are fast proving to be an able vehicle to reach direct to consumers. However, this means fundamentally rethinking the processes to deliver within hours.

ii. Instrumenting manufacturing with new technologies around IoT, using Big data to learn, refit and evaluate processes and integrate with feedback from downstream is a whole new ball game.

iii. Emerging technologies like 3D printing and driverless trucks (Mercedes) can bring in never before seen opportunities to

streamline the most expensive part of business operations.

b. **IT** –

i. Rethinking an ambidextrous two speed IT which can maintain a solid core of ERP and at the same time fundamentally rewire into future SaaS applications for fast plug and play.

ii. Many CPG companies are evaluating their stacks to provide a lightweight, traditional ERP independent stack that enables easier direct to consumer for their own individual brands and be a reliable fulfiller for marketplaces.

iii. IT would need to redefine its role to be the agile and innovative gatekeeper which serves as the integrator of many SaaS solutions into the IT eco system, maintaining the sanctity of the slow core ERP and delivering value to business fast

3. For Traditional IT Service providers –

a. **Finding the right problems and guiding towards a solution** –

i. It's essential to bring together IT and Business at clients in the right framework to find the right problems. Traditional organisation structures and alignments would not help with this.

ii. One of the key ways to achieve this is by Design Thinking. Several clients have discovered deep rooted problems by working with IT and Business together in guided design thinking workshops. Design Thinking helps discover problems that would not even seem to exist but often times the most important ones to solve – going beyond the symptoms

b. **Leveraging the combined Knowledge that exists** –

i. IT service provider teams have deep understanding of the systems and processes. Bringing this knowledge across various silos uncover some phenomenal ideas and results.

ii. This represents the fundamental spirit of the enterprise through Business, IT and Service provider teams – their energy, mood and morale. This can help renew technology landscapes, optimize business processes and drive rapid innovation

c. **Providing Platforms and Platforms as a service to bring solutions together** –

i. Leverage own or external SaaS platforms to rapidly build solutions

ii. Develop these platforms to be cost effective but at the same time easy to use and result oriented

iii. These are more of pocket sized solutions right in the backyard such that clients can be benefitted much faster and effectively than having to shop around

At Infosys, we blend these three imperatives into a one neat theme and future strategy– 'AiKiDo'. This is a Japanese martial art which basically means –

a. **'Do'** – The Path forward. Design thinking led initiatives that bind the Retailer business, IT and service provider teams to find the right problems and devise an appropriate solution

b. **'Ki'** – The Spirit of the Enterprise. Harvest the knowledge of the systems and processes for Cost effectiveness, Innovation and future strategy

c. **'Ai'** – The platforms to build fast. Leverage the power of Cloud, SaaS, Automation, Open source and BigData to bring Do and Ki together. Find a 'Do' problem and solve it with 'Ai'. Or harvest knowledge 'Ki' and implement the solution with 'Ai'.

We are at a huge inflexion point. For the Retailers, for CPG and for the IT service provider. It's coming fast and its coming for sure. We all have to adapt in different ways to meet the challenges of the future and at the end ensure the one thing that matters – an engaging Experience in commerce for the end customer which has no boundaries – just heightening expectations.

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