



CHOOSING THE RIGHT DIGITAL COMMERCE ECOSYSTEM

Digital commerce is the future. The COVID-19 pandemic has proven beyond doubt that e-commerce is a necessity for every business, whether it is B2B, B2C, or D2C. One analyst study found that “we have vaulted five years forward in consumer and business digital adoption in a matter of around eight weeks.” Additionally, the study found that 75% of people using digital channels for the first time will continue to use them when things return to “normal.” The adoption of e-commerce platforms will determine how successful an organization is in the immediate future.

Digital commerce is an ecosystem of applications designed to increase the reach of businesses. It improves return on investment (ROI) and boosts brand loyalty through real-time analytics of customer needs, intent and sentiment. Digital commerce is a sophisticated practice. It goes beyond transactions to build a competitive edge, retain customers and improve wallet share. It has a long-term financial impact on capex and opex – and therefore demands that digital commerce managers upskill and be able to lead their organizations into the future.

Today, digital commerce brings a set of advanced technologies into play. Staying familiar with developments in these technologies is critical for marketing, sales, billing and customer service functions. The key areas that need attention include real-time data management, Artificial Intelligence (AI) and Machine Learning (ML), which have become central to interpreting supply and demand signals. Algorithms are being used to analyze the data while ML is being used to improve descriptive and predictive models designed to forecast supply and demand.

Achieving customer-centricity with e-commerce has become a central goal. Studies show that by 2023, most organizations using AI for digital commerce will achieve at least a 25% improvement in customer satisfaction, revenue or cost reduction.”

The criteria to choose a suitable e-commerce platform vary from business to business. Researching and identifying the right platform can be tedious and time consuming- and often incomplete. A simpler way is to partner an IT provider with the required domain experience to evaluate options, complete the implementation and provide ongoing upgrades/ improvements and support.





Digital Ecosystem Maturity

Requirement analysis is the first step to a suitable platform. An organization may need a B2B, B2C or a D2C platform or a combination of B2B and B2C. However, picking the right platform to meet needs requires a thorough understanding of the digital maturity of the business.

Digital maturity can be defined as the level at which an organization is able to enhance its online presence with personalization, AI, ML, A/B testing, and Digital Marketing automation in an omnichannel environment using analytics to improve performance and anticipate future customer needs.ⁱⁱⁱ Digital maturity can be assessed through organizational priorities, implementation of customer-facing initiatives and the intention of management to adopt digital practices over time. The degree of maturity defines the ease and accuracy with which an organization can turn data into insights which can be used to create new strategies and experiences for customers, clients and organizations.

Criteria for Selecting the Right Digital Commerce Ecosystem

Features

Defining the product and type of product determines the features needed for an online store. For example, a retail electronics store will need to define product attributes which are unique and customizable to each product category or product. Similarly, the store would want to offer various payment and shipping options to make the shopping experience seamless. This also involves the workflow and processing of returns and refunds.

Functionality

The uniqueness of the e-commerce store, its target market, nature of the product catalog, geo and the need for international sales along with currency, language, tax requirements, expected traffic, etc., determines functionality. In turn, the desired seamlessness of the customer experience dictates the next order of functionality.

Hosting

E-commerce platforms come with a variety of hosting options. Some are pure SaaS-based while others are hosted or fully managed cloud hosted offerings. Hosting is an important component of the infrastructure. It caters to the expected traffic, determines cost, and provides the desired level of security. Fully managed cloud hosting and SaaS-based platforms offer out-of-the-box features such as security, patching, server uptime, high availability and scalability (number of SKUs, number of orders in a day, number of transactions processed). SaaS is the best option for stores that need limited features and in instances where upfront cost savings are a major requirement.

Licensing/Cost

The licensing and set up costs of an e-commerce store include platform licenses, software/ subscriptions, cloud servers, IT staff, designers, marketing and promotions and taxes. Any or all of these can be a capex or an opex component and play a role in determining the ROI. Therefore, meticulous planning must go into choosing the e-commerce platform.

Customizations

Customization of the e-commerce store includes the template/design customization and addresses the ease with which changes can be made and deployed. SEO customization helps optimize the store's web pages in order to draw more (unpaid) traffic to the website and allows the organizations to easily update meta keywords and descriptions for product pages/ categories/content pages. The support for standard plugins saves time and costs for custom development.

Integrations

Businesses operate with a variety of applications such as ERP, Order Management Systems (OMS), Customer Relationship Management (CRM), Payment Gateways, Logistics Management, Product Information Management (PIM) and Digital Asset Management (DAM). The e-commerce store should seamlessly integrate with these applications.



- **Fraud Protection:** E-commerce stores are vulnerable to fraudulent activities. Fraud can directly impact their reputation. ML can eliminate fraud by processing reams of exhaustive data speedily and proactively nip fraudulent activities in the bud
- **Optimized Search Results:** ML can be leveraged to optimize search results. This is done by combining search keywords, patterns in search, purchase behavior and preferences to drive higher conversions
- **Product Recommendations:** ML can be used to create a product recommendation engine. These engines identify trends in buying behavior to suggest suitable products to customers. McKinsey & Company found that 75% of what customers watched on Netflix was based on recommendations; 35% of purchases made on Amazon were driven by recommendations^v
- **Customer Support:** ML can be leveraged to create chatbots that identify and resolve issues by conversing with the customer in a natural manner. This helps resolve common support issues, leaving Customer Support Representatives (CSR) to manage complex customer problems and drive customer satisfaction
- **Omnichannel Marketing:** ML can predict and create dynamic workflows for omni-channel marketing, thereby targeting customers on their preferred channels with targeted promotions and push notifications in real time

Security

- **PCI/DSS:** E-commerce stores should use the Payment Card Industry Data Security Standard (PCI/DSS) to collect and store credit card information. The PCI/DSS is an industry standard and is designed to keep customer information secure and the business protected from reputational damage resulting from compromised card data
- **International Organization for Standardization (ISO):** The ISO provides guidelines that make sure an organization's products and processes are fit for purpose. ISO 27001:2013 covers high quality information security management systems, risk aversion strategies and standard business practices

- **Personally Identifiable Information (PII):** PII is defined as information (i) that directly identifies an individual (name, address, social security number or other identifying number or code, telephone number, email address, etc.) or (ii) by which an agency intends to identify specific individuals in conjunction with other data elements—namely, indirect identification. These data elements may include a combination of gender, race, date of birth, geographic indicator, and other descriptors. Protecting PII is critically important when it comes to meeting data privacy regulations like General Data Protection Regulation (EU GDPR)
- **Transport Layer Security (TLS), Secure Sockets Layer (SSL), and HTTPS Authentication:** SSL authenticates and encrypts information over the internet. It is mandatory for all e-commerce stores to have an SSL certificate. It serves as a trust signal to customers that the site is secure.

Apart from this, the e-commerce store needs to be protected from Distributed Denial of Service (DDoS) attacks, Brute-force attacks, SQL injection, Cross Site Scripting (XSS), Cross-Site Request Forgery (CSRF) by following the OWASP security compliance and having all the security protocols implemented at various levels of the infrastructure and e-commerce application.

BI Analytics/Reporting

The capabilities of analytics and reporting tools plays an important role in analyzing e-commerce trends such as popular products, most searched products, etc., and creating insights into customer behavior.



ITC Infotech's Unique Framework for Digital Commerce Assessment

ITC Infotech's Digital Commerce practice has the experience, agility and domain expertise to implement innovative, intuitive and collaborative Digital Commerce solutions. With experience across Retail, Travel and Hospitality, Healthcare, Consumer Goods, and Fashion, ITC Infotech combines the technology experience with design thinking to create e-commerce solutions that set new benchmarks. This is backed by support options and continuous development and deployment of upgrades for e-commerce applications.

Our Framework

- Aligning with the customer's Digital Commerce vision/mission
- Business Domain Assessment (Retail/Fashion/T&H) to identify key requirements
- Digital Maturity Assessment
 - Customer Assessment
 - Journey mappings
 - User personas
 - Target segments
 - Design thinking
 - Technology Assessment
 - Hosted vs SaaS
 - E-commerce platform evaluation
 - Tools for order processing workflow
 - BI reporting and marketing/ analytical tools
 - Operations Assessment
 - Program design strategy
 - Choosing the right partners – Digital merchants/ payments, shipping/fulfillment
 - Returns and refunds processing
- Organization and Culture Assessment
 - Adaptability to change
 - Ease of implementing a new solution
- Partner Assessment
 - Merchants
 - Logistics
 - Marketing
 - Digital content and assets
- Security and Compliance Assessment
 - Cloud infrastructure security
 - Standard compliance assessment
- Performance Assessment
 - Load testing/ Stress testing
 - Holiday readiness assessment
- To-be Architecture/ State
 - Solution blueprinting
 - Roadmap

i <https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/the-covid-19-recovery-will-be-digital-a-plan-for-the-first-90-days>

ii <https://www.gartner.com/smarterwithgartner/top-10-trends-in-digital-commerce/>

iii <https://mercury-ecommerce.com/resources/what-is-digital-maturity>

iv <https://blog.linnworks.com/how-to-reduce-shopping-cart-abandonment>

v <https://www.mckinsey.com/industries/retail/our-insights/how-retailers-can-keep-up-with-consumers>



Author Profile



Nazeer Hussain is a Solution Architect with 16+ years of experience in Solutioning for Custom Web Development, CMS Solutions, Digital Commerce, Digital Transformation and Loyalty projects. As a technology evangelist, Nazeer has been working on the most modern technologies for Multi-cloud, Cloud-native implementation, DevOps, DevSecOps, and building capabilities for the organizations. Nazeer also works on IT Automation for Cloud Infrastructure, Application Infra and Configuration Management.

About ITC Infotech

ITC Infotech is a leading global technology services and solutions provider, led by Business and Technology Consulting. ITC Infotech provides Business-friendly Solutions to help clients succeed and be future-ready, by seamlessly bringing together digital expertise, strong industry specific alliances and the unique ability to leverage deep domain expertise from ITC Group businesses. The company provides technology solutions and services to enterprises across industries such as Banking & Financial Services, Healthcare, Manufacturing, Consumer Goods, Travel and Hospitality, through a combination of traditional and newer business models, as a long-term sustainable partner.

ITC Infotech is a fully-owned subsidiary of ITC Ltd, one of India's foremost private sector companies and a leading multi-business conglomerate.

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