HCL

LET'S TALK
APPLICATIONS

E-COMMERCE
& OMNI-CHANNEL

CUSTOMER EXPERIENCE
WHITE PAPER

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"71% of business and technology leaders said that improving CX [Customer Experience] was a high or critical priority."

Source: Forrester's Business Technographics® Global Priorities and Journey Survey, 2015.

By 2018, more than 50% of commerce sites will integrate technologies from more than 25 vendors to deliver a digital customer experience.

Source: Gartner's Critical Capabilities for Digital Commerce Report, April 2015.

By 2018, 70% of eCommerce will move from B2C and B2B models to models that focus on individual customer experience.

Source: Gartner's Critical Capabilities for Digital Commerce Report, Apr 2015.

INTRODUCTION

A successful eCommerce platform enables companies to drive revenue and opportunity growth globally, deliver compelling and convenient new offerings for customers, and underpin significant service quality improvements. It also has the potential to drive cost reduction through self-service and streamlined buying processes, and provide a deeper, more insightful view of customers than ever before. As a result, companies can protect margins, enhance brand value, and deliver improved customer experiences.

However, despite the huge benefits to be gained from eCommerce, the reality is that companies are not achieving the full return on their investments. Why is this?

Part of the problem is that the processes needed to take a customer from interest to advocacy are extensive and span across multiple front and back-end systems. They can also span internal, third party, and customer systems and services. In addition, with disconnected legacy systems, it is difficult to provide real-time pricing, materials, inventory/ availability and other information along with a 360-degree view of the customer.

WHAT CONSUMERS WANT (AND NEED)

It is clear that delivering high quality customer experiences is an imperative. Today, customers are firmly in the driving seat. They want to choose how, when, and through which channels they communicate with you. They decide when, in the buying process, they will contact you. They want interactions to be simple, seamless, and secure. They expect to be treated individually. No two customers' buying journeys will ever be exactly the same again.

So what defines a 21st Century Customer Experience? The answer is multi-fold:

1. **Individualism –** Analytics deliver detailed insights into customer behavior, preferences, and other information that enables the delivery of personalized experiences

2. **Omni-channel –** Effective omni-channel services draw upon past interactions, the propensity to buy products and services, and customer data to deliver a seamless experience

3. **Guided Selling** – Customers are guided through their buying journey using the insights gained from analytics

4. **Artificial Intelligence (AI)** – Advanced Artificial Intelligence systems imitate the decision-making ability of human beings to provide proactive, actionable responses to each customer and empower customer care teams

5. **Transparent, real-time communication** – Key insights from Big Data combined with AI offer brands an opportunity to communicate more effectively with customers in real-time

The impact of delivering such experiences is substantial. Using customer segmentation to deliver purchase recommendations is delivering incremental revenue growth; 35% of Amazon's revenue is driven by recommendations; 75% of users select movies based on Netflix's recommendations. UBER has extended its anywhere, anytime customer experience by integrating with Google Maps and Airline apps to improve customer engagement. The list goes on with manufacturers selling Original Equipment Manufacturer (OEM) parts through their eCommerce sites, financial institutions allowing customers to conduct transactions through voice commands that obviate the need to visit their website, and AI Chatbots being used to sell products directly using social tools (e.g. Facebook Messenger).

The reality is that experiences like these cannot be delivered by the silo approach of the past. A new approach is needed, which is why HCL has developed its Customer Experience Platform (CEP) approach.

APPROACH TO A NEW CUSTOMER EXPERIENCE

HCL's vision is to enable personalized, unified customer engagement across the full spectrum of customer interactions, independent of the customer intent. Our Customer Experience Platform (CEP) approach leverages user personas and customer journeys to define holistic customer interactions that encompass digital marketing, eCommerce transaction processing, order management, and customer relationship management capabilities. Our vision is built on 6 fundamental characteristics:

1. **Unified** services across interactions that are 'glocal' in nature with a solution mindset (not just products or services)

2. **Personalized and contextual** experiences across all touch points

3. **Comprehensive business capabilities,** including multi-tenant, enhanced search, product configurators, support for non-traditional journeys (such as connected commerce, marketplaces, distributors), and self-service

4. **Data-driven** with rich, real-time data, order, and inventory visibility across all layers

5. **Agile** through a quick, flexible, seamless, robust, scalable, and secure architecture

6. **Extensible** to support innovation, acquisitions, and new business models. Open to integration, collaboration, and an ecosystem approach.

CEP comprises of five layers and is bookmarked by interfaces (customer touch points) and enablers that provide the foundation for delivering compelling end-to-end customer experiences.
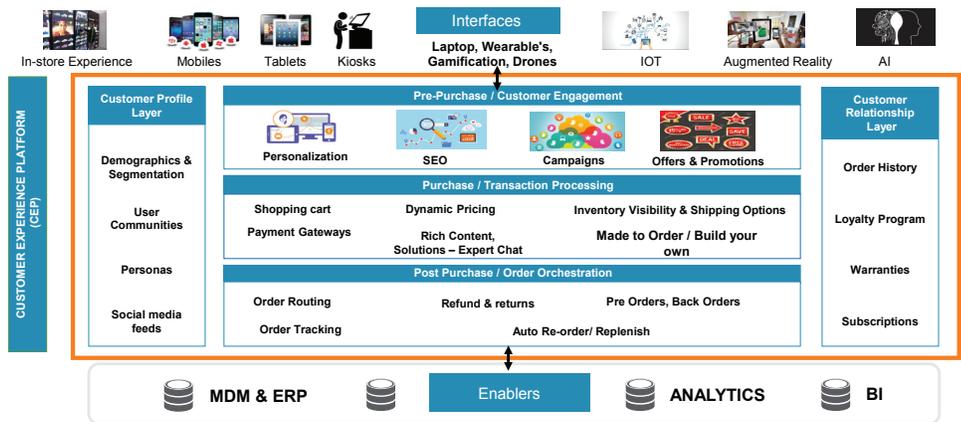
Customer Profile Layer

The customer profile layer brings together internal and external data in customer data hubs that provide a 360-degree view of each customer, based on the customer's journeys, their personas, and individual preferences. It enables organizations to intelligently build user communities, segment customers based on needs, and deliver personalized offers.

Customer Engagement Layer: Pre-Purchase

The customer engagement layer provides the tools which organizations need to deliver personalized customer experiences. Sophisticated search capabilities supported by intelligent analytics, chat, video, and omni-channel marketing solutions allow each interaction to be customized based on customer preferences and behavior, and provide opportunities for cross selling and upselling.

Transaction Processing Layer: Purchase

This layer incorporates everything needed for customers to order and pay for products. It supports 'build your own' configuration of products, dynamic tiered pricing, quote management, payment gateways, market places, and subscription models, so companies can tailor it to create the most attractive packages for their products and services.

Order Orchestration Layer: Post-Purchase

The order orchestration layer allows customers to see and track their order as it moves through the supply chain. It also supports all order types including pre-orders, back orders, Internet of Things (IoT)-enabled reorders, and replenishment. In addition, it contains the functionality needed to process returns and refunds, as well as providing the capability to offer multiple shipping and payment options.

Customer Relationship Layer

The customer relationship layer maintains a complete record of each customer's order history, subscriptions and warranty entitlements. It contains comprehensive functionality for creating, running, and managing loyalty programs. It also supports emerging technologies such as Chatbots and social media analytics (Socialytics).

WHAT DOES THE CEP FRAMEWORK DELIVER?

There is a direct linkage between each of the CEP layers and bottom line business results. This diagram shows the metrics that would be used at each level and the potential business impact.

Layer	Qualitative Metrics	Quantified Metrics	Financial Implication
Customer Profile	Brand Affinity Brand Recall	▪ Email open rate, click through rate ▪ Email to visit to conversation ratio's ▪ Promotional discounts availed	▪ Improved Promotional Spend Effectiveness ▪ Lower Customer Acquisition Cost
Customer Engagement	Product Affinity Service Affinity "Solutions to my problems"	▪ Time spent on the website, ▪ Search to Purchase Ratio ▪ Social Sharing ▪ Chats initiated, Video's watched, Ratings & Reviews Provided ▪ Coupons downloaded/ availed ▪ Funnel Analytics	▪ Reduced Campaign Spend ▪ Improved Campaign Effectiveness ▪ Improved return on engagement $'s
Transaction	Buying Experience Availability Price Competitiveness	▪ Rate of Cart Abandonment ▪ Time spent on Checkout Process ▪ Average Order Value ▪ Number of Transactions per Year ▪ Upsell / Cross sell effectiveness	▪ Increased Average Purchase Value Per User, ▪ Reduced Cost per Incremental Sale, Increased Frequency of Purchase
Order Orchestration	Efficient Operations	▪ Order Error Rates ▪ % of Orders with on time delivery, failed delivery ▪ Returns/exchange rates ▪ In Stock Inventory ▪ % of Back Orders ▪ % of orders with shipping discounts	▪ Reduced Cost Per Order Delivered, Reduced cost of warranty support ▪ Reduced expedited shipping costs
Customer Relationship & Advocacy	Loyalty Advocacy Customer Lifetime Value	▪ Lifetime Customer Value ▪ Loyalty Signup ▪ Repeat visit, repeat purchase ▪ Customer referrals ▪ CSAT ratings ▪ Social Media Sentiment Analysis	▪ Reduced Churn ▪ Enhanced Repeat Purchase Value, Volume and Velocity ▪ Lower Customer Acquisition Cost due to Referrals, ▪ Positive Word of Mouth Publicity

EVOLUTION NOT REVOLUTION

The CEP is not meant to be a roadmap for implementing new software. Clearly most, if not all, organizations will already have many of these capabilities in place – in their Customer Relationship Management (CRM), eCommerce, and order management systems for example.

In addition, not all industries will have the same requirements. The journey of an automotive parts supplier's customer will be very different from that of an Internet Service Provider, or an office products supplier.

Instead, the CEP provides a blueprint for evaluating the capabilities a customer has at each layer, what needs to be added, and how the layers can be integrated to deliver the end-to-end experiences customers expect. It helps clients answer questions such as:

● How effective are we at attracting new consumers?

● Do we know the lifetime value of our customers?

● Where does our Customer Satisfaction score stand and what are our customers saying about their digital experience?

● Are we meeting our brand objectives?

● Is our cost of doing business on an upward or downward trend?

● What do we spend per company/ customer to attract new business and retain them?

- Are the number of interactions on the rise and are they effectively capturing up-sell/ cross-sell opportunities?

Clients can also use the CEP approach to determine shortfalls or gaps in their solution/ plans. It can help them map out core customer journeys for their business and industry, and identify where there are gaps and/or disconnects between the layers that inhibit those journeys. They can also map out business processes intended for enablement to assess whether they are completely enabled and if a related process is effectively connected.

From a technology perspective, the CEP framework enables our clients to develop a technology overlay on top of their current solution to ensure completeness, including critical components like real-time profiling and analytics that drive personal, relevant customer experiences. It also helps them identify whether key integrations or interfaces are missing, for example, is social media effectively embraced?

Finally, to develop a solution roadmap, the CEP framework can be used to determine what needs to change, how it needs to change and the timing to deliver the attainable business value. This could include technology changes and updates, business process redefinitions and refinements, or organizational realignments and collaboration.

REALIZING THE VISION

At HCL we've built up a comprehensive library of accelerators -- solutions, artifacts, and partnerships that, combined with our in-depth experience, enable us to accelerate our client's journeys to delivering a 21st Century Customer Experience. HCL's approach is to bring our best-of-breed capabilities combined with those of niche players in specific segments to provide an end-to-end customer experience.

CONTINUOUS IMPROVEMENT

The CEP is not standing still. Our approach is to build a future-ready solution that supports:

- Existing technologies such as tablets, mobiles, laptops, and kiosks
- Emerging technologies such as wearables, AI, and customer data hubs
- Modular solutions that can quickly adapt to future technologies

As a result, companies can be sure that they are not restricted in the future and can use whatever new developments appear, to continuously improve the customer experience.

CONCLUSION

eCommerce is vital to the success of companies and offers many advantages to them and their customers. But many organizations are not reaping the full benefits of eCommerce due to the difficulties of delivering a true omni-channel customer experience.

With the CEP approach, HCL can help you plug the gaps in your eCommerce strategy so you can deliver the integrated, end-to-end, easy-to-use experiences customers expect and, as a result, increase revenue and growth. To discuss how we can help you, please get in touch with us through integrated.applications@hcl.com.

BENEFITS ACHIEVED BY HCL's CLIENTS

Customer Experience Layer	Company	Benefits Achieved
Customer Profile	Global Money Transfer Heavyweight	50% increase in online prospect to customer conversion 8% increase in average transaction value
Customer Engagement	World-wide franchised fast-food restaurant chain	Increased page views from 45Mn to over 120Mn Analyzed approximately 750,000 visitors per day
Transaction	Global manufacturer of construction and mining equipment	9% increase in web site visits 12% increase in average order volume
Order Orchestration	Multi-national boots, shoes, and clothing retailer	12% reduction in order error rates
Customer Relationship	World-wide healthcare equipment manufacturer	8% reduction in calls to its service center

About HCL Technologies

HCL Technologies is a leading global IT services company working with clients in the areas that impact and redefine the core of their businesses. Since its emergence on the global landscape, and after its IPO in 1999, HCL has focused on 'transformational outsourcing', underlined by innovation and value creation, offering an integrated portfolio of services including software-led IT solutions, remote infrastructure management, engineering and R&D services and business services. HCL leverages its extensive global offshore infrastructure and network of offices in 31 countries to provide holistic, multi-service delivery in key industry verticals including Financial Services, Manufacturing, Consumer Services, Public Services and Healthcare & Life sciences. HCL takes pride in its philosophy of 'Employees First, Customers Second' which empowers its 100,000 ideapreneurs to create real value for customers. HCL Technologies, along with its subsidiaries, had consolidated revenues of US$ 6.1 billion, for the Financial Year ended as on 31st December 2015 (on LTM basis). For more information, please visit **www.hcltech.com**

About HCL Enterprise

HCL is a $7 billion leading global technology and IT enterprise comprising two companies listed in India – HCL Technologies and HCL Infosystems. Founded in 1976, HCL is one of India's original IT garage start-ups. A pioneer of modern computing, HCL is a global transformational enterprise today. Its range of offerings includes product engineering, custom & package applications, BPO, IT infrastructure services, IT hardware, systems integration, and distribution of information and communications technology (ICT) products across a wide range of focused industry verticals. The HCL team consists of over 105,000 ideapreneurs of diverse nationalities, who operate from 31 countries including over 505 points of presence in India. HCL has partnerships with several leading global 1000 firms, including leading IT and technology firms. For more information, please visit **www.hcl.com**

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