

Digital Reimagination™ of Omni-Channel E-Commerce for Manufacturers

Abstract

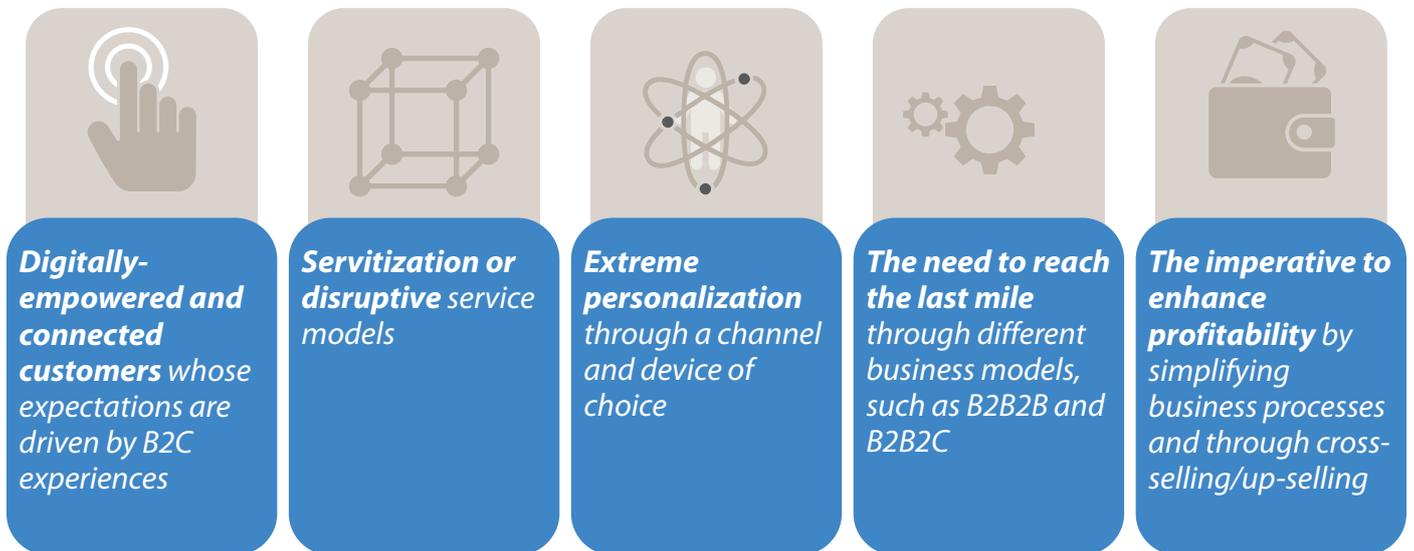
Omni-channel shopping experiences in the business-to-business (B2B) segment are now influenced by those in the business-to-consumer (B2C) segment. Escalating demands of digital customers require manufacturers to offer personalized and customized products and services, and shift operations to meet the customer centric economics of production and supply chains.

80% of companies implementing B2B ecommerce believe that their customer expectations have changed because of B2C practices¹.

Customer Expectations and Key Drivers for Manufacturing E-Commerce

The impact of the Digital Five Forces and the Internet of Things (IoT) is now more critical than ever for manufacturers, intermediaries, and consumers. Customers expect personalized and customized models for value delivery, driven by their personal experience in the B2C world. As the line between consumers and manufacturers continues to blur, B2B customers also research product and service details online before initiating conversations with salespeople.

Added sensors and connectivity turn 'dumb' products into 'smart' ones, while products increasingly become platforms—and even move into the realm of services. As manufacturing organizations undergo this transition, established physical channels such as dealers, distributors, and sales representatives have begun to embrace this change and prepare themselves for a future of digitally connected and empowered customers.



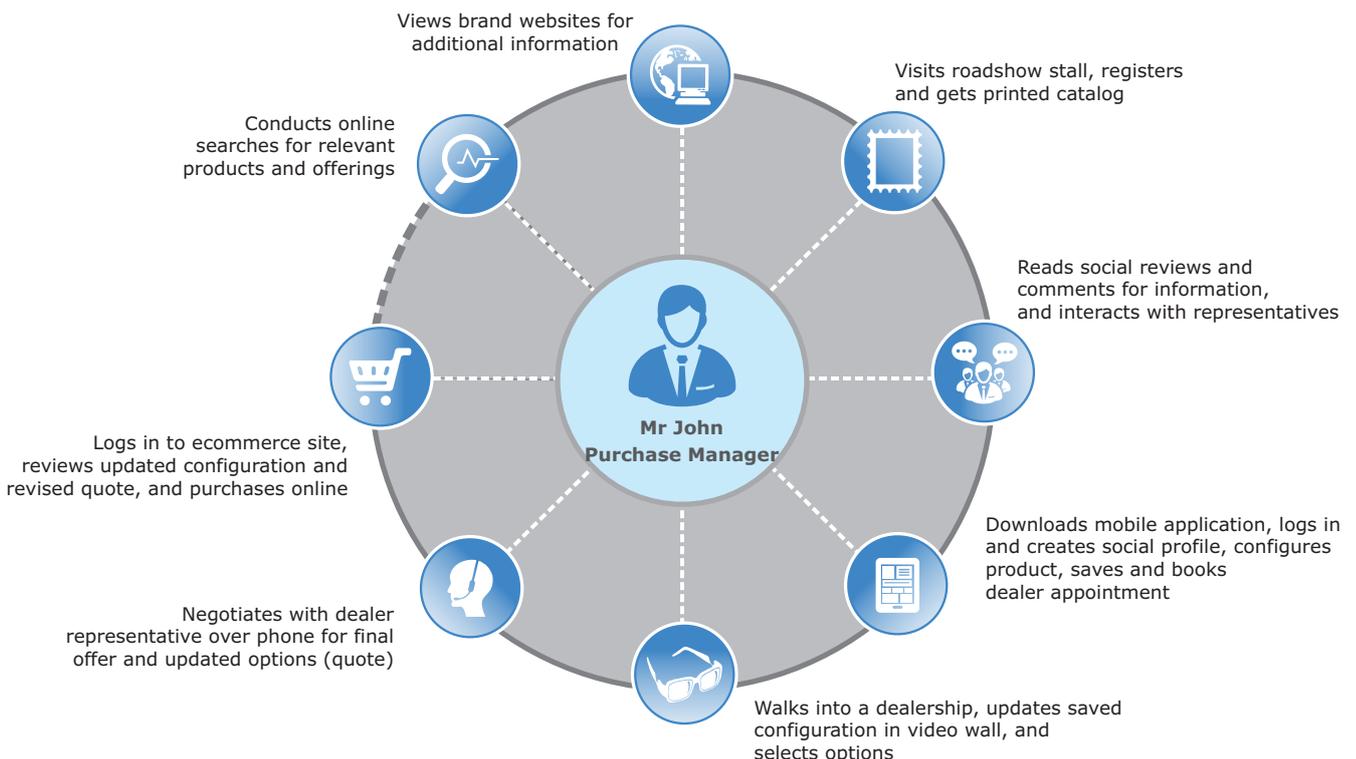
Key drivers of e-commerce adoption in manufacturing

According to a report by Frost and Sullivan, B2B online sales are projected to hit \$25 trillion by 2020.2 With Amazon, Alibaba, eBay, and Google entering the B2B market, the competition has truly become global—bringing with it hidden opportunities for non-linear growth.

The Changing Dynamics

	Conventional e-commerce	Digital e-commerce
Focus	Sales, touch points, transactions	Loyalty, customer journey, experiences
Growth	Promotions, campaigns	Customer advocacy, cross-selling/up-selling
Communication	Generic, uni-/bi-directional, deferred	Specific, multi-directional, real-time
Driver	Product lifecycle	Customer lifecycle
Personalization	Minimal	Tailored-buying experiences
Data/Analytics	Reporting and dashboards	Real-time decision support, engagement analytics, predictive analytics
Social	None/minimal	Relationship and collaboration
Service	Sub-par, high cost-to-serve, reactive	Optimized, low cost-to-serve, proactive
Experience	Divergent product and customer experiences	Convergence of product and customer Experiences
Business Model	Product or service-centric	Customer-centric
Channel and Device	Multi-channel; mobile also; device-restrictive	Omni-channel; mobile first; device of choice

Key differences between conventional and digitally-enabled e-commerce



The omnichannel customer journey

Today, customers interact with manufacturing organizations through a multitude of channels and devices, across multiple touch points, on journeys that often go beyond the traditional linear path.

The focus should be to simplify, standardize, harmonize, and automate core commerce and supporting processes to break silos and remove redundancy.

The Complex Omni-Channel E-Commerce Ecosystem in Manufacturing

Omni-channel e-commerce is relatively new to manufacturing and can become quite complex.

For instance:

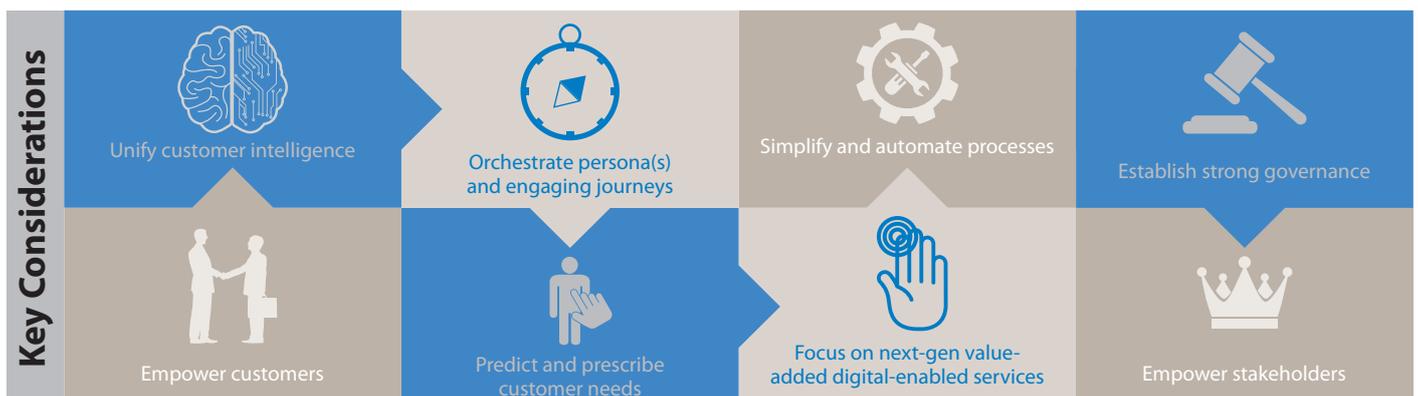
- Manufacturers may employ different business models across geographies, LOBs, and products, but they have to work with derivations and extensions such as B2B2B and B2B2C.
- Customization or engineered-to-order scenarios involve multiple functions, parties, and different storefronts.
- Workflows, approval mechanisms, and payment terms are more layered, and vary based on business units, customers, geographies, and product attributes.

Considerations before Embarking on Omni-Channel E-Commerce

Manufacturers need to unify customer intelligence, and ensure a 360° view of the customer, by mining internal and external data.

The data gathered can be leveraged to:

- Understand customer needs, journeys, touch points, activities, interactions, and experiences.
- Derive insights on consumer behavior, further commerce, and drive loyalty, while ensuring customer privacy.
- Create a collaborative e-commerce ecosystem where all the stakeholders can thrive and feel empowered.



Key considerations for omni-channel e-commerce

While manufacturers look at ways to reduce human intervention and associated costs, customers look at customized, human interactions.

The Digital Way to Enable Omni-Channel E-Commerce

In order to create a seamless omni-channel experience, manufacturers must integrate all enterprise systems to create a unified brand experience—enabling centralized data processing and analysis capabilities, providing information transparency, and ensuring real-time visibility across channels and devices.

■ **Data: The New Currency**

Data-driven solutions help manufacturers provide tailored buying experiences, and ensure targeted recommendations and marketing campaigns, dynamic pricing, promotions, and product presentations based on customer location.

■ **Mobility: Anywhere, Anytime**

Smart phones and connected devices are good personal and professional tools. Buyers demand access to an intuitive and convenient mobile experience while searching for products, browsing catalogs, reading reviews, and ultimately purchasing products.

■ **Cloud: Power Without Boundaries**

Cloud computing offers significant storage and computing capabilities that can be leveraged by organizations 'on-demand', and at a fraction of the cost of 'on-premise' infrastructure. Options include SaaS, Platform-as-a-Service (PaaS), and Infrastructure-as-a Service (IaaS).

■ **Artificial Intelligence (AI) and the Internet of Things: Re-humanizing Artificial Consciousness**

AI provides the perfect solution through adaptive systems that mimic human behavior faithfully. With the advent of machine-based emotional intelligence, e-commerce support via contact centers is increasingly moving towards a 'human-computer interface' that can not only perform routine tasks, but also analyze and handle human emotions.

■ **Social Media: Network Net Worth**

Social media helps build brand awareness, boosts recall, and ensures brand affinity in a non-intrusive manner. Collaboration and co-creation of value through crowdsourcing, user-generated content, and conversations leads to higher customer advocacy, loyalty, and increased revenues for the manufacturer.

Conclusion

In order to successfully develop and implement an omni-channel e-commerce solution, manufacturers need to formulate a forward looking business case, align people and processes, create use cases and requirements, choose the relevant technology platform and implementation approach, define an integration strategy, and design user interface (UI)/user experience (UX) strategies.

To gain customer trust, boost revenue, and reduce costs, manufacturers can consider omni-channel e-commerce—a system that functions more intelligently, efficiently, and collaboratively to meet the growing expectations of connected and empowered customers.

References

[1] Oracle Customer Experience Blog, 2013 B2B Commerce Survey – Insight into Key Trends Include Customer Experience, Mobile and Online Growth (Apr 2013), accessed Mar24, 2016, https://blogs.oracle.com/cx/entry/2013_b2b_commerce_survey_insight

[2] Frost & Sullivan, Future of B2B Online Retailing (Apr 2015), accessed Feb 20, 2016, <http://ww2.frost.com/news/press-releases/global-b2b-e-commerce-market-will-reach-67-trillion-usd-2020-finds-frost-sullivan/>

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