



WebSphere software

Deploying a single, consolidated platform for e-commerce

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Introduction

CEOs have said that revenue growth is back at the top of their agendas, followed closely by cost savings.¹ These findings are particularly pertinent to the e-commerce industry, because e-commerce solutions are uniquely suited to pursuing new revenue opportunities, and ROI has already been a top priority of e-commerce investments for several years. Companies have a wide variety of e-commerce requirements, depending on what products they sell, who they sell to, what channels they use and other factors that define their business models. As these business models are refined, the answers to these questions can change, making it critical for companies to find e-commerce solutions that accommodate all the ways they do business.

Companies who are conducting e-commerce successfully are taking proactive measures to address the many challenges inherent to selling online and across multiple brands and channels. They are finding ways to connect data sources, integrate applications and automate processes. They recognize the importance of flexibility and scalability as they find new ways to optimize their business environments. And they have found that a single, consolidated platform solution addresses many e-commerce challenges and enables more sophisticated business models—and revenue growth opportunities.

The evolving challenges of e-commerce

In the early days of e-commerce, companies approached it in ad hoc ways. Web stores and other customer-facing touchpoints were deployed rapidly in reaction to market demands. Instead of being part of a long-term, comprehensive company strategy, these systems were deployed in relative isolation at the brand, channel or business unit level. As a result, many companies now find themselves spending inordinate amounts of time, money and other resources operating and maintaining multiple, disparate e-commerce sites and the software and infrastructures that run them.

It's not unusual to see companies maintaining separate Web infrastructures for different product brands, or using independent systems for call centers and the Web. Business-to-business (B2B) companies often deploy different software packages to address the needs of their subsidiaries. However, using a multi-platform approach to e-commerce can create numerous conditions that can hinder a company's ability to maximize profitable revenue opportunities, including:

- *Inconsistent, ineffective customer experience across touchpoints, brands and channels. Customers may see a product in the catalog but cannot locate it on the Web site. They may place an order with the call center but cannot view or change the order online. Or they may be unsettled by operational inconsistencies on the company's Web site. B2B customers may also experience inconsistencies, such as offline contractual agreements that may not be honored on the Web site.*
- *Fragmented or incomplete view of customer data across channels, brands and divisions. Data for online customers may be maintained in a separate system from the data for in-store or call center customers, making it difficult to analyze customer behaviors, execute targeted promotions or evaluate the effectiveness of specific brand or division marketing initiatives. A B2B company may have no data at all about customers who buy through indirect channel partners.*
- *Limited cross-channel sales and branding opportunities. Having disparate systems for each channel may make cross-sell initiatives and branding campaigns more difficult to execute. Companies may be unable to capitalize on a customer's channel preferences, or to personalize a customer's shopping experience.*
- *Fragmented or incomplete view of inventory and order information. In-store customer service representatives may be unable to view online inventory, resulting in lost customer referrals and online sales. Consumers shopping online may not be able to see real-time availability and delivery data. Or a B2B company may not have real-time access to inventory information in the channel.*
- *High IT maintenance and operations costs. Companies may have high costs associated with the time, effort and skill sets required to maintain diverse or redundant servers, platforms and applications. New capabilities may be costly and time-consuming to implement across these disparate systems.*

While the cost of managing multiple customer sites and touchpoints is a growing concern, companies in nearly every industry are also focused on finding new revenue opportunities. In today's market, simply offering products and services for sale online is no longer a differentiator. Online customers have grown increasingly sophisticated. They have access to more information and more choices than ever, and their expectations for products, functionality and customer service are high. Competition for their business is fierce.

Good candidates for a single platform

Certain B2B and B2C business models stand to gain the most benefit from a single platform solution for e-commerce. For example, manufacturers and other companies who sell to other businesses online often have complex business processes. These include companies that:

- *Sell directly to their business customers and indirectly through partners.*
- *Also sell directly to consumers (B2C).*
- *Sell via e-procurement or private B2B sites.*
- *Have separate, semi-autonomous business units.*
- *Sell globally via regional sites/catalogs.*

Retailers and other companies who sell to consumers online will also benefit from a single platform solution. These include companies that:

- *Market and sell through multiple channels and touchpoints such as the Web, call centers, retail stores, catalogs and kiosks.*
- *Have multiple, distinct brands, each needing its own Web presence.*
- *Sell globally via regional sites/catalogs.*
- *Seek syndication or affiliate marketing, such as selling on online auction sites or other companies' Web sites.*

Companies like these can capitalize on the potential of a single platform solution in pursuing the dual business goals of revenue growth and cost reduction.

To fuel the next phase of revenue growth, companies are investing in technology as a means to achieve strategic e-commerce goals by improving the cross-channel experience and by opening new business or consumer channels. They're also finding that improving e-commerce initiatives can help them expand to global markets and explore new business models and opportunities. By pursuing these goals, B2B and business-to-consumer (B2C) companies alike are positioning themselves to increase consumer loyalty, maximize revenue opportunities and capitalize on future market developments.

Industry best practices

A single platform solution provides a solid foundation for building a dynamic e-commerce operation. Companies that are achieving the goals of revenue growth and cost control through a single platform solution share many of the same business model characteristics, providing an excellent example of best practices for e-commerce.

They offer a seamless customer experience across channels and touchpoints.

Web-savvy customers demand precisely what they want, and how and when they want it. Companies need to find a way to offer rich, individualized experiences that attract the highest value customers, and keep them coming back to every channel in which they do business. No longer can an online store—or any other channel—operate as a stand-alone entity. Today's consumers prefer to shop across a variety of channels. And these multi-channel shoppers aren't only more loyal—they're also more profitable.

To capture these valuable customers, companies not only need to offer multiple ways for customers to do business with them, they need to ensure that the customer's experience across all of these channels is seamless, consistent and appropriate to their needs and preferences.

Most companies already have two or more sales channels but few have fully integrated these channels to offer a truly seamless experience. Best practice companies offer convenient cross-channel features such as cross-channel gift registries, coupons, loyalty points and gift cards. They also allow customers to start the buying process in one channel and complete it in another without having to start over. For example, customers can order items online and pick them up in the store.

Adopting a common multi-channel platform can cost-effectively support these cross-channel processes. The platform should be able to deliver the user interface for different touchpoints—such as a Web, kiosk and call center agent interface. This platform should also leverage a single view of customer and product data, as well as cross-channel sales and marketing processes and order and inventory information.

They automate the unique policies, terms and agreements that define relationships with each B2B customer. B2B companies are seeking ways to innovate and differentiate around the customer in response to increasing commoditization and heightened competition. They are looking for new ways to identify and target attractive segments and build closer relationships. In fact, a full two-thirds of the B2B marketers surveyed by eMarketer said that improving the online customer experience was the prime driver for B2B technology investment this year.²

Many companies have experimented with Web site personalization to improve the customer experience. But best practice companies take personalized service to the next level. Not merely personalizing content, but supporting many of the factors that define a B2B relationship—including contractual agreements, dynamic negotiations, business policies, and order and approval processes. Best practice companies deploy multiple, unique sites that serve targeted groups of customers (for example, a site for companies in the travel and transportation industry and another site for small business customers). Or provide unique sites for specific customers (for example, a custom procurement site for a large corporation). These custom sites reflect the unique needs and characteristics of the target customer or customer set.

Creating, managing and maintaining multiple, custom e-commerce sites and the supporting infrastructures can be extraordinarily cost prohibitive. Best practice companies standardize on a single e-commerce platform capable of supporting multiple uniquely branded sites. By doing this, the sites can use the same set of tools and information, as well as automatically share changes, upgrades or new functionality.

They deploy fully localized, culturally appropriate sites for international markets. Many U.S. companies expect international sales to fuel their next wave of growth. But best practice companies know that to fully capitalize on the growth of e-commerce in other countries, they have to accommodate the needs and differences of an internationally or culturally diverse audience. But it's not just a simple matter of translating content, it's the ability to appropriately interact with customers according to their cultural expectations, and to follow local business practices. Companies focused on doing business globally are replacing multiple, disparate technology platforms and e-commerce sites with a single, consistent environment that can both scale globally and support central and delegated administration.

Balancing global priorities and standards with local needs can be tricky. But adopting a single, consolidated platform that allows sites to be localized and tailored for each geography, while maintaining central control over the technology and company-wide policies and strategies, can help a company achieve that balance. At the same time, it can help achieve dramatic cost savings. The right platform frees local resources to focus on marketing and selling rather than keeping a local site up and running.

They sell simultaneously to consumers, businesses and partners leveraging common business assets. Another way companies are seeking to achieve revenue growth is by expanding into new market segments. B2C retailers are opening dedicated B2B channels geared toward business customers—with special pricing, promotions and services. Likewise, manufacturers that have been focused on B2B sales (selling directly to retailers and distributors) are creating or increasing their B2C presence to have more direct contact with consumers. According to Forrester Research, combined B2B and B2C deployments accounted for only 5 percent of Web deployments in 2001. In 2003, they rose to 12 percent, and are expected to continue to grow to 17 percent by 2008.³

B2C and B2B e-commerce each have unique requirements. But deploying and integrating two or three separate solutions is costly, time-consuming and inefficient. Best practice companies adopt a single, unified platform that supports the unique requirements of both B2C and B2B companies, and even supports direct and indirect sales simultaneously.

They enable downstream channel partners to cost-effectively participate in e-commerce. More and more companies are forming partnerships to help them increase reach and improve sales. In fact, most companies earn 40 to 70 percent of their revenues through indirect channels: dealers, agents, resellers, wholesalers and distributors.⁴ Many partners are small- to mid-size businesses who do not have a solid e-commerce presence. If a company's channel partners are not equipped to harness the power of the Web, they will be less effective and more costly to support.

Any company that requires a consistent image or set of products and services across multiple indirect channels requires centralized control and management of its brand image, product information, business policies and sales strategy. Too much control, however, can discourage the creativity of the enterprise's valuable partners. Best practice companies help their downstream partners leverage the power of the Web to increase reach, improve customer service and pursue new revenue opportunities, at the same time maintaining a level of control over brand integrity and sales execution.

They rapidly deploy new sites or business models to take advantage of new revenue opportunities. The increasing corporate focus on revenue growth—coupled with drivers such as rapid commoditization, heightened competition and the mainstreaming of e-commerce—means it is no longer enough to merely have a profitable online sales channel. Businesses need to be able to quickly respond to any opportunity or threat. But at the same time, companies are still being held to tight, scrutinized budgets, often forcing them to try to meet rapidly evolving and expanding business requirements with limited IT and financial resources. In fact, only 10 percent of CEOs believe their organizations have the ability to be very responsive to market conditions.¹

Best practice companies adopt standards-based platforms that package many of the capabilities needed for responsiveness, and allow rapid customization and extension to meet new needs and opportunities. For e-commerce, that means a platform that enables new business models and Web sites to be deployed on the same platform, quickly and without disruption to existing sites.

“To take advantage of existing technology investments and to ensure consistency, retailers should deploy a single, consolidated platform.”

– Carrie A. Johnson, Forrester Research ⁵

IBM platform for e-commerce initiatives

IBM WebSphere® Commerce is the main component of IBM's e-commerce solution. WebSphere Commerce provides a single, integrated platform to support the many ways a company does business and to meet the challenges unique to cross-channel e-commerce. WebSphere Commerce provides the following differentiated capabilities to support the business goals of e-commerce and to enable the best practices of successful e-commerce business models.

Supports the widest range of out-of-the-box business models—and can do so on a single installation. Companies need solutions that accommodate all of the ways they do business—without having to invest in multiple third-party software or taking on expensive customization or reengineering tasks. WebSphere Commerce was designed to do business the way you do. Its architecture and prepackaged, customizable configurations enable it to provide the broadest range of out-of-the-box B2C, B2B and multi-channel business models. And those business models can be configured, customized and extended to meet your needs and characteristics. New business models can even be created by combining elements from those that were preconfigured.

The WebSphere Commerce architecture allows multiple sites to share infrastructure and resources—allowing them to achieve economies of scale, yet maintain tight security between them. And the robust underlying WebSphere platform helps ensure that the installation can handle the workload and scale appropriately for cross-channel performance and availability.

Provides a common interface for multiple customer touchpoints. WebSphere Commerce has a Business Context Engine component that can enable you to present a single face for your business—no matter what part of the business process the user interacts with and no matter which channel or touchpoint they use. Whether they shop online, in the store, via kiosk or telephone, your customers get a consistent, highly personalized experience that meets or exceeds their demands for maximum choice and convenience.

You can configure this patented technology to reflect the characteristics that define and differentiate your business—your market segmentation, business policies, supported roles and workflows, inter-company agreements, regional locales and much more. Every channel or touchpoint that is powered by WebSphere Commerce can leverage common business rules, product and customer data, user interfaces and marketing and merchandizing tactics. This means significant cost savings, reduction in development time and an improved cross-channel synergy and customer experience.

Allows creation of custom sites for specific customers and downstream partners. For an unparalleled degree of individualized service, you can create branded, custom stores for specific customers with the WebSphere Commerce Extended Sites capability. Each of these sites can appear unique to the customers that access it, and each site can implement business rules and policies unique to the customer relationship (special pricing and product entitlement, for example). A site can even be integrated with in-house procurement systems. And the unique sites co-exist on the same infrastructure, sharing as much data and business logic as possible, so that the deployment and management of the operation is quick, easy and cost-effective.

With the same solution, you can deploy a storefront service for downstream channel partners (such as resellers, distributors, agents and dealers). These partners can more quickly and easily create and customize their own e-commerce sites, populating your catalog from a master and adding their own items. The Extended Sites capability lets you host a virtually unlimited number of distinct Web sites. Partners get expanded reach and improved customer satisfaction and loyalty, and you get brand integrity, order and inventory visibility and insight into end customers.

Helps accommodate requirements unique to the different regions or countries in which a business operates. WebSphere Commerce was designed to provide a dynamic global infrastructure to help accommodate unique customer, business, language and legal requirements for every region or country in which a business operates. It supports multiple currencies, local tariffs, shipping rules and more. The product is shipped in 10 languages and is enabled to support most single- and double-byte languages. Companies can use WebSphere Commerce to conduct business around the world more efficiently and provide better customer service and support—all from a single e-commerce site.

Helps enable quick deployment of subsequent sites. WebSphere Commerce Starter Stores deliver preconfigured sets of business processes that you can adapt to specific requirements as your business needs dictate. This lets you perform minimal customization to a new Web site, helping you deploy sites more quickly. Once the platform is in place, you can deploy fully configured, production-ready Web sites in days instead of months. And wizards, tools and role-based access control equip your employees to brand, configure, customize and operate e-commerce sites with ease.

Panasonic connects using WebSphere Commerce

Electronics giant Panasonic had different processes for handling orders and inquiries from dealers and from consumers coming through its company Web sites. This approach was driving up costs and impacting customer satisfaction because it didn't support end-to-end integration. The company wanted to develop a single process that was more responsive to customer needs, was more resilient and permitted a more efficient cost structure.

IBM WebSphere Commerce provided a single platform, allowing Panasonic to better integrate how it sells to customers, to other businesses and through channel partners. Panasonic's e-commerce infrastructure now permits more seamless, real-time order entry and tracking capabilities, helping to drive a marked improvement in customer service ratings. To make the system even more convenient, Panasonic can extend the solution to integrate with dealers' backend SAP applications. With implementation well underway, Panasonic has already been able to reduce order-processing costs and call center costs by 80 percent.

“Because of the reusable Java™ code... we've reduced development time for new Web sites from three months to one week, saving 92% of the time and costs.”

– Eric Keil, IT director of e-business, Panasonic

IBM's own Web site shows the value of a single platform

IBM's Web site at ibm.com supports over 2,830 eSites in 31 countries using WebSphere Commerce as the platform. WebSphere Commerce allows ibm.com to provide direct B2C sites, multiple B2B segment sites, individual customer sites, dozens of international sites and also sites that sell indirectly through channel partners. These eSites provide personalized views of IBM based on requirements for language, currency, product views and pricing. A single master catalog supports multiple audiences, brands, business segments and stores. And an account/store hierarchy manages master accounts and base contracts.

The ibm.com eSites solution saves IBM over US\$12 million annually. These savings can be attributed to the many benefits of the single integrated platform.

- *Ease of customization through store templates and business rules*
- *Ease of maintenance of a common database schema, code base and infrastructure*
- *Leveraging of single master catalog for all .com properties*
- *Rapid deployment of new eSites, marketing campaigns and catalog or price changes*
- *Integrated management of stores, accounts, users and orders*

Learn more

Companies who take the integrated approach to e-commerce can achieve the desired revenue growth while seeing cost savings and improved responsiveness. More than providing the basic functionality required to operate e-commerce, the single platform solution empowers companies to realize the potential of the most sophisticated multi-channel business models—now and into the future.

For more information, visit ibm.com/websphere/commerce



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