

All-Channel Experience with IBM Smarter Commerce

DIGITAL
Customer Experience





Increase customer loyalty and optimize systems by putting the customer at the center of everything. Capgemini's All-Channel Experience that delivers improved consumer insights, differentiated consumer engagement, increased loyalty and sales - and business continuity.

Whether at work or at home, the way we select, transact and consume products and services is changing. The proliferation of the internet and of mobile technologies opens up a whole raft of channels and choice. Touchpoints with services, products and brands span numerous platforms, from websites, to call centers, to mobile apps, to checkouts and beyond. Underpinning all of this is the fact that customers demand a seamless experience — yet, based on our research, are not consistently getting it. For retailers and service providers, this requires a fully integrated back-end of systems, which combine to deliver the responsive and personalized outcomes that customers really want.

The Capgemini Group has observed this shift over several years. We have worked with retailers and service providers, end users and IT partners to develop a blueprint for delivering seamlessly across channels. The result is what we call an All-Channel Experience (ACE). An All-Channel Experience provides a single brand experience across multiple channels, delivered through a model that harnesses technology to join up customer touchpoints with insight and data, procurement and fulfillment, marketing and pricing, and align it with the legacy IT infrastructure.

Crucially, the All-Channel Experience enables businesses to act in exactly the right way at exactly the right moment, wherever the customer or user may be. It gives companies the latest technology and capabilities so they can orchestrate individual customer relationships, and hit the right note exactly when they need to.

Capgemini's All-Channel Experience approach brings tangible business value through increased customer loyalty and optimization of systems. We partner with IBM® to drive performance through the entire customer journey, by harnessing the Smarter Commerce™ initiative — powered by IBM market solutions — which puts the customer at the center of any business.

Brand loyalty, not channel loyalty

- 56% of shoppers said they were more likely to spend more money at a physical store if they had used digital channels to research.
- 55% of shoppers want personalized offers and recommendations through digital channels.
- 50% of shoppers want to be able to easily return a product using digital channels regardless of where a product is purchased.

Source: Digital Shopper Relevancy, Capgemini, 2012

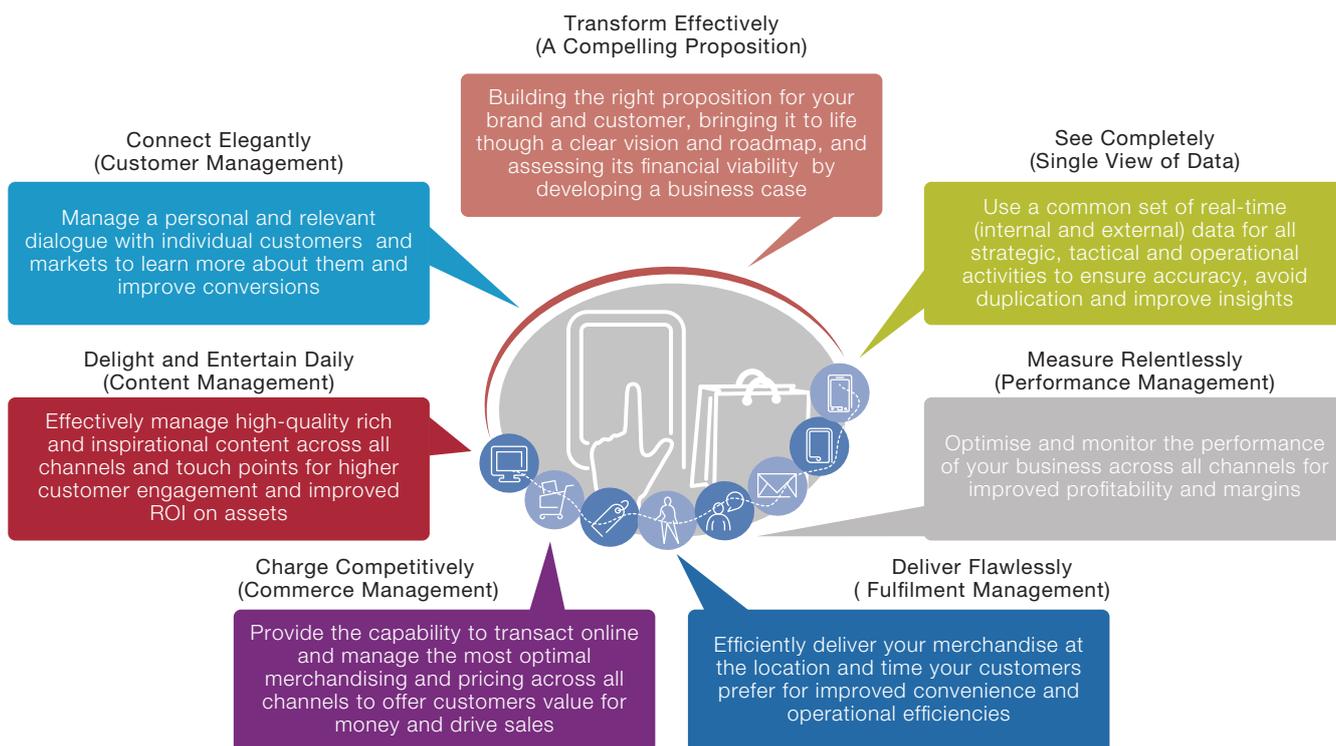
Customer satisfaction and loyalty are won across channels

The evolution of customer behaviors and expectations presents a new set of challenges for businesses and service providers, regardless of sector. While the retail sector may drive change, customer expectations (in terms of choice of channel, response and service) spill over into interactions with, for example, utilities, telecom providers, local government and more. While the solution may vary for the service or product provider, the tenets of the All-Channel Experience remain the same: Customers are not loyal to a single channel. Rather, customer satisfaction and loyalty are won through a single brand experience across channels.

In order to meet customer expectations and increase profitability, retailers and service providers need to do a number of things across different capability areas. We have established seven key steps for business, which comprise the All-Channel Experience proposition for business:

1. Connect elegantly
2. Delight and entertain daily
3. Charge competitively
4. Deliver flawlessly
5. Measure relentlessly
6. See completely
7. Transform effectively

Figure 1: The All-Channel Proposition: Driving Value for Customers and the Business



An important principle of the All-Channel Experience is using data to extrapolate sharp customer insights, and applying these to create differentiated “moments of truth” for customers and users, which change perceptions, drive loyalty and increase advocacy. But it goes deeper than simply listening and responding; the technology infrastructure and business processes must be fit for purpose.

Meeting the challenges of an all-channel approach

While retailers and service providers are making strides to adopt the all-channel approach by, for example, introducing new customer-facing mobile apps, improving online order functionality, or investing in social media listening and analysis, the task of delivering an All-Channel Experience requires a 360° approach.

Delivering the seamless journey means reviewing and redesigning processes, and then constant evaluation and flexing to ensure a responsive service. This covers all aspects of the operation, for example:

- Optimizing performance across the supply chain

- Seeking, listening and responding to customer feedback
- Capturing, analyzing and applying customer insight, constantly
- Business performance and behavior change

For this reason, Capgemini’s All-Channel Experience solutions span the initial strategic roadmap, right the way through to the underlying technology and business processes in three distinct areas:

Digital Strategy and Transformation:

Assisting with the development of a digital strategy and roadmap, and the subsequent transformation of their overall digital capabilities.

All-Channel Commerce:

Integrating the commercial activities of retailers and service providers in all relevant physical and digital channels.

Consumer Dialogue:

Managing the relevant personal interactions with customers via social media channels, mobile applications and location-based services.



IBM solutions address the all-channel challenge

Like the Capgemini Group, IBM recognizes the evolution of the technology-empowered customer. It has invested over \$3 billion in the last three years to create a truly smarter approach to commerce.

The IBM Smarter Commerce approach puts the customer at the center of operations, analyzing critical customer and operational data — including multichannel buying behaviors and social media content — and optimizes processes across the enterprise and commerce cycle, including buy, market, sell and service.

Figure 2: IBM Smarter Commerce point of view



By operationalizing business around the customer, companies can deliver a personalized, highly relevant and seamless experience across channels, which can foster increased customer loyalty. Additionally, through the ability to better enable and integrate their commerce processes, companies can capitalize on opportunities for profitable growth and improved efficiency.

The Capgemini Group and IBM are aligned in the way they are helping businesses better serve the new breed of technology-savvy customer. IBM's Smarter Commerce strategy enjoys a good fit with Capgemini's All-Channel Experience approach, allowing for easier implementation and increased speed to value.

Smarter benefits

IBM's clients have seen impressive benefits from their adoption of solutions selected via the Smarter Commerce approach, for example¹:

- 5%-20% increase in revenue
- 15%-25% reduced shipping costs
- 5%-15% decrease in customer attrition
- 15%-30% increase in campaign ROI

Luxury retailer: Creating personalized touchpoints to accelerate sales

A European luxury cosmetics retailer had traditionally enjoyed strong sales through in-store merchandising and consultant recommendations to customers. With IBM's Smarter Commerce approach, the company was able to replicate this success online, too.

The challenge:

Email marketing techniques were seeing limited success, and the retailer wanted to drive greater online engagement.

The solution:

IBM's web analytics tools have enabled the company to use the information provided by customers and behavioral web data (shopping frequency and product affinity, for example) to segment its customers and deliver more targeted offers to them based on product affinities.

Results:

By delivering highly targeted and personalized offers for the products its customers want the most, this retailer has seen online revenue increase by 2,500%, and conversion to sale by almost 1,700%.

Personalized email touchpoints are keeping customer engagement high and driving repeat online purchases.

¹ Source: Internal IBM benchmarks based on actual (retail) client engagements; results may vary by project

“Capgemini’s global Digital Customer Experience (DCX) initiative guides and supports our clients in delivering an optimal customer experience across all of their digital channels. The IBM Smarter Commerce stack is a core component of our DCX capabilities with strong skills and deep delivery experience in all of the products. I am glad to have them on board as one of our key solution partners”

Simon Short,

Senior Vice President

Head of Digital Customer Experience

Capgemini

“IBM’s Smarter Commerce integrated portfolio combined with Capgemini’s All-Channel Experience (ACE) solutions and related assets provide our mutual clients unique benefits for accelerating transformation and real business impact, through innovations around marketing, ecommerce and customer service processes. While we are already collaborating with Capgemini at large clients globally, we see a unique opportunity in major retail and consumer brands to jointly deliver superior capabilities to these clients, versus other alternatives.”

John L. Davidson,

Global Smarter Commerce Sales

Executive, IBM Software Group

All-Channel Experience in action

- We are helping an iconic global luxury brand achieve its vision of becoming an end-to-end digital enterprise, providing its customers with an inspiring and consistent experience from any device, anywhere.
- We are working with a global consumer products manufacturer to design its digital strategy, which includes an online channel that connects the company directly to its consumers.
- We are a strategic partner with a grocery retailer in helping create a business that will sell both food and non-food items online and provide significant growth and transformation to the business.
- We helped a home goods manufacturer enter the direct-to-consumer business by designing and implementing its e-commerce operation.

All-Channel Experience, supported by the Smarter Commerce approach: Time to act

Any organization providing a product or service to today’s technology-enabled customer can revolutionize their customer interactions by harnessing the combined footprint of Capgemini’s All-Channel Experience model and IBM’s Smarter Commerce approach. Capgemini’s deep understanding of cross-channel, multi-touchpoint business, coupled with a robust approach to business and technology transformation ensures a focus on creating business value. Add to this IBM’s powerful market solutions, and the case is compelling.

Why Capgemini and IBM?

- Collaboration since 2001; premier business partner status
- A suite of proven technologies, which answer very specific client needs
- Solutions geared for the Cloud, offering scalability and speed to value
- Compelling results have been seen already across high-profile clients
- IBM is identified as a leader in Forrester Wave™ B2C Commerce Suite (Q3, 2012)
- Continued investment and research (-vDigital Shopper Relevancy consumer research program, etc.)

Make the first step

Embracing the All-Channel Experience approach and taking the first steps to driving value for your customers and your business is easier than you may think. An initial workshop in which we use our proven “Scan-Focus-Act” methodology allows us to jointly create a high-level roadmap, containing all required initiatives to create an All-Channel Experience for your customers:

Make the All-Channel Experience a reality for your customers, and see far-reaching benefits for your organization.

1-2-3: Adding value to customer interactions in 3 ways

1. The application of a deep understanding (based on ongoing research, insight and analysis) of customer behavior and expectations, which allows clients to predict, act, and measure
2. Proven methodologies, which accelerate improvement across business areas
3. Powerful solutions from IBM, perfectly engineered to suit the challenges of retailers

Figure 3: Capgemini’s Scan-Focus-Act methodology



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About Capgemini

With more than 130,000 people in 44 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2012 global revenues of EUR 10.3 billion.

Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

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