Fit forCommerce™

5 Keys to the Digital Experience Equation: Leveraging customers, context and content to deliver the optimal digital experience

FitForCommerce Whitepaper Series

B2C and B2B organizations agree that both product-centric and brand-focused content are essential to delivering a complete digital experience in today's omnichannel retail environment. However, content can only be relevant when the context of the customer's experience is part of the equation. In this paper, we will examine five components critical to delivering the ideal digital experiences, including content, customers, and context.

November 2014

John DeCaprio and Laura Swanson, FitForCommerce

Introduction

The continued evolution of technology in commerce has had a transformational impact on the traditional path-to-purchase funnel. From awareness to interaction, trial, purchase and loyalty, B2C shoppers and B2B buyers travel interchangeably between offline and online channels throughout the purchase funnel and expect seamless experiences across all touchpoints. As a result, the traditional concept of distinct commerce channels at a particular stage of the buying cycle is quickly becoming a thing of the past. The challenge for organizations is to anticipate the consumer's next move, deliver relevant content, and ensure that the experience is consistent at all times. Brand exploration, research, and purchase should be considered part of the same process and, as such, at FitForCommerce, we see a collision of marketing and commerce that results in the total digital experience.

Content is an important part of the buyer's journey, but it is only relevant when the *customers and their context* are brought into the equation. Today's consumers want to see rich content in the context of where they are in the buying cycle, and they want to be inspired to explore brands in new ways. To deliver inspired selling experiences that meet an infinite number of unpredictable customer needs, the digital experience must have all content and data available and ready to dynamically filter and adapt in an instant.

Although there is currently a lot of focus on what constitutes the ideal digital experience, few organizations have successfully executed a strategy that takes the entire digital experience equation into consideration. At FitForCommerce, it is our experience that organizations are finding the delivery of the optimal digital experience challenging, and today's splintered experiences are symptoms of legacy organizations, systems, and goals. The convergence of marketing, ecommerce, and retail operations is forcing both B2C and B2B organizations to approach their online presence as a collective experience that includes both content and commerce.

In this paper, we will explore five key components of the digital experience equation:

1. **Content and commerce** – availability and delivery of data and content from multiple sources and systems
2. **Customers and context** – content in context of the customer at any point of the purchase journey
3. **Digital and physical convergence** - synchronization of online and offline customer behavior as the lines between these channels further blur
4. **Brand and commerce convergence** – collaboration between marketing and commerce teams with shared systems and metrics
5. **Scalability** – ability to easily scale for new brands, touchpoints, markets, or even single-purpose campaigns

In this paper, we will provide insights into how both B2B and B2C organizations can successfully address these five key areas to improve digital experiences.

The Collision of Marketing and Commerce

The Evolution of the Path-to-Purchase

> *"Customers don't think about touchpoints or channels – they think about their experience with your brand."*
>
> Kathy Kimple, Sr. Consultant, FitForCommerce

The advancement of digital commerce continues to transform the traditional path-to-purchase. B2C shoppers and B2B buyers alike seek seamless and relevant experiences no matter how, when, and where they choose to engage with a retailer or brand. In both B2B and B2C, channel hopping is the norm; as a result, touchpoints, such as websites, mobile, social, customer service, and physical stores, are no longer confined to a particular stage of the purchase process and, therefore, the traditional concept of distinct channels no longer exists.

Interaction with a brand is determined by the need the buyers have at any given moment, and they want relevant content to be delivered in context to where they are in their purchase process. This means that content or transactional capabilities required are no longer determined by the channel or touchpoint but rather by the interactions between the customer and brand.

The Collision of Marketing and Commerce

When the internet first started to take root, brands and retailers created marketing sites designed to tell the brand story, inform, and inspire. As the internet gained popularity and technology evolved, new departments were formed to launch and manage simple consumer-facing online storefronts and B2B ordering portals, featuring product catalogs and shopping carts.

These departments were primarily established as individual "stores" with their own P&Ls and were typically disconnected from the core operation. Marketing and ecommerce teams operated these sites independently and invested in different technology platforms to support their operations. The marketing group typically used a web content management (WCM) system focused on non-transactional content, while the ecommerce platform (ECP) supported product sales and other transactional interaction and merchandising.

Almost **60%** of commerce professionals planned to invest in digital content in 2014 to enhance the overall customer experience.

Source: Oracle 2014 Trends in B2C Commerce Survey

As demands for online shopping grew, B2C digital commerce began to replicate or, in some instances, replace in-store shopping, while B2B organizations sought to unify the buying experience. Instead of managing two separate sites, they started to merge their marketing and commerce sites to create a one-stop resource for their customers. At the same time, the demand for omnichannel shopping has made it near impossible to predict when, where, and how consumers and business buyers interact with different touchpoints to explore, research, and buy. As a result, brand content has become an integral part of the path-to-purchase and must be dynamically delivered alongside product content to create a single destination that meets expectations for a convenient, relevant, and personalized digital experience. To achieve this challenging goal, marketing, ecommerce, and retail teams can no longer operate independently, but must merge to deliver a unified content and commerce strategy.

The Digital Experience Equation

A new set of challenges

There is a lot of discussion about what constitutes the optimal digital experience. While most organizations agree that a highly personalized combination of content and commerce is the Holy Grail, only a few have succeeded in achieving the right balance. This is a challenge that many retailers and brands are trying to conquer – and it is not an easy one.

Marketing & Commerce Tension

Commerce | Offline / Online | New! Marketing
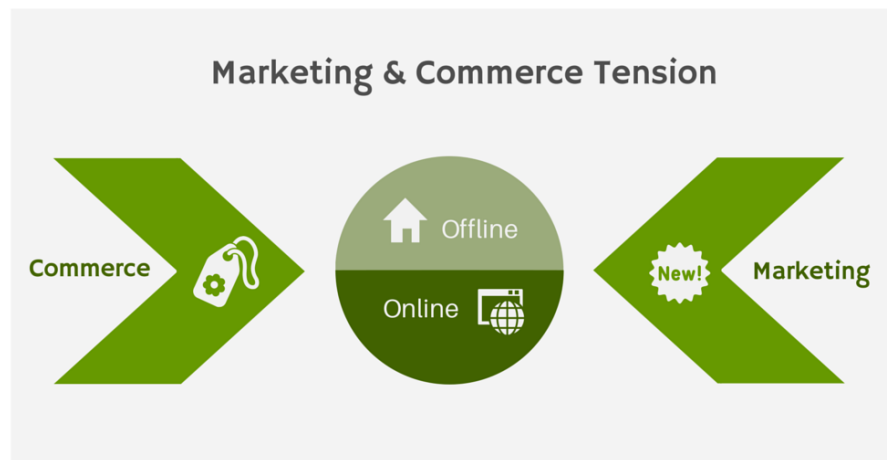
The goal must be to remove offline and online tension between brand and commerce, and find a way to merge the two. Add the concept of context into the equation, and the challenge becomes even more difficult.

To achieve the optimal digital experience that meets consumer expectations, at all times and at every touchpoints, organizations need to deliver a single and relevant shopping

destination across channels that incorporates rich marketing content alongside product, pricing, inventory, and personalized merchandising. To find the right balance between content and commerce, it is critical to determine when to surface editorial content into the transactional flow versus when to focus purely on the transaction.

5 Key Components to the Digital Experience Equation

To remove friction and deliver the optimal digital experience, organizations need to consider five key components when developing their digital strategies. While many organizations have mastered one or more of these areas, it is the combined power of all five components that will result in the ideal digital experience.

The Digital Experience

- Digital & Physical Convergence
- Customers & Context
- Scalability
- Content & Commerce
- Brand & Commerce Convergence
- The Digital Experience Equation

1   Content and Commerce

The notion of content and commerce plays a big role in today's digital experiences. Content assets take many different forms and can stem from dozens of systems within the organization, as well as from external sources. At FitForCommerce, we often see that brands and retailers quickly become overwhelmed when it comes to their content strategies. However, more often than not, these same organizations already have the content assets in-house; the challenge lies in bringing it all together, allowing access from multiple platforms, and intelligently determining what, where, and when to surface specific content.

Two Types of Content Used in Commerce

Product Content	Brand/Editorial Content
• Descriptions • Specifications and attributes • Pricing • Inventory information • Product images • Reviews • Recommendations	• Marketing images • Instructional / How-to's • Videos • Advice • Lifestyle • Forums / Knowledge Centers • Events

Historically, product content resided on the ecommerce site, while the brand/editorial content was featured on the brand site. However, today's consumers and business buyers do not want the hassle of having to visit multiple destinations to explore and buy. At the same time, increased competition has removed product assortment and price as differentiators, leaving many organizations to find new ways to stand out. Brands like ULTA Beauty[1] and TOMS[2] understand that both product and editorial content is an integral part of the user experience, and have transformed their ecommerce properties from purely transactional to destination sites. They differentiate themselves by creating engaging digital shopping journeys that merge content and commerce at every stage - from exploration to post-purchase.

Dedication to Content

ULTA Beauty crafts and features content that relates to the lifestyle of their customers. The brand focuses on telling a story and uses content to inspire, educate, and guide the customer through the purchase process. All aspects of the brand's strategy are focused on the customer experience and prioritizing content that is relevant and integrated at all customer touchpoints, no matter whom the customer is or what device she is using.

TOMS does an excellent job at personalizing the customer experience by delivering relevant content and recommendations, providing a faster and easier checkout, and a more visual, content-rich shopping experience with integrated ratings and reviews. The platform gives TOMS' business users better control over the customer experience by allowing them to target promotions, personalize content, customize search results and recommendations, and update product information across multiple sites on the fly.

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[1] Oracle Commerce and ULTA Beauty Transform Customer Experience, Integrated Solutions for Retailers, 10/27/14
http://www.retailsolutionsonline.com/doc/oracle-commerce-and-ulta-beauty-transform-customer-experience-0001
[2] TOMS Drives International Expansion with Oracle Commerce, http://www.oracle.com/us/corporate/press/2047370

To successfully merge content and commerce throughout the digital experience, organizations need to ensure that they have all content available and are able to dynamically filter and adapt in real-time. Since the digital experience should be determined by an infinite number of unpredictable customer needs, copy, rich imagery, videos, and PDFs must be readily available and prepared to be used with content and data originating from product catalogs, CRM systems, customer profiles, user reviews, search and navigation, ERPs, social media, personalization engines, in-store data, PIM systems, merchandising, order management systems, recommendations, pricing, inventory, customer service, shopping carts, and more.

2 Customers and Context

Content is only effective if it is relevant to the individual customer. Knowing their context, such as who they are, where they have been, and even anticipating where they will go next, is therefore critical. Without a 360° view of the customer, across both online and offline interactions, it is impossible to know the context.

Delivering truly personalized and engaging experiences can only be achieved by leveraging data to present relevant content, at any point of interaction, from basic displays of select imagery or custom product assortments, to more precise elements, such as specifically recommended products, lifestyle content, product instructions, cross-sells and more.

Personalizing the digital experience through content

Medline Industries, Inc. is the largest privately held manufacturer and distributor of healthcare supplies in the United States. Servicing a diverse customer base, including hospitals, extended-care facilities, physician offices, home health agencies, and retail medical supply outlets, the company was struggling to provide personalized experiences that delivered tailored content based on a visitor's market segment. For example, a purchasing agent from a nursing home might conduct a search for drapes, and would receive content on window treatments as well as surgical drapes, the latter not being appropriate. Today, upon entering the site, visitors identify a market segment, which the system captures and stores in a profile and uses to populate tailored content in current and future sessions. Each visitor in a preferred market receives a tailored homepage experience, with news releases, clinical solutions, and supply solutions that are most relevant for their role and business segment.[3]

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[3] Medline Industries Delivers Personalized Content to Healthcare Customers and Increases Targeted Content Views by 60%, http://www.oracle.com/us/corporate/customers/customersearch/medline-industries-1-atg-sl-1993719.html

The data imperative

> *"The 360° view of the customer, combined with product data and delivery of the right content based on customer context, allows retailers and brands to personalize and tailor every digital interaction."*
>
> Vince Clark, Sr. Consultant, FitForCommerce

It is impossible to determine who the customer is, and her context, without data. Brands and retailers should leverage demographics, purchase history, preferences and product data, as well as real-time site interaction such as clickstreams, search, and navigation, to define the shopper context, and use these insights to deliver digital experiences that adapt to shoppers in real-time.

Most organizations already capture and store massive amounts of data about their customers, prospects, products and more. This data often resides in multiple systems across the enterprise, and it becomes imperative to find an effective way to centralize and digest vast amounts of data in any form. We often recommend consolidating crosschannel data within one dashboard, and then extend metrics to mine cross-silo insights.

But data is only valuable when leveraged correctly. It is critical to analyze data and implement the right business rules to ensure that the best data drives any or all elements of the personalized user experience. If the customer is not identified, real-time data can be used to dynamically personalize the experience based on real-time actions and context.

3   Digital and Physical Convergence

In today's omnichannel world, it is not just distinct digital touchpoints that are blurring, but also the lines between online and offline shopping. As a result, the digital experience cannot be restricted to online channels. Organizations need to document

customer behaviors across both online and offline channels to be able to fully understand the customer context at any given point in time.

At the same time, forward-thinking omnichannel brands are increasingly embracing the opportunities for digital and physical convergence to meet customer demands. By introducing new digital solutions in physical store locations, such as clienteling applications that empower sales associates to provide optimized onsite sales assistance, retailers and brands are streamlining experiences and providing high-touch interactive solutions for shoppers and sales associates. Additionally, these in-store and portable digital applications allow associates and sales reps to offer a more personal experience, whether in a store or in the field, by providing real-time visibility of a customer's profile (history, preferences, segments) and crosschannel activity.

The shopping experience also crosses digital and physical borders as customers expect advanced order fulfillment capabilities, such as the ability to order online and pick up in-store, buy online and return in-store, endless aisle, and so on. To enable these capabilities, accurate enterprise-wide inventory and real-time customer data visibility is even more critical to the brand-wide customer experience.

Other brands are bringing the digital experience into the physical store environment with digital displays that stream relevant content, such as videos and interactive kiosks that allow customers to research products.

4 Brand and Commerce Convergence

One of the most challenging tasks, related to executing strategies for contextually relevant digital experiences, is shifting the organization from a predominantly divided marketing and commerce structure to a highly collaborative environment. As the collision between marketing and commerce continues to take hold, we, at FitForCommerce, recommend treating the delivery of digital experiences as a collective approach. Breaking down legacy silos and internal responsibilities are necessary steps to achieving cohesive and contextually relevant customer experiences.

Business users from the marketing and commerce teams should be empowered to collaborate when creating and managing digital experiences. This means that they should no longer sit separately in organizations, and should have similar success metrics (marketing now cares about conversions and monetization/sales, and ecommerce is now prioritizing loyalty and engagement).

Keeping completely separate marketing and commerce teams, as well as supporting technology platforms for elements of delivery, is redundant, expensive, and results in broken customer experiences.

Although it can be challenging to attain, the close collaboration between marketing and commerce teams has multiple positive outcomes. In addition to improving operational efficiencies, the data derived about customers and conversions from the commerce team will help measure the success of content marketing and inform the content strategy and direction.

5 Scalability

The scale required in delivering relevant content in commerce versus the scale and power required to deliver **contextually** relevant customer experiences differs by orders of magnitude. Since contextually relevant experiences are tailored to the individual customer, it is impossible to meet an infinite number of unpredictable customer needs with static pages. It is simply not feasible to create static pages for every potential customer path or scenario.

DARDEN

Flexibility to scale with centralized ecommerce platform

Darden Restaurants is one of the world's largest full-service restaurant companies with 1,500 locations including Olive Garden, LongHorn Steakhouse, Bahama Breeze, The Capital Grille, and Yard House brands.

Darden takes a "guest-first" approach to running their business and needed a way to improve digital engagement with their customers for its many brands. They wanted to incorporate rich digital content and had unique requirements specific to their industry. Darden selected Oracle Commerce as the centralized platform to help them reinvent the online experience for their customers and build ongoing relationships and loyalty. Darden has seen some impressive results since launch:

- ✓ Significant increase in To-Go sales
- ✓ Higher check average
- ✓ Higher stability, scalability, and availability
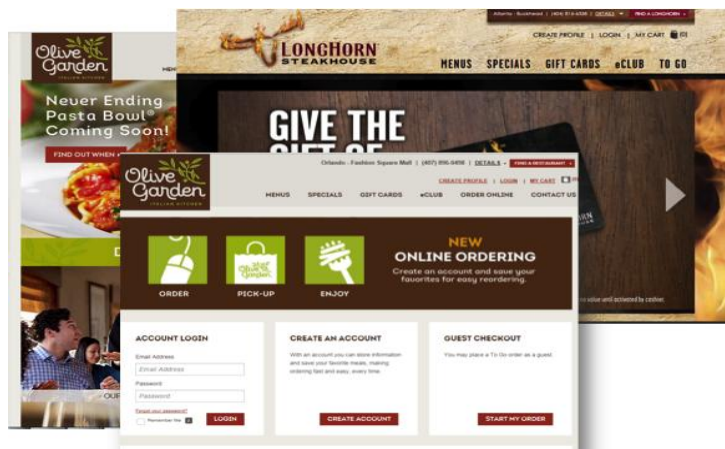
Beyond the online experience, brands also need to consider scaling to new digital formats, new sites, new business models, and new geographies. It is recommended that organizations ensure that they have multi-site capabilities that allow them to speed the launch and simplify the management of optimized microsites, in-store applications, international sites, and more.

Real-time data and content from shopping carts, product catalogs, recommendation engines, promotions, and content delivery networks must be scalable, easily shared and integrated across touchpoints to avoid starting from scratch or duplicating efforts. In addition, content and data from other systems in the organization should be readily available, and easy to leverage across all points of customer interaction.

Delivering the Digital Experience

What platform should control the experience?

Online sales are projected to increase from $294 billion to $414 billion over the next four years in the US alone.

Source: US ecommerce Forecast: 2013 to 2018, Forrester Research, May 2014.

As expectations for online shopping has evolved, it has resulted in the overlap of many marketing and ecommerce functions, and the technology platforms used by each group have developed similar capabilities. Today, areas such as site layout, experience management, search, navigation, and personalization can be managed by either the web content management (WCM) system or the ecommerce platform (ECP). The WCM system is ideal for delivering non-transactional brand experiences; however, as expectations shift to a single customer destination, deciding which path to take to deliver the total digital experience is challenging for many organizations.

Some take a hybrid approach with WCM and ECP, each delivering elements to the page. Although others lead with the WCM systems, they were not built to integrate with dozens of systems and scale large volumes of data, therefore often requiring substantial integration projects, duplicated efforts, and the inability to leverage all data points, resulting in fragmented experiences. In addition, some organizations try to use retail systems, such as the POS as the primary platform; however, these are not able to support dynamic marketing necessary to manage omnichannel marketing.

Because discovery and purchase is part of the same experience, the ability to scale the experience to anyone, at any stage is critical. At FitForCommerce, we typically recommend that brands use the commerce platform as the primary system to deliver the digital experience. Even if online sales today only represents a fraction of overall sales, both B2B and B2C organizations must prepare for continued growth of the digital channel.

Commerce platforms are already designed to leverage information and data from multiple systems and, therefore, are best positioned to be the point system for delivering contextually relevant and adaptable experiences. The ability to index all

information and surface the right material in context along each user's journey, pivoting between inspiring, discovering, selling, and supporting, at any time, is imperative.

Conclusion

As the commerce space continues to evolve and competition gets fiercer, brands and retailers are constantly challenged to meet the demands of the increasingly discerning customer. In today's omnichannel environment, discovery, research, and purchase should be considered a part of the same process. Since these actions cross over both marketing and commerce disciplines, it is the collision of both that is driving the total digital customer experience.

Most organizations agree that both product-centric and brand-focused content are essential to delivering a relevant and personalized digital experience that meets customer expectations at all stages of the path-to-purchase. However, content is only part of the equation. We believe there are five key components that make up the total digital experience:

1. **Content and commerce** – Content should be infused throughout the path-to-purchase. The availability and delivery of data and content from multiple sources and systems is necessary.
2. **Customers and context** – Content can only be effective and relevant when considered in context to the customer at any point of the purchase journey. Data is essential to this process; without a 360° view of the customer, across both online and offline interactions, it is impossible to know the context.
3. **Digital and physical convergence** – The concept of traditional channels has become obsolete and the convergence between physical and digital is inescapable. Both offline and online touchpoints are essential to experience delivery and data capture.
4. **Brand and commerce convergence** – As marketing and commerce collide, any tension between functions must be removed. Strong collaboration, shared systems, and KPIs are needed to seamlessly deliver the digital experience.
5. **Scalability** – The ability to easily scale content, technologies, and processes to new brands, touchpoints, markets, or even single-purpose campaigns is important.

While many organizations master one or more of these areas, it is the combined power of all five components that will result in the ideal digital experience. Therefore, we challenge the readers of this paper to examine their organizations, and map out if and how they are addressing each component of the digital experience equation.

This whitepaper is made possible by the support of Oracle Retail:

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