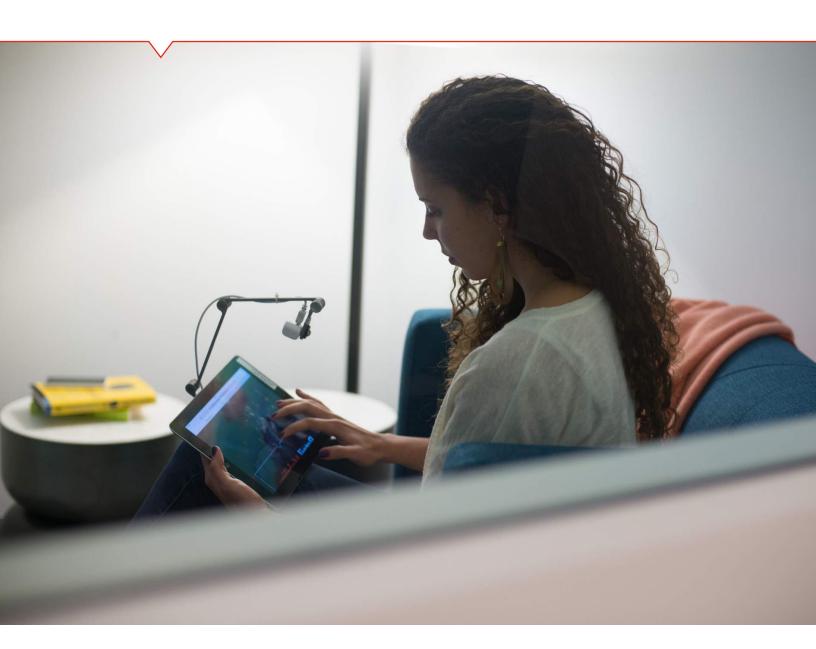# Digital commerce:
From now to next

pwc

Commerce in the digital age is infinitely more than slapping a buy button on a web site. Customers big and small want what they want when they want it. They want to research, purchase, talk about and receive help with products and services in whatever way that suits them best at any given moment in time. Companies need to accommodate these digitally savvy customers or risk becoming irrelevant. Welcome to the next generation of commerce.

Today's digital and demanding customers zigzag from online channel to channel and from device to device. To keep pace, companies need dynamic digital capabilities across touch points: selling, marketing and customer service. They also need to deeply understand what drives their customers and exactly how their customers experience the brand from every conceivable vantage point.

Companies should leverage personal information about customers to build unbreakable bonds with customers, but 60% of ecommerce executives say they are missing personalized customer experiences, according to PwC's 18th Annual CEO Survey. Companies that want to transact without a personal connection must inspire confidence in customers at every turn. From the backend to the frontend, companies must live and breathe digital and walk and talk a brand promise that meets each customer's unique wants and needs. Companies that don't plan on being digitally astute are setting themselves up for obsolescence because it is easy for customers to abandon transactions in the digital channel.

Businesses don't need a digital strategy. They need a business strategy for the digital age.

As companies make digital experiences better for their customers, they increase the complexity of their business. Digital commerce requires careful business planning, operational excellence, thoughtful customer experiences, and flexible technology architecture. Companies need to start thinking beyond simple transactions and towards the entire customer lifecycle. To move commerce from now to next, companies need to embrace the following principles:

The experience must connect to the business.
Companies need to take a holistic approach and view the experience from the full commerce lifecycle from the experience to operations and should not overlook essential components such as pricing, tax, and security. By taking a holistic approach, companies can envision what's next and accelerate change to make it real. Savvy businesses embrace the latest in emerging technology to create immersive experiences for customers. Next generation companies offer product configurators, virtual reality, videos and forums to facilitate rich, meaningful moments.

It's not B2B or B2C. It's B2P. Business to People.
People move faster than business. Therefore, digital must be about business to people. Whether it's an employee, enterprise customer or end consumer, companies should anticipate people's future needs and connect that to realistic outcomes for the ideal future state of the business. Think authentic personalization.

Companies should orient their digital commerce strategies around the customer lifecycle, which PwC divides into five aspects: Discover, Transact, Fulfill, Care, Community.

Defining digital commerce

Walking in a customer's shoes and understanding their journey with the brand is critical. Companies need to link arms with the customer to lock-in their loyalty. That means taking the time to develop detailed customer personas (a persona is a representation of a type of customer) and expansive customer journey maps (outline how a persona wants to interact with your brand) to design personalized experiences. Companies need to delve deep to understand the customer's attitudes and actions and how they want to engage with the company at every stage of the "customer lifecycle."

Companies should orient their digital commerce strategies around the customer lifecycle, which PwC divides into five aspects: Discover, Transact, Fulfill, Care, Community. Like the concept of time itself, companies should not slice and dice the customer experience into phases, but think about it holistically and continuously at the same time. As it ends, it begins again.

Discover

This is the phase where companies need to get the customer excited about the brand through means that make sense to the customer journey: email campaigns, loyalty program, search engine marketing. Today's digital customers have heard and seen it all before and it takes rich content to get them to act. The digital channel is becoming increasingly important as the source for generating new leads and customer acquisition. Potential customers will often use digital channels to find and explore offerings before engaging with field or inside sales. They expect information-laden content that goes beyond standard product details and they expect experiences tailored to their needs. Customers want easy access to case studies, videos, and evaluations. Providing these types of capabilities allows companies to potentially identify leads earlier, while data collection and analytics tools allow companies to engage prospects with targeted offers earlier in the sales process.

It is critically important to track all this information consistently across multiple channels, so that representatives know whether prospects have visited the Web site, queried on social media about products, or watched a corporate video online. Transforming a prospect into a customer means having a better understanding of their interests and interactions with the company than ever before.

Transact

The transaction period is more than an exchange of goods and services. It's an opportunity to establish a long-lasting relationship with the customer and shouldn't be squandered. The goal: automate as many segments of the sales cycle as possible, so that salespeople are focused on productive selling activities rather than time-wasting administrative tasks; making sure the end state digital experience is complementary to the sales person's efforts and not detrimental to the channel goals. Personalization and security are vital at this stage. In an on-demand world, online payments should be fast easy and secure. For larger transactions, companies should provide customers the ability to configure, price, and receive quotes in a self-service manner that is integrated into the overall sales process.

Fulfill

Fulfillment is the act of living up to the promise of delivering the product or service as seamlessly and quickly as possible, whether it's to a customer's physical or digital door. Delivery times have become a key point of competitive advantage as retailers experiment with same day delivery and software providers struggle to streamline their products for painless downloads and swift SaaS provisioning times to compete with digital disruptors. Speedy fulfillment is vital in an age of instant gratification. Relationships with supply chain vendors can make or break a company. While fulfillment can be challenging, the ongoing engagement of a digital fulfillment process creates another opportunity to collect data and engage with customers.

Care

Savvy companies are already recognizing that support is more than just resolving break-fix issues — it's an opportunity to engage with customers. Understanding how end-users consume products and services provides companies with tremendous insight to identify high-value enhancements, engage with customers, and proactively identify and resolve support issues. Service done well creates an opportunity to turn a potential negative into an opportunity to strengthen a relationship (and maybe even create up sell/cross sell opportunities).

The ultimate goal of these activities is to digitally integrate the customer lifecycle, creating an end-to-end, consistent customer experience that inspires customer confidence and builds trust. A strong digital commerce strategy puts the customers first and delivers capabilities through operational and technical excellence. Just as all channels must be integrated, so too must the discover/transact/fulfill/service processes be well integrated. Tools should remove friction from the process as much as possible.

For many companies, moving toward an integrated digital commerce capability starts by breaking down silos within their companies. Only by breaking down silos will they be able to increase collaboration among internal and external teams. And only by increasing collaboration will they be able to increase customer value, improve customer experience, and increase customer engagement.

Before companies can break down silos and organize teams, companies must define their business strategy for the digital age. Companies must identify who they want to be and enable all participants in the process: prospects, customers, partners, salespeople, marketing staff, and the technical support team.

Community

Cultivating community is critical in the digital age. Give your customers and partners a way to communicate among themselves, while at the same time use it as a way to discuss products or new features that may resonate with customers. Encourage interaction and peer discussions — and ask how customers would like to communicate with the vendor.

Many of today's digital customers will tap into their own social community to make a decision about a product even before they choose to engage the company's call center. Others venture to social venues to praise or put down a product. It's vital to monitor and participate in conversation. Companies that cultivate a sense of community surrounding their brands can mine insights worth millions when it comes to reducing interactions with call centers and improving products and services to increase revenue. Community capabilities facilitate interactions between the customer and the company, as well as between customers, encouraging the development of user-generated content that is mutually beneficial to both the customer and the company.

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Supporting an end-to-end digital commerce experience

Companies need the right skills, tools and processes in place to ensure they are fully optimized for the digital economy. Companies often overlook details that can derail digital initiatives. For example, companies expanding into foreign markets must have the right financial controls in place to comply with tax laws and they should take this information into account when deciding where to place their operations. And, seemingly small things like the dialects of the employees operating call centers can balloon into big problems. In response to this new landscape of digital interaction, many companies have identified executives responsible for ensuring that interactions throughout the customer lifecycle are consistent with both customer expectations and the brand promise.

As much as automation and self-service capabilities can support a digital commerce strategy, one cannot be deployed solely on the foundation of technology. Companies must consider the many organizational implications as well. They need to address internal organizational challenges and confirm they do not constrain the company's ability to deliver digital experiences. Digital commerce should provide a single face to the digital customer, one that hides the complexity and internal organizational structures.

Is your digital strategy to educate prospects and enable business partners? Is your goal to deliver pre- and post-sale capabilities? Or is your strategy to provide direct-to-customer capabilities that deliver discover, transact, fulfill, and service functionality? How companies answer these questions will influence organizational structure, technical architecture, marketing approach, and channel strategy.

Drive meaningful business decisions through data

Another key issue to address: the ability to drive meaningful business decisions through data. Consistent with the shift from transactional ecommerce to building a digital relationship that serves entire customer lifecycle, analytics — the ability to track both micro and macro patterns — become more important. In the early days of ecommerce, companies looked only at discrete statistics such as net new visitors, page views, conversion rates, and cart abandonment. Companies need to routinely review metrics such as content engagement and loyalty.

In the digital commerce world, companies must be able to embed and analyze processes across all stages of the lifecycle to measure business impact. Given the complexity and cost of many products, traditional ecommerce metrics such as average order value or cart abandonment, do not apply. Companies must be able to measure digital commerce's ability to attract new leads, assist in the acquisition of new customers, and retain existing customers. A well-executed digital commerce strategy should reduce the cost of sales, reduce the cost to serve, and improve customer retention.

Getting started on the digital commerce journey

While a thorough digital commerce strategy requires a holistic perspective, that doesn't mean that companies' transformations require an enervating "boil the ocean" effort. Creating a distinguished digital commerce experience — one that transcends simply adding more technology — is an evolutionary effort, not a revolutionary one. For the sake of competitive advantage, of course, it's important to start the process, especially since competitors are doing so and catching up may be difficult later. But the process can be broken down into smaller tactics, using the following leading practices.

Think about customer-centricity

What kind of experience do you want prospects and customers to have? How can you collaborate to make processes move faster and more smoothly? Identify them and get their input.

Experiment

Unleash your champions to try pilot projects, using tools that they think will provide the biggest payoff within the shortest amount of time. Track the results to get a sense of the potential benefits.

Break down silos across marketing, sales, and service

Identify ways that these departments can work better together. Identify issues that crop up regularly, and look for ways to automate or at least speed up resolution.

PwC can help

PwC's Commerce Next service helps companies solve business problems with digital solutions. We bring together the very best team to help you define what's next for your business: technology, user experience, pricing strategy, change management, security and tax.

Our Prism framework analyzes your company's capabilities across the commerce lifecycle and the supporting business operations, all through an industry lens. It unpacks your current state capabilities across a number of criteria and provides a benchmark for executing against an ideal future state digital commerce ecosystem.

PwC's consultative services start with a discovery of the desired customer experience, followed by an understanding and mapping of the complex interactions of people, process, and technology involved in the customer lifecycle. This mapping starts with operations and organizational structure, acknowledges technology and compliance needs, and then overlays where they affect customer experience.

PwC can accelerate this process through the use of leading industry tools and accelerators. These help from strategy through execution across the business and technical aspects of a digital commerce initiative. We help our clients make the transformation toward a reliable, viable digital commerce strategy by using our design tools, leading industry methodologies and practices for digital commerce, and by incorporating everything from user experience design to backend integration. The result is a solution that enhances customer experiences and increases business value across the customer lifecycle. We have used this approach many times to help global companies increase efficiency and boost revenues.

For a deeper discussion on digital commerce,
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