USE Case | SAP C/4HANA in Retail

✓ An efficient, comprehensive approach

✓ For communication at the highest level

AS **ARVATO SYSTEMS**

Introduction

Retail processes today are more complex than ever. Business at brick-and-mortar stores and eCommerce activities need to be interwoven in order to give customers the advantages of both retail channels in one holistic customer experience, with the overall aim of increasing sales and customer retention. All of this is achieved by following a defined and highly automated procedure.

In the example below, we describe the complex procedures triggered by seemingly simple customer requests on the retailer side and how they can be effectively and efficiently managed with the solutions offered by SAP C/4HANA and SAP S/4HANA. This is an "end-to-end" example that looks at the customer's initial research, order, and shipping through to the measures aimed at increasing customer retention.

Actors

Customer | Maria Mehrkauf

A young woman who is planning a beach vacation.

Customer | Michael Mehrkauf

Maria's husband.

Retailer | Amporio

A retail company that offers an extensive range of products – from fashion, healthcare, and food to electronics. Amporio operates several brick-and-mortar stores as well as a web shop and has linked all channels together in one comprehensive, omni-channel approach. The company uses different channels like social media, chat, e-mail, and a call center to communicate with its customers. To this end, Amporio uses SAP S/4HANA, an ERP solution, and the CRM suite SAP C/4HANA for customer relation management. Both solutions are transparently integrated into SAP Fiori, a graphical user interface.

Customer service agent (web chat and e-mail) | Sascha Schreiber

A customer service representative at Amporio's customer service center.

Customer service agent (customer hotline) | Tina Talk

A customer service representative at Amporio's customer service center.

Now let's follow the process implemented at Amporio with the example of Maria and Michael's order, from communication and the order process through to customer retention measures.

Product Research

The days are getting warmer and the sun is shining – it's no surprise that people are already thinking about the summer holidays. Maria Mehrkauf is one of them. Maria is making a mental list of the things she will need for a relaxing holiday at the seaside. A beach bag would be great! And of course sunscreen and a few other bits and pieces would be handy. Maria does some research on the Internet. She comes across Amporio's products on her social media channels – they are exactly what she is looking for.

The department store regularly places paid ads on Facebook, Pinterest, and Instagram in particular. It uses SAP C/4HANA's SAP MARKETING CLOUD to do so. This enables personalized communication with customers in real time and gives Amporio a comprehensive view of its customers.

Initial Contact
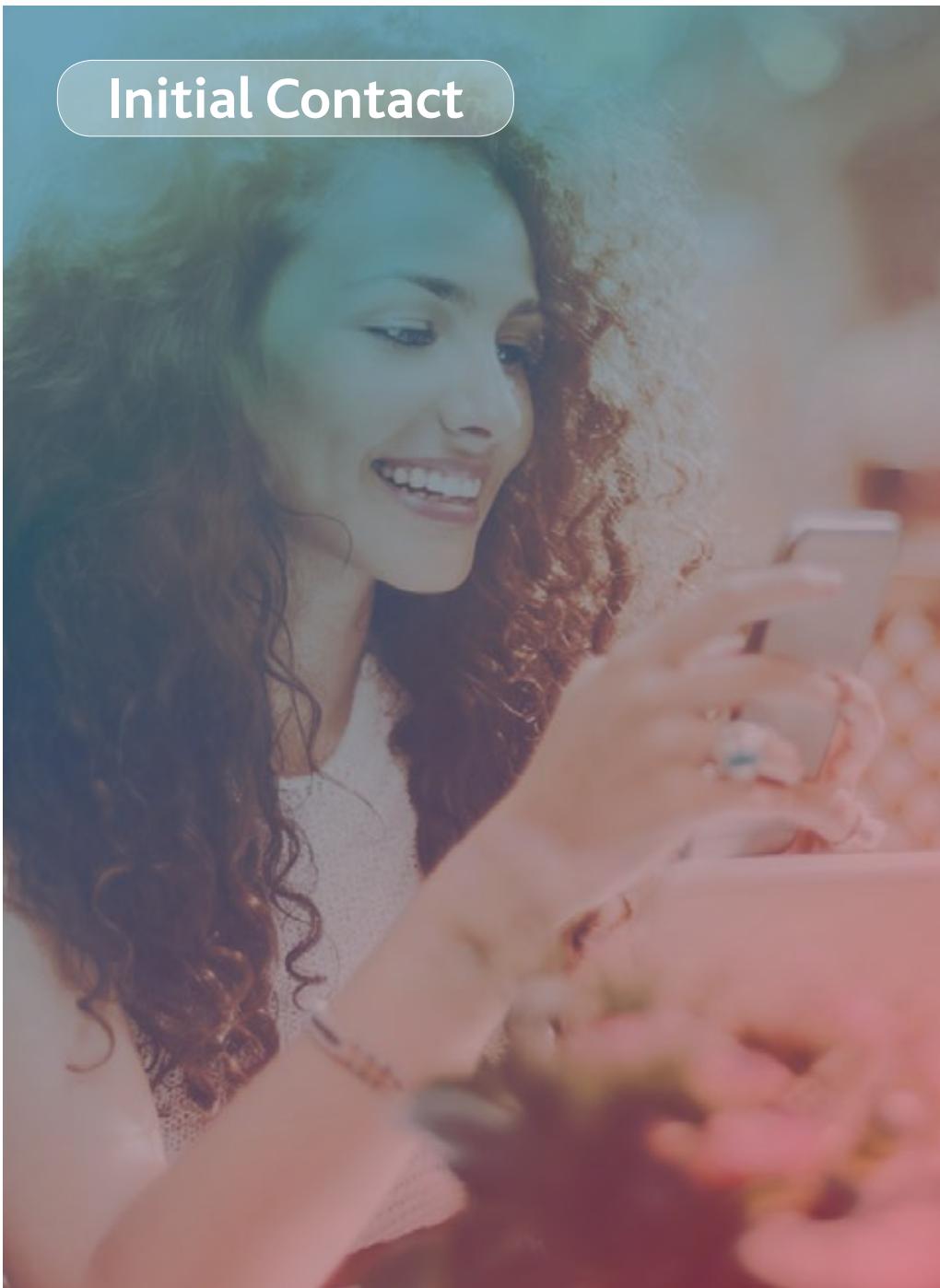
Maria takes a liking to one of the beach bags offered by Amporio and clicks on the link in a Facebook post to visit Amporio's web shop.

> This web shop is operated via SAP C/4HANA's SAP COMMERCE CLOUD. Amporio uses this high-performance web shop solution to optimize its sales processes and order management, manage content and catalog data centrally, and benefit from personalization and targeting functions.

Maria has a question about the beach bag and would like to find out more about other products, such as sunscreen. She can ask these questions right away via the convenient chatbot integrated into the web shop. Maria first consents to her data being stored.

> All the information that Maria has entered will be stored in the SAP CUSTOMER DATA CLOUD, which is also a module of SAP C/4HANA. This simplifies compliance management with a self-service center that allows the customer to access their own data and preferences.

Initial Contact

"I've been looking at your beach bags. Is this beach bag available in cotton instead of polyester? And do you sell cruelty-free sunscreen?"

Amporio developed this chatbot in collaboration with Arvato Systems. Artificial intelligence allows it to work autonomously, which means that it can be operated as a live web chat with the team at Amporio or as a combination of live web chat and AI. The chatbot is installed on the SAP Cloud Platform and is integrated into the SAP Commerce Cloud. It supports all types of interactions, from self-services without a direct link to service personnel through to highly complex interactions. The chat log can also be viewed in the SAP SERVICE CLOUD. This allows customer service representative Sascha Schreiber to track the entire communication history.

Sascha Schreiber, a customer service representative at the customer service center, replies to Maria via the live chat function:

"Hello Maria! Thank you for your interest in our products. To answer your questions – yes, the beach bag is also available in cotton, in hibiscus red. And we also sell cruelty-free sunscreen from the Cutaneo brand."

The employee obtains this product information from the Product Information Management Module (PIM), which is a component of the SAP Commerce Cloud. All information (both about Maria and the desired products) is displayed as an overview via the SAP C/4HANA modules in an intuitive layout. Sascha is not made aware of which module he is accessing when he uses the data.

Order

"Then I'd like to order the beach bag and one bottle of the sunscreen. Can I pick them up at your store on Birkenstrasse? It's on my way to work."

The following options are now possible:

Option A

Maria has ordered from Amporio before. This means she can conveniently place her order via the chat because her data is already on file.

Option B

If Maria is a new customer, she can enter her data into the screen without having to disclose it to Sascha. She can then order the products via the shopping cart.

Option C

Sascha can record Maria's data and her order using the fast entry screen in SAP Service Cloud.

Option D

Maria can sign up using a social media login and consent to the use of the information in her social media profile. The data is stored in the SAP Customer Data Cloud or, if a data set already exists, it is adjusted accordingly.

Maria can select the store where she wants to pick up her products, either via a menu or using suggestions based on her postal code.

Ordering Process

As soon as the order is placed in the web shop, the data is automatically sent from the SAP Commerce Cloud to **SAP S/4HANA,** the underlying ERP system. This is used to generate the sales order.

The invoice is automatically generated during this process and sent to Maria by e-mail, for example. Maria can also download the invoice from the self-service portal of her Amporio account.

This guarantees that the goods are reserved and that the inventory is adapted in real time. If another customer views the product at the same time, they will be shown the adjusted inventory in the web shop.

The goods are then automatically relocated from the warehouse to the selected store if necessary.

Changes to the Order

Maria tells her husband, Michael Mehrkauf, about her order. He would also like to add a few things to it. He calls Amporio's customer service center and reaches Tina Talk, an employee who works there.

Michael tells Tina the following over the telephone:

> "My wife ordered a beach bag and a bottle of sunscreen earlier, but I would also like to add a size L trolley from CarryLug and the matching carry-on bag to the order. Could you please change my wife's order?"

This request initiates a complex process.

For security reasons, Tina will only be able to adjust the order after first verifying with Michael's wife, Maria. This can be done by calling her or sending her a text message, for example.

Michael must also consent to his data being stored in the SAP Customer Data Cloud so that these verification steps will no longer be necessary in the future.

All existing data is displayed to Tina in the fast entry screen of the SAP Service Cloud, and any new or adjusted data is stored in the SAP Customer Data Cloud.

Maria and Michael's relationship status is also recorded. Relation management is a component of the SAP Service Cloud and of the SAP SALES CLOUD (for an overview of business customers). Other offers can be created later on using this information. The order is now automatically adapted and adjusted in the backend (in SAP S/4HANA once more).

As the invoice has already been sent to Maria – but both customers have the same address – the first version will be credited and a new invoice will be created. This highly complex process is carried out automatically in SAP S/4HANA.

Change of Shipping Method

As the order has now gotten bigger, Maria has decided to opt for a different shipping method. She contacts Amporio's customer service center by e-mail.

Maria writes an e-mail to Amporio:

> "We would like to have our order shipped, as we have ordered more items."

Sascha Schreiber at Amporio replies:

> "No problem! And because your order is worth over €100, you will receive free shipping. We can deliver the day after tomorrow. Would 10 a.m. or so work for you?"

Maria confirms this delivery time and date by e-mail.

Her e-mail is automatically picked up by the SAP Service Cloud, which is supported by machine learning processes. The system recognizes that it pertains to a change in the shipping method.

The e-mail is forwarded automatically to the responsible employee in order to minimize the processing time. An overview is also created based on the e-mail. This "Sentiment Engagement" analysis is carried out on the SAP Cloud Platform and is integrated into the SAP Marketing Cloud and SAP Service Cloud.

The information can be used to create communication measures later on. A customer service representative with the corresponding authorization views the order history and communication log as well as Maria and Michael's connected data sets in the clearly structured SAP Fiori interface.

He now initiates the shipping process. In doing so, he is not made aware of the fact that shipping is actually initiated directly in SAP S/4HANA – the functions of SAP S/4HANA and SAP C/4HANA are transparently integrated into SAP Fiori.

Shipping

The order is delivered on time and the customer is notified beforehand via a text message, WhatsApp, or by phone.

The entire shipping process – the issuing of goods at the company's headquarters, the transfer of the shipment to the shipping provider, and the receipt of goods by the customer – is tracked. This is carried out via SAP S/4HANA's **Extended Warehouse Management (EWM).**

This data is also transferred to SAP C/4HANA so that Maria can receive updates on the shipping process. This also applies if the customer has chosen to pick up the products at a store.

Alternatively, the tracking can be carried out by the delivery service or shipping company.

Customer Retention Measures

Maria and Michael receive e-mails from the Amporio team asking whether they are satisfied with the order process and their products. These e-mails are sent within a freely definable timeframe after the delivery has been made.

The e-mails also include information about special offers. Maria receives an offer for other skincare products from Cutaneo, while Michael receives an offer for a barbecue.

This differentiation is made because the SAP Marketing Cloud automatically applies gender segmentation to its communications. Maria is so impressed by the service she has received that she leaves a positive review of Amporio on the company's Facebook page.

If Maria logged into her Facebook profile during the order process, it will be linked to her other contact data and stored in the SAP Customer Data Cloud.

The SAP Marketing Cloud applies the Sentiment Engagement analysis mentioned above to posts on social media.

Long-term Communication

In the future, Maria and Michael will receive personalized offers via definable channels. These offers will be sent at regular intervals via the SAP Marketing Cloud. Thanks to the smooth order process and excellent customer service they received before and after their purchase, Maria and Michael are now loyal customers of Amporio.

Now let's see which SAP solutions the retailer used to achieve this result:

SAP C/4HANA is SAP's customer engagement platform. It includes the following modules:

SAP Commerce Cloud: Optimize your sales processes and order management, manage content and catalog data centrally, and benefit from personalization and targeting functions with this high-performance web shop solution.

SAP Marketing Cloud: This is used to reach out to your customers in real time and in a personalized way. It also provides you with a comprehensive overview of your customers – you can always see what drives them.

SAP Sales Cloud: This sales solution gives you continual access to current information on your business customers and processes from any place and at any time.

SAP Service Cloud: The Service Cloud ensures effective customer retention, even after the purchasing decision has been made. It supports all kinds of interactions, from self-services to personal dialogs.

SAP Customer Data Cloud: The solution for managing your customer data. Build trust by offering transparency, security, and control.

SAP Fiori is the modern, intuitive user interface that enables the fully integrated and transparent use of SAP S/4HANA and SAP C/4HANA. SAP Fiori provides users with a personalized, role-based interface whose philosophy they will already be familiar with from the consumer world.

SAP S/4HANA is SAP's Enterprise Resource Planning suite (ERP). It provides the foundation for the digital transformation of your company. SAP S/4HANA reduces the complexity of your IT and generates a flow of information in real time. This lets you implement business processes quickly and effectively as well as map future processes and process components in a stable way.

Let's impress your customers together!

ABOUT ARVATO SYSTEMS

As a globally active IT specialist, Arvato Systems supports retail companies and retail manufactur-ers with their digital trans-formation. Over 2,700 employees at 25 worldwide locations bring their in-depth technical, industry, and process expertise into play while placing a clear focus on our clients' needs. Our more than 400 SAP specialists with comprehensive IT road map and IT architecture expertise develop innovative IT solutions for our clients, integrate complete digital process chains (end-to-end), and take over the operation and support of IT systems if requested. Together with the Bertelsmann Group, we are also able to map entire value-added chains. Our global delivery model allows us to implement customized projects that meet the individual require-ments of our clients around the world.

Your Contact

Steffen Groba
Expert for SAP C/4HANA
Tel: +49 5241 80-70770

AS ARVATO SYSTEMS