



BRING IT ON (AND OFF)

**Engaging shopping
experiences, at home
and in stores**



CHALLENGE

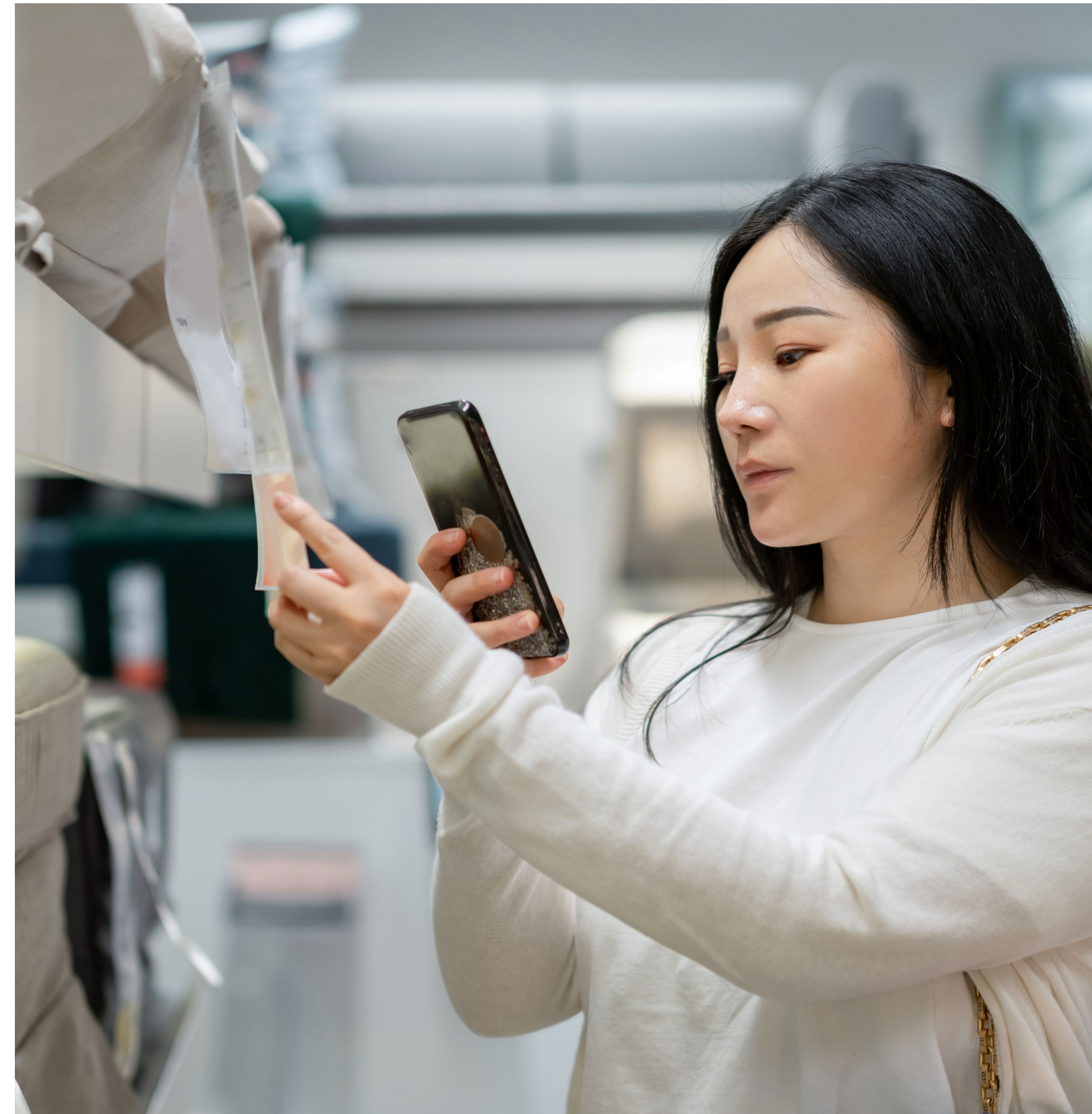
Modern customers want to smoothly traverse online and offline worlds as they contemplate purchases.

One leading home furnishings chain group based in China chose Accenture to help with their enterprise systems. So when the company needed a cloud-based Enterprise Resource Planning (ERP) platform to create a seamless Online-to-Offline (O2O) shopping experience, it was time to expand our collaboration.

The company was up against several challenges: For one thing, its existing siloed systems were hard to iterate and couldn't match the needs of fast-paced flexible retail. Secondly, its traditional enterprise system needed to adapt to the changing consumer preference for navigating purchases across both offline and online shopping environments.

This was necessary since its physical store set-up features demonstration items only; customers then order these items online via their mobile devices.

Further, the company had expanded into non-conventional areas like food service, digital product sales, financing, entertainment and fitness, thanks to the growing demand. It now needed to develop a business ecosystem in the home/life space—a new market for the retailer. Winning in each of these markets would require a strong and versatile operating platform.



WHAT ACCENTURE DID

We provided our New Retail mid-end omni-channel solution—a system developed using Alibaba’s cloud platform that featured open architecture and strong expansibility to allow for easy sharing of data and services.

Not only does it support the company’s original multi-business; it’s also modular and capable of adapting to emerging businesses. We also built a Finance capability that covered Order to Payment and a Customer Loyalty system that included membership registration and the accruing and redeeming of loyalty points. Instead of keeping track of a traditional physical membership card, customers can enjoy the benefits of membership, more convenient transaction processes and customer services via their mobile devices and social media accounts.

Because the company had grown and expanded so rapidly, data held between systems was inconsistent and difficult to integrate and share. By deconstructing customer business scenarios, we built a flexible loyalty system framework to support different promotional campaigns.

The Marketing System implemented also supports member recruitment from multiple channels such as other online and offline stores and social media channels.

The resulting consolidated information helps improve more comprehensive marketing plans and execute marketing campaigns.

And the Order System integrates different business orders for unified management and tracking. These systems allow for even more comprehensive customer profiles with data that can be mined and analyzed.





WHAT ACCENTURE DID

Each of these systems complements the others, forming a mature closed-loop arrangement that helps the company improve efficiencies and grow sales.

Also, all requests between departments, including human resources, finance, management and business, can now be seamlessly processed by using a popular office chat tool. The company can confirm the division of rights and responsibilities clearly through its online organizational structure, provide decision-making and analyze enterprise big data through online business processes. Communication is much more efficient and less costly now.

The new cloud omni-channel solution also helped when one part of the company planned to get listed on the stock market, while the other part would retain its existing ownership.

The two groups had previously shared one financial department, which did not meet the requirements for a public company.

Because of the ERP system that the teams implemented, the company could much more easily divide the financial department into two teams, which were redefined based on functions and requirements from the external audit team. Then, to ensure the two streams of business data would be independent (one of those requirements), the data was also separated—moving all data from the group which will not go public to another database and defined new system responsibilities and users.



PEOPLE AND CULTURE

We infused a culture of digital agility and learning through continuous communication and cooperation and were able to train the client's employees and partners about the new technologies and systems.

As we bring continuous digital transformation to the company, we're also introducing them to best practices in business and in technology systems.

In fact, the most significant change we have brought to the client is that it now sees the importance of open-minded thinking. Retail has developed rapidly in China in recent years, so it's crucial to keep an open mind—to learn and try new things, and then, to lead the industry.

During the delivery of this project, the teams internally promoted the transformation as a way to adapt to the new market environment, which encouraged employee buy-in and participation. The systems Accenture put into place help the client realize new business models and opportunities, as does Accenture's way of thinking—which they have emulated.

VALUE DELIVERED

In China, there are several “common promotion periods,” or big annual sales, such as ‘Singles Day’ on November 11th each year (11.11) and the 6.18 Promotion day.

On these days, retailers’ systems struggle to cope with the high demand when it historically could take repeated attempts and some 30 minutes for purchases to successfully transact. To support a recent 11.11 Promotion, our team worked with the company to identify key promotion scenarios. Based on those scenarios, we built several interfaces between the online promotion channels and ERP system.

To ensure the system would remain stable while handling what was predicted to be tremendous data volume, we did several rounds of performance testing, provided solutions for improved databases and applications capacity, improved the efficiency of sales contract printing/receipts and built a dashboard for the C-suite to check the system status, data traffic and sales and data analysis in real time.

During the 11.11 Promotion in 2018, the platform helped the company generate hundreds of thousands of orders (approximately one order every two seconds), acquire a similar number of new digital

loyalty memberships, implement internet marketing campaigns at new physical stores, and support marketing, promotions and sales across existing physical stores.

Accenture was even awarded “New Retail Partner of Excellence – New Species” at Alibaba’s Ali One Conference, for shaping a connected, automated and intelligent retail solution in China.

Our work with the company has positioned it as a leader in the industry. In fact, the chain was able to rapidly expand from 200+ stores to 350+ stores with a year-on-year gross merchandise volume (GMV) growth of 13.3% in 2019. The New Retail omni-channel is a milestone project that demonstrates the power of Accenture’s New Retail Middle Platform and supports the company’s comprehensive digital upgrade of people, products and places.



VIDEO

How did Accenture bring a China-based home furnishings chain to the heights of the retail industry? By creating a seamless connection between in-store and on-line experiences. Watch to find out more.

