



Omni-Commerce Retail Update

Ulf Bettinger SAP SE

CUSTOMER

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SAP C/4HANA

SAP Concur 

SAP SuccessFactors 

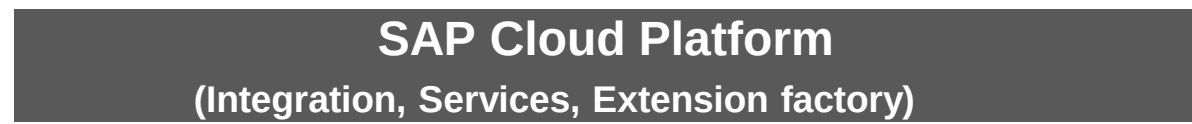
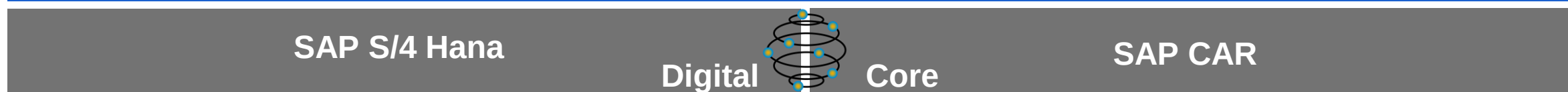


C/4 HANA



Intelligent Suite

Intelligent Enterprise

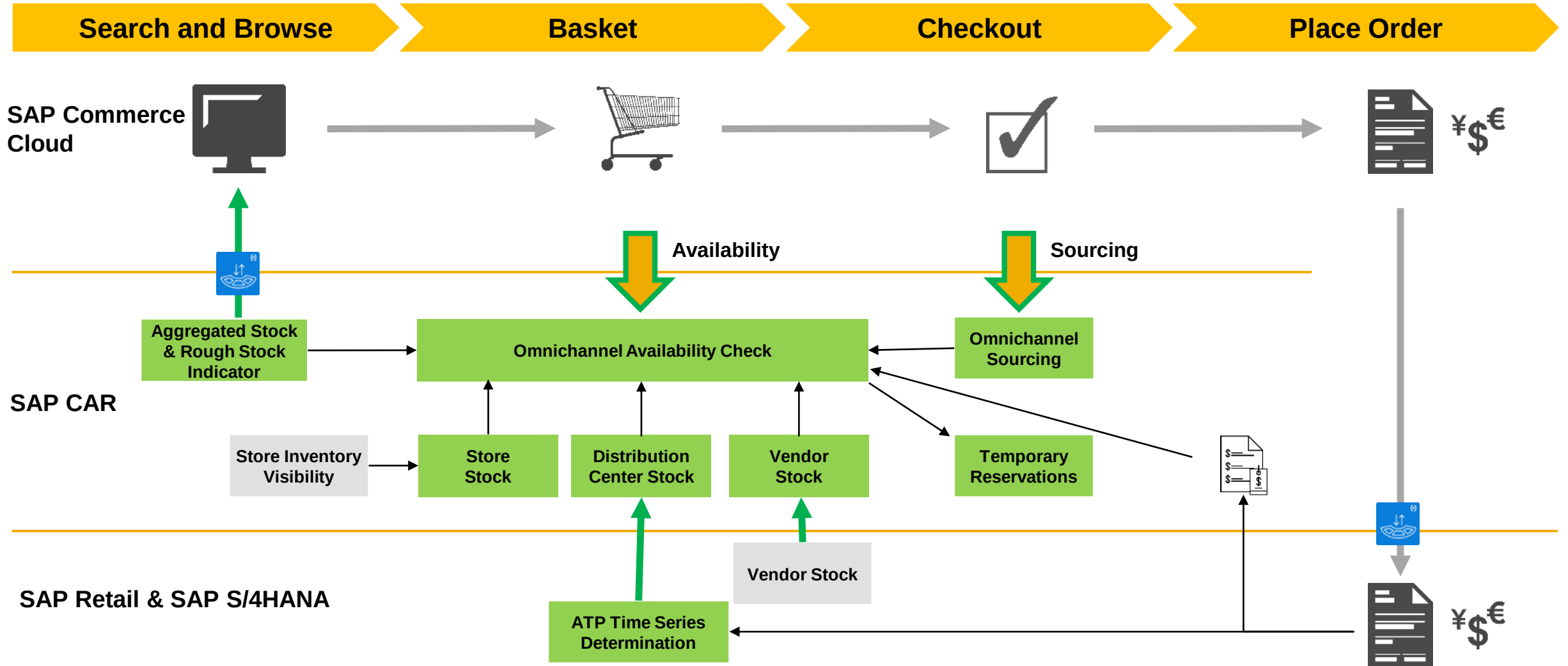


From On Prem to Native Cloud Applications

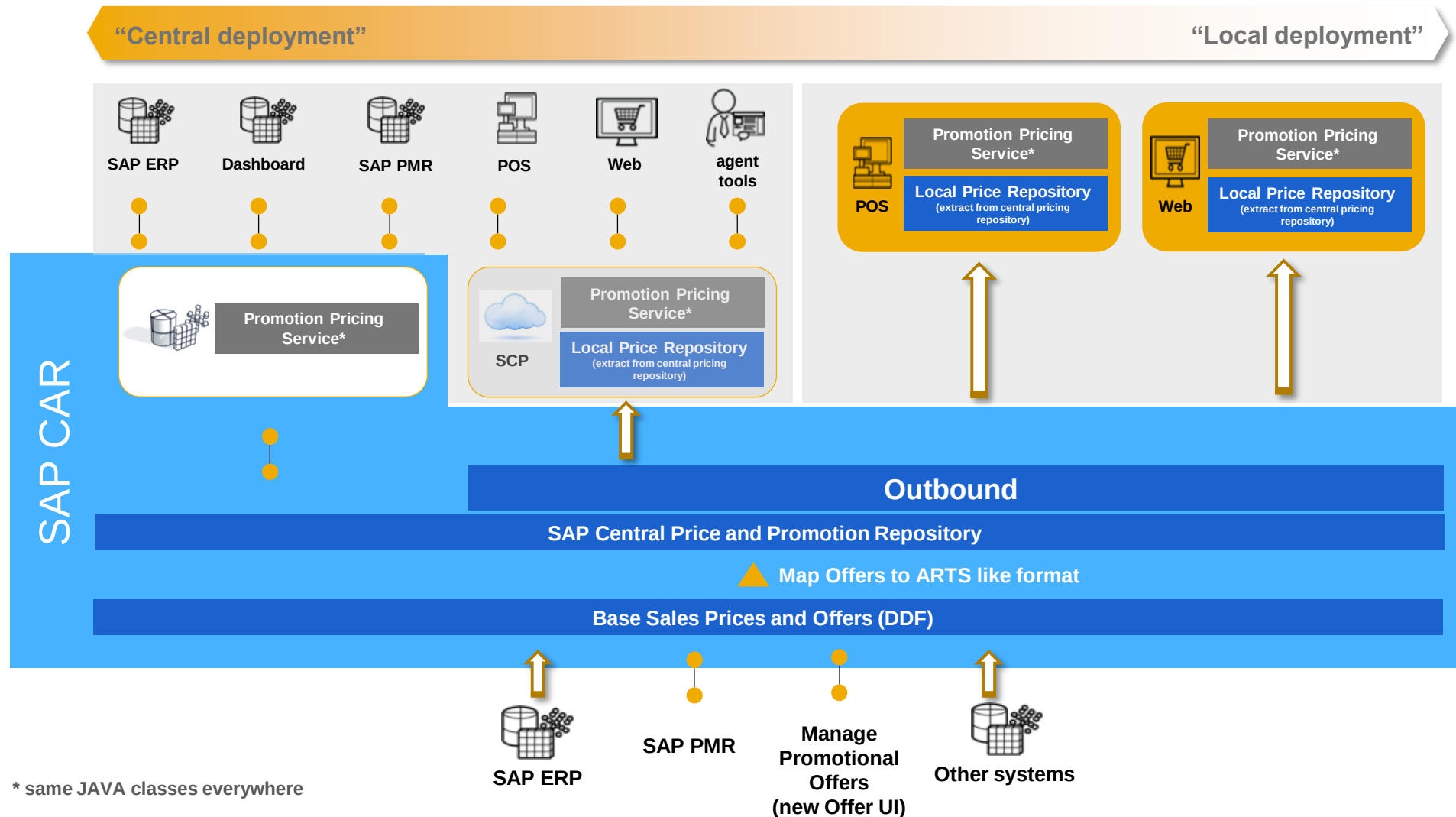


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Omnichannel Article Availability and Sourcing



Omnichannel Promotion Pricing



SAP C/4 HANA Order Management

Cloud Native Micro Service Orchestration

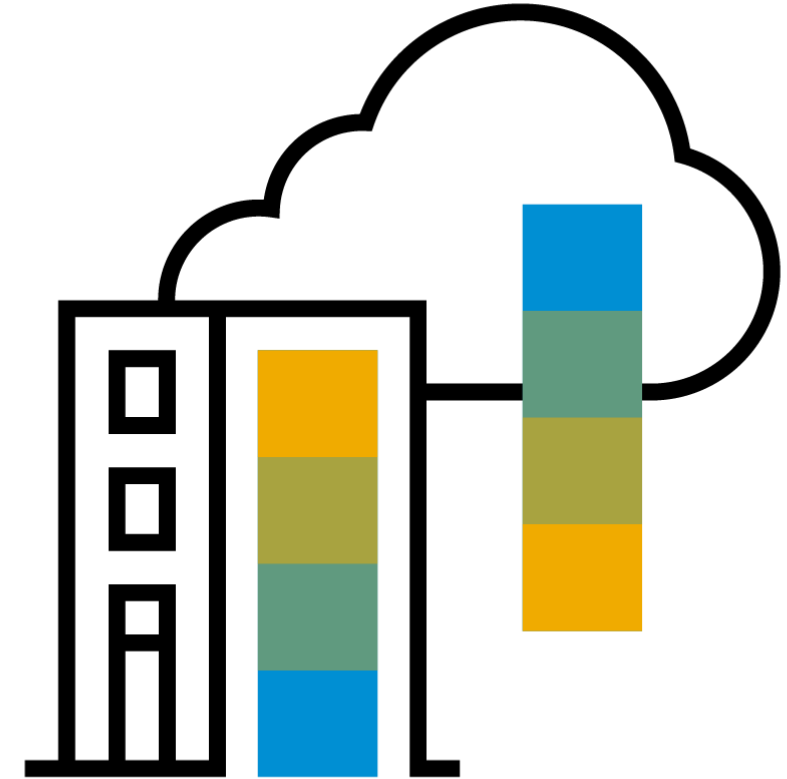
Master Data Services

Consumer sales
Intelligence (CSI)

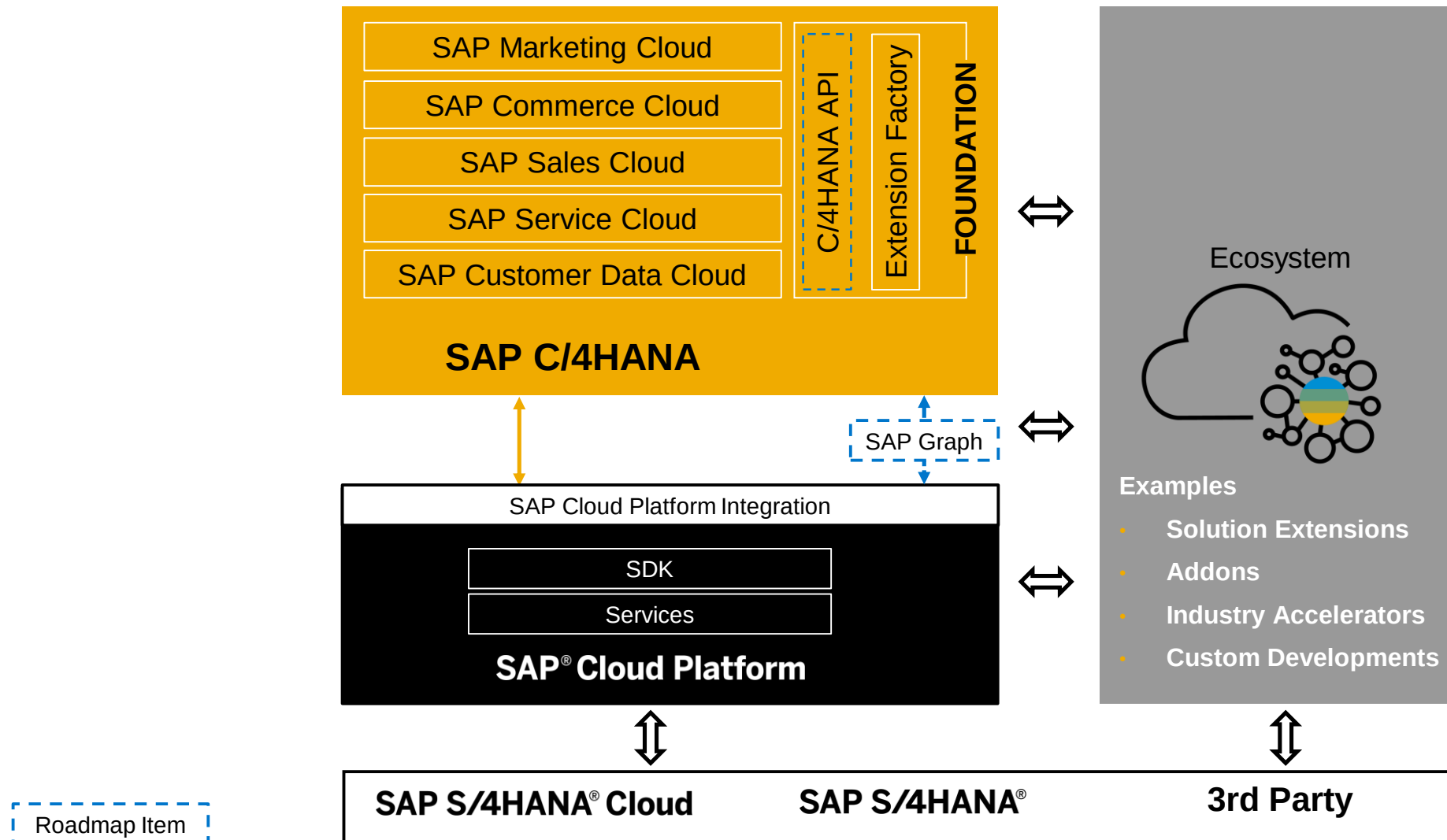
Order and Customer
Order Sourcing (COS)

Omnichannel
Promotion Pricing (OPPS)

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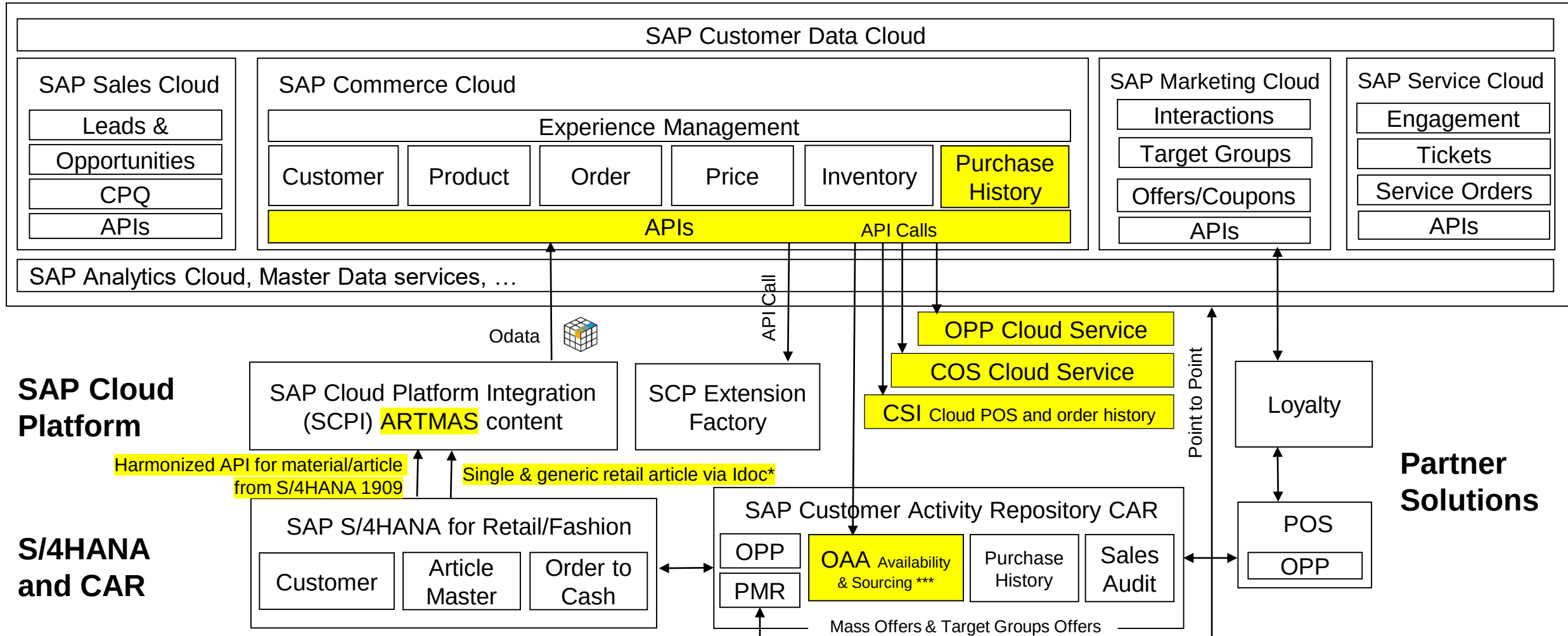
Solution Architecture – Integration Strategy



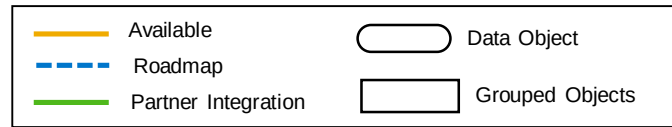
SAP Retail CX Reference Architecture

Roadmap

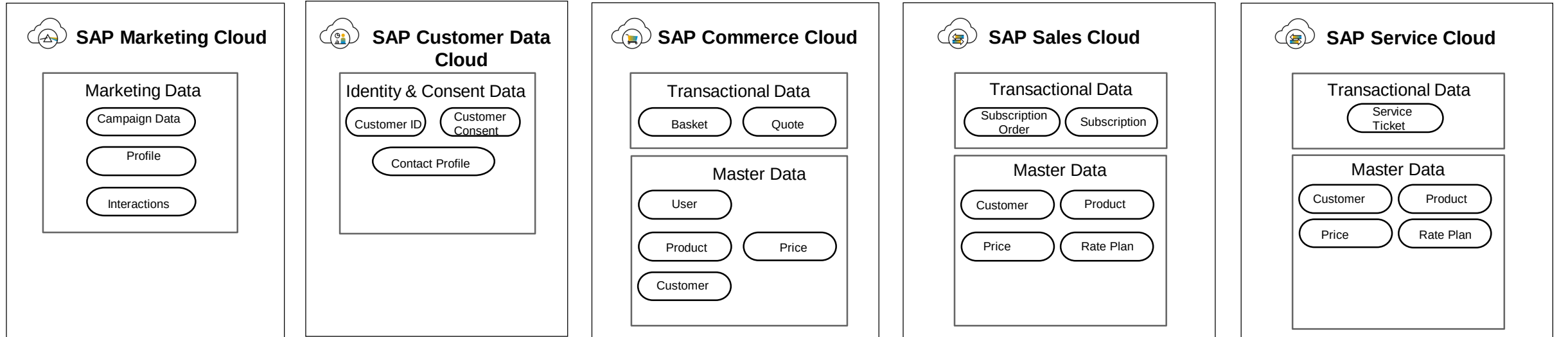
SAP C/4HANA Suite



Consumer Sales Data Architecture



SAP C/4HANA



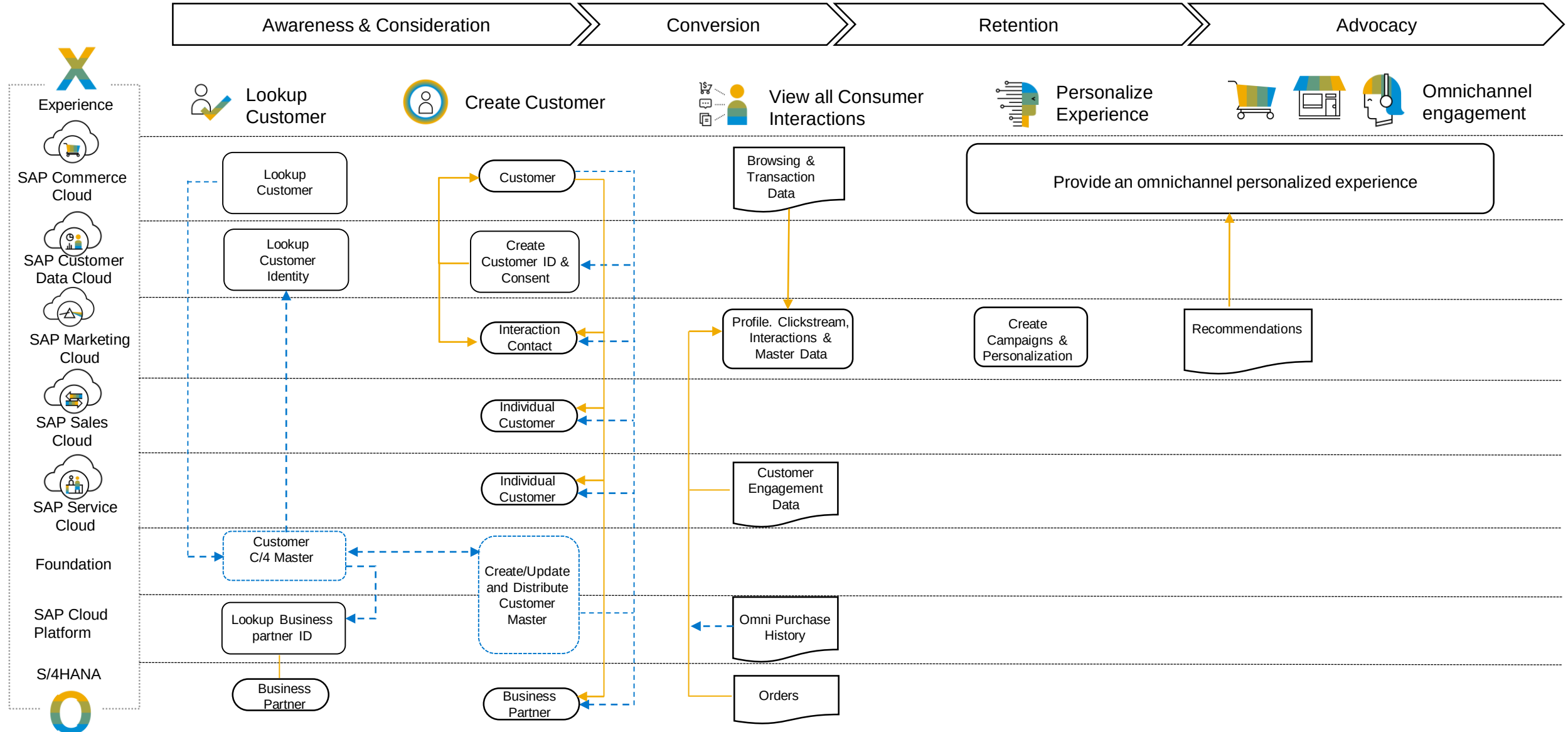
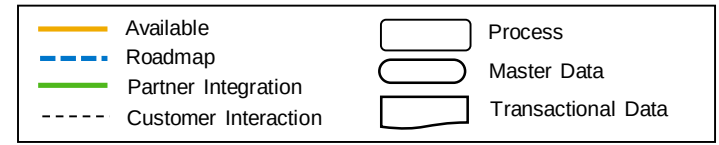
FOUNDATION



S/4HANA

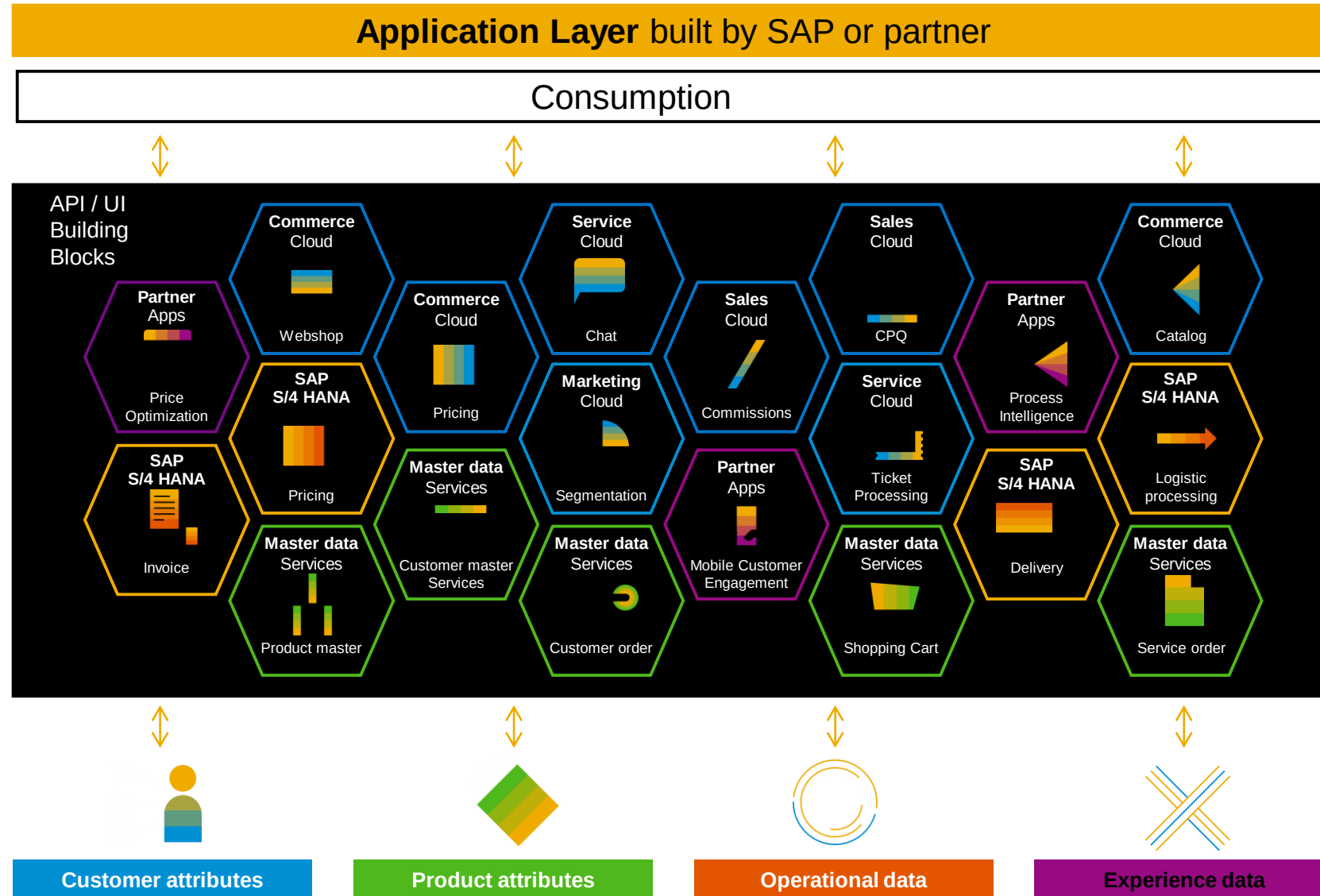


B2C Customer Solution Overview



The API based CX solution

Future
Innovations



- The functionality of the cloud solutions is available as single building block
- There is no overlap between the building blocks
- Each building block is
 - connected to the SAC
 - exposed with it's own APIs
 - With own UI and / or headless
- The functionality can be extended easily
- Consumption based pricing

Types of building blocks

- C/4HANA
 S/4HANA
- Master data services
 Partner Apps

SAP C/4 HANA Order Management

Cloud Native Micro Service Orchestration

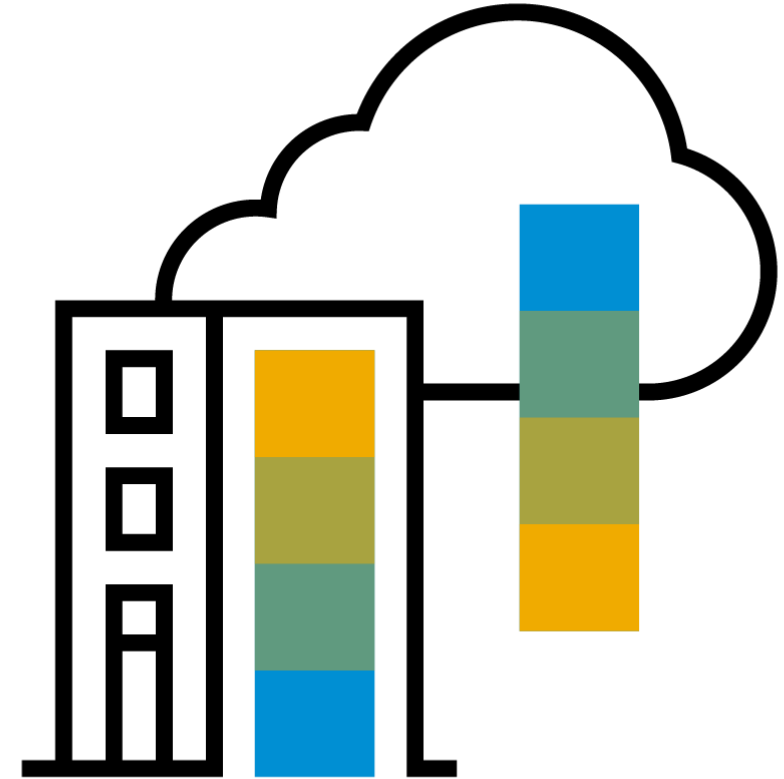
Master Data Services

Consumer Sales
Intelligence (CSI)

Order and Customer
Order Sourcing (COS)

Omnichannel
Promotion Pricing (OPPS)

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SAP Consumer Sales Intelligence – Uniqueness

One place for all Transactions and Inventory all accessible real-time from anywhere

Designed for SAP and Non- SAP back ends

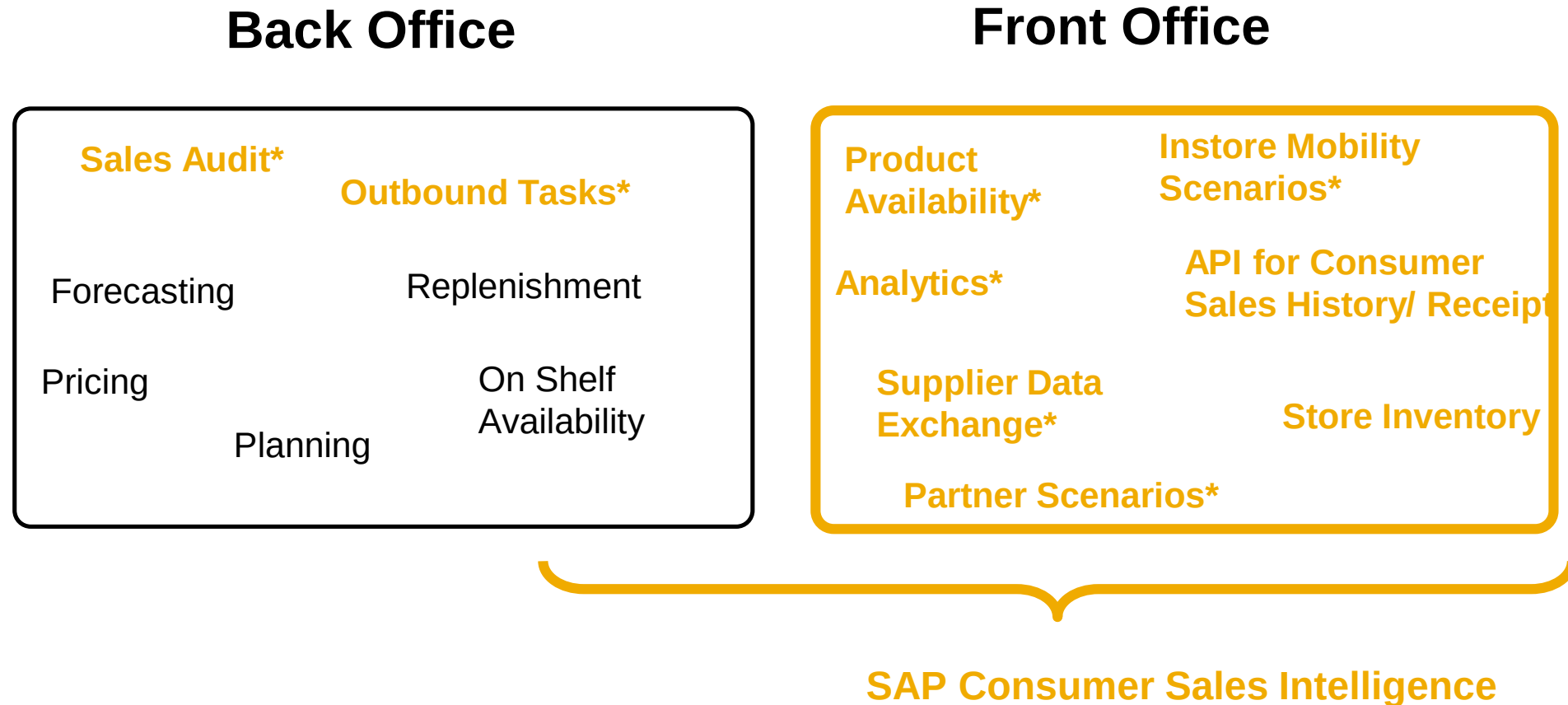
Separation of data for **front office consumption**

Interfaces Based on **Rest APIs**

→ **Ecosystem that facilitates creativity**



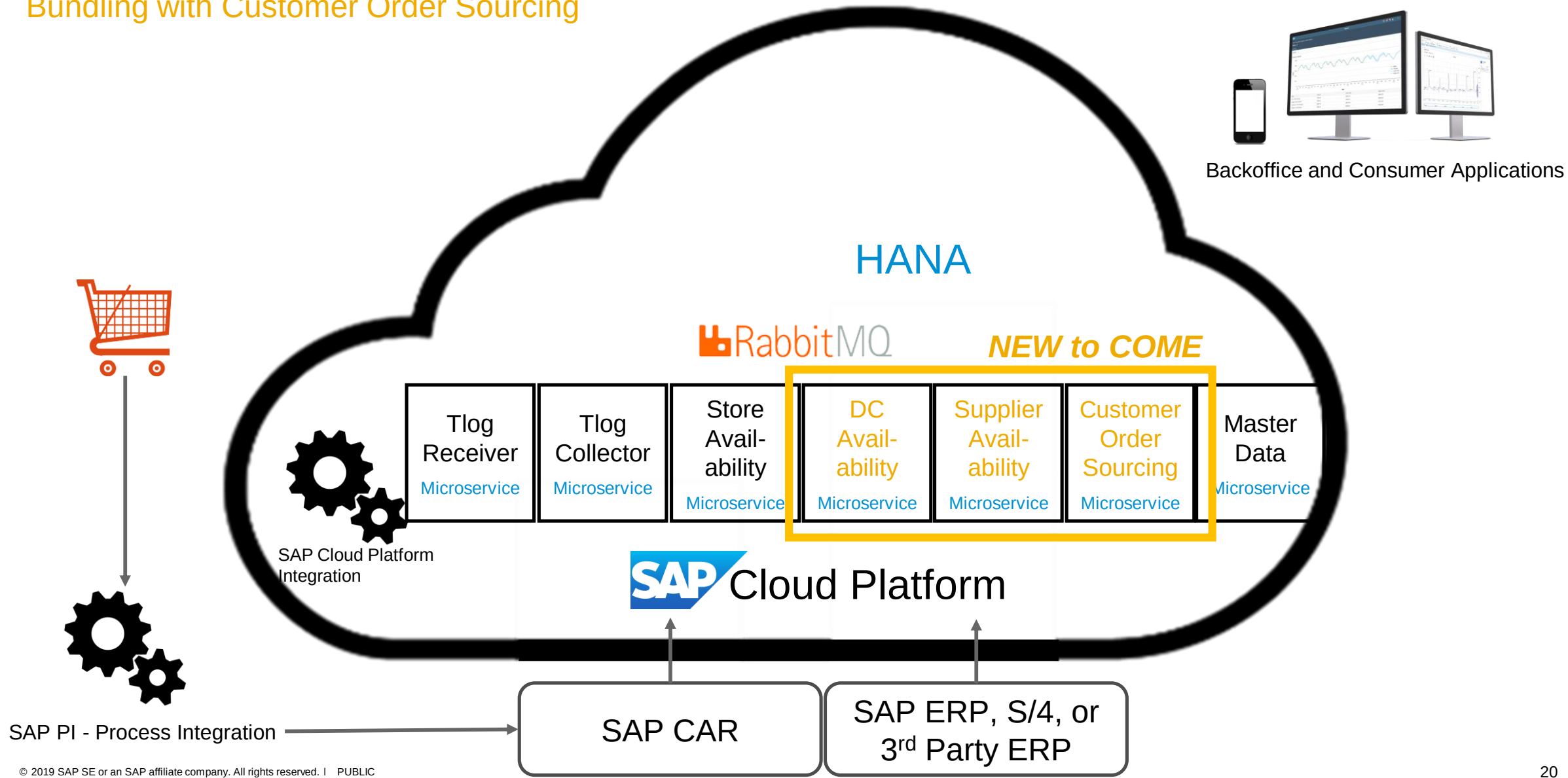
SAP Consumer Sales Intelligence is for front office scenarios



*** Planned Future Roadmap for SAP Consumer Sales Intelligence**

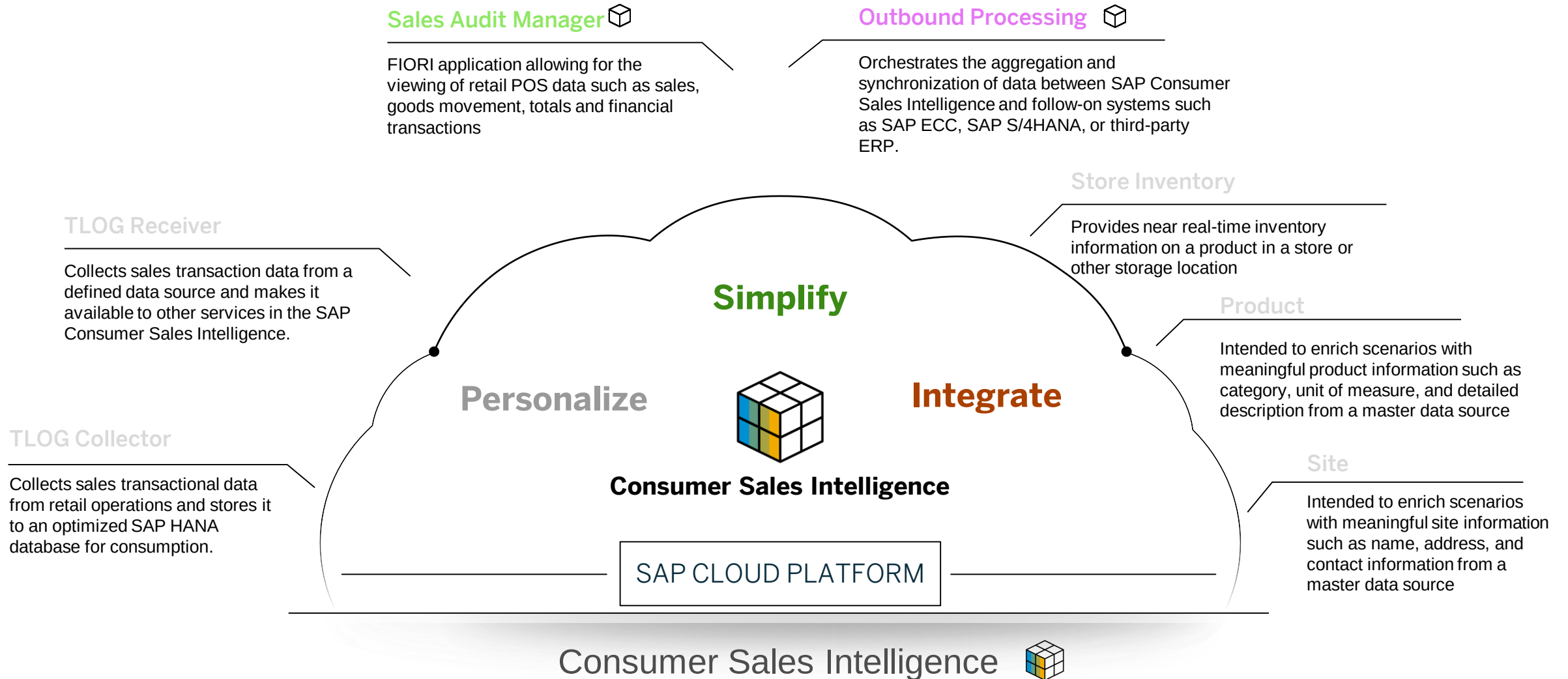
Future Planning

Bundling with Customer Order Sourcing



SAP Consumer Sales Intelligence

New Services – Professional Edition



SAP C/4 HANA Order Management

Cloud Native Micro Service Orchestration

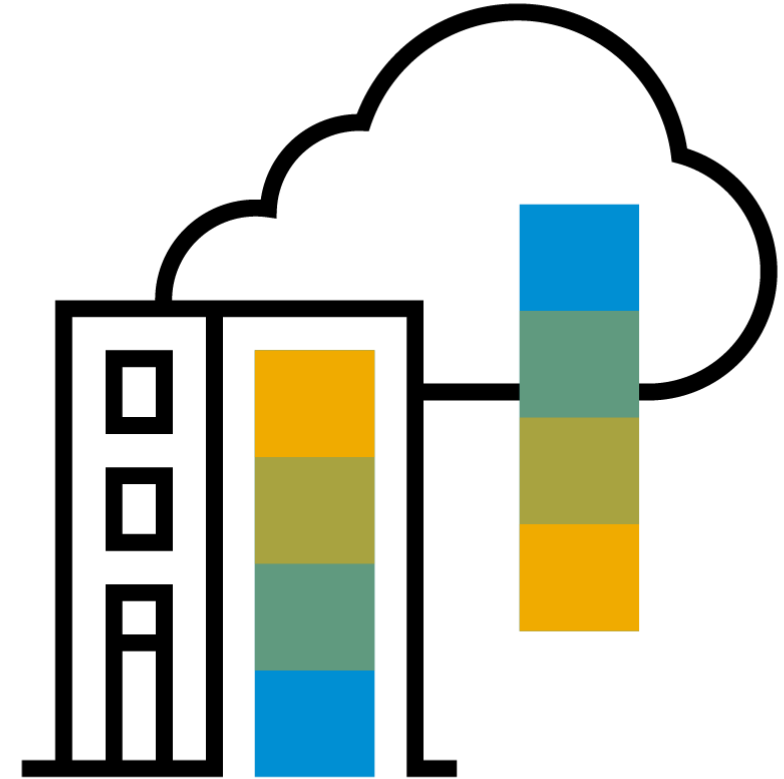
Master Data Services

Consumer Sales
Intelligence (CSI)

Order and Customer
Order Sourcing (COS)

Omnichannel
Promotion Pricing (OPPS)

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SAP C/4HANA Order Management – Overview

What is C/4 Order Management?

- One central order for the C/4 HANA suite, in the cloud, accessible from all clouds
- Integrating each cloud will provide the workflow from quote to fulfillment and after sales service
- Orchestration for combined orders of physical, digital and subscription goods
- Starting with a streamlined order process, focused on component manufacturing from Callidus Quote to S/4

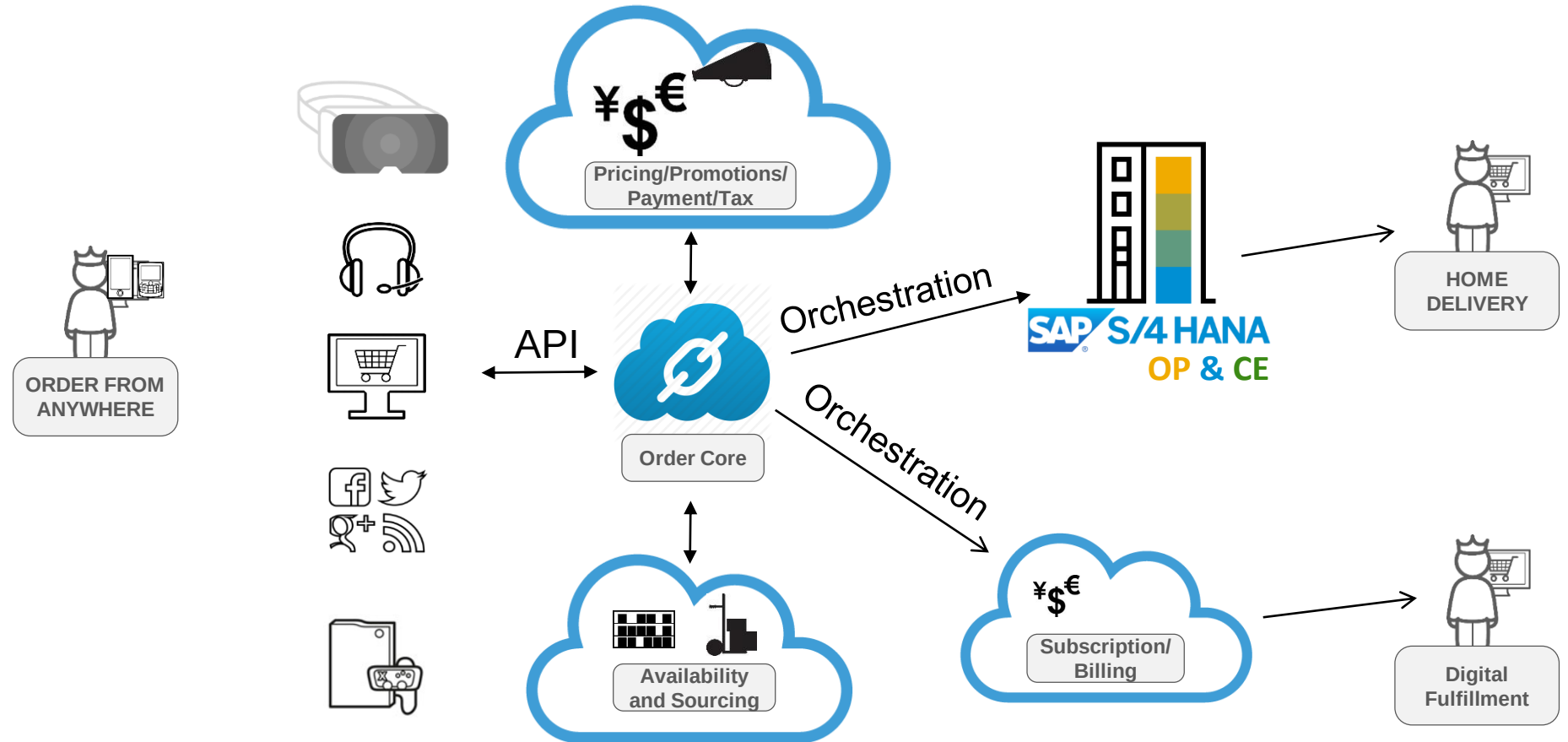
Expected Benefits

- Simplified integration within the suite – all integration can happen with reference to a shared C/4 Order ID
- Simplified integration between the suite and the ecosystem – ability to use the same ID across the enterprise as a whole
- Offer an end to end order process, visible to all clouds
- Integrating new services can close gaps in existing offers without major rewrites
- Open design allows to plug in partner or acquisitions for faster delivery of value

SAP C/4HANA Order Management – Overview

One central order
available across all
clouds

Orchestrating for
multiple back ends



Consumer Sales Solution Overview

Available

Roadmap

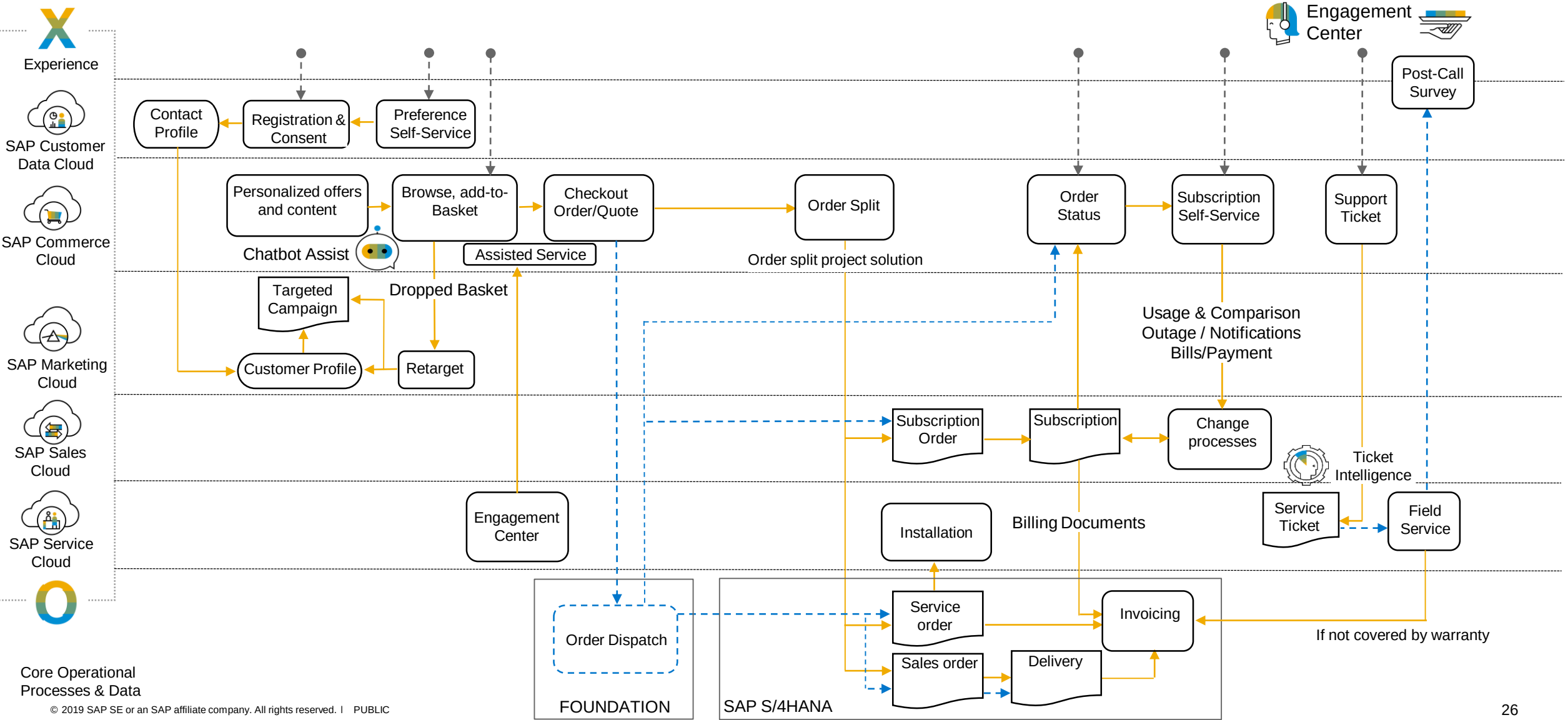
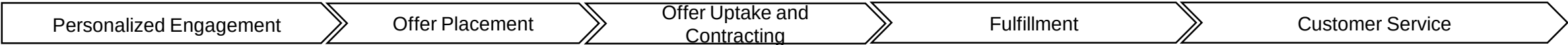
Partner Integration

Customer Interaction

Process

Master Data

Transactional Data



Engagement Center

Chatbot Assist

Engagement Center

Post-Call Survey

SAP C/4HANA Order Management timeline

Omnichannel Promotion Pricing

Customer Order Sourcing

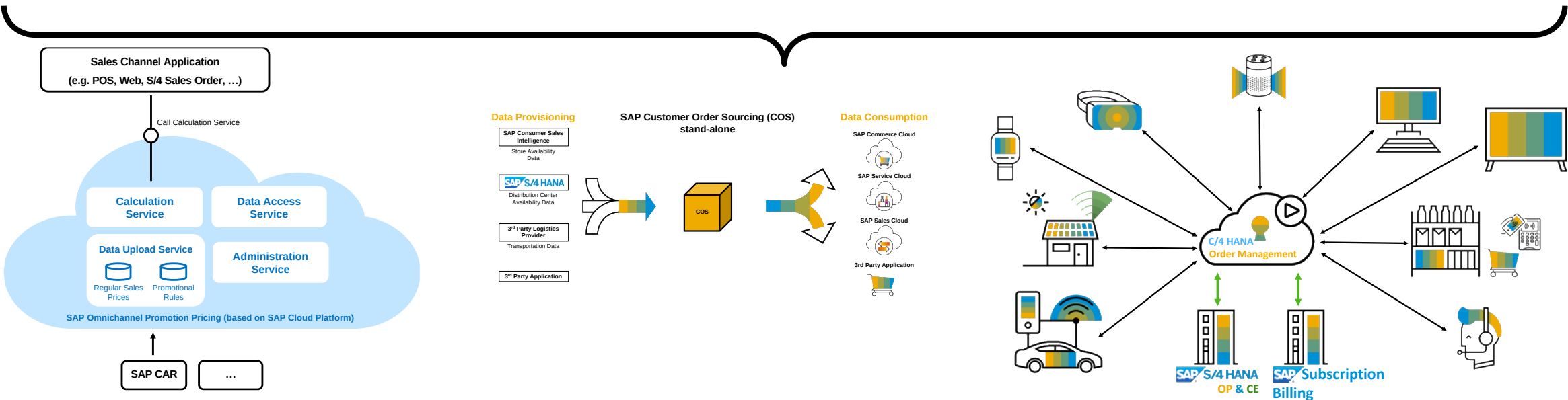
Central Order

Orchestration

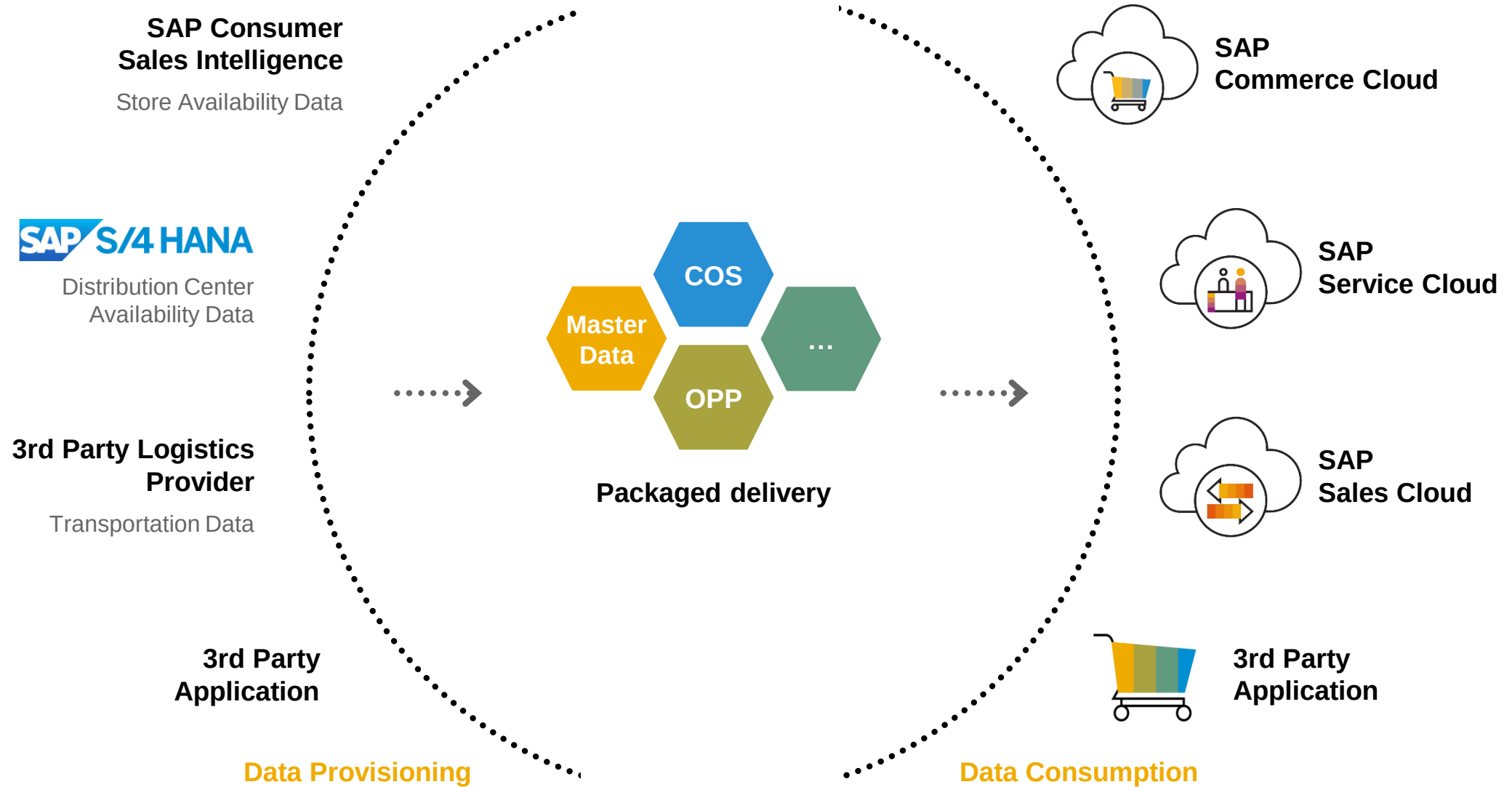
Fulfillment

First Reuse Services Released Q1 2019

C/4HANA Foundation Order 2020



COS & OPP with C/4 Order Management



Sourcing rules configuration based on pre-defined building blocks

Drag and drop enabled user interface

The screenshot displays the SAP Strategy Builder interface for configuring sourcing rules. The interface is divided into a left sidebar and a main workspace.

Left Sidebar (Building Blocks):

- Objectives:** Includes "All Products from One of These So...", "Products from Two Sources", and "All Products from Several Sources".
- Rules:** Includes "Rules for Delivery" and a list of rules: "Sources According to Priority", "Fewest Deliveries", "Highest Availability", and "Shortest Average Lead Time".
- Sources:** Includes "Source Lists" and a list of sources: "Ecom DC Ontario", "Subsidiaries of Reyes", and "Stores in Washington St.". A "Manage" link is next to "Source Lists".

Main Workspace:

- A shopping cart icon at the top indicates the start of a new rule.
- The first rule block is titled "All Products from One of These Sources" and contains two drop zones for eligible sources: "Store Leads (Store)" and "Warehouse France (DC)".
- The second rule block is titled "All Products from Several Sources" and contains two drop zones for eligible sources: "Ecom DC Ontario" and "Stores in Washington St.". Below this, it includes a section "According to These Rules:" with two drop zones for building blocks: "Highest Availability" and "Fewest Deliveries".

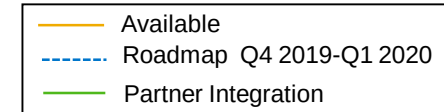
Annotations:

- Pre-defined building blocks:** Points to the "Objectives" section in the sidebar.
- Pre-defined eligible sources:** Points to the "Sources" section in the sidebar.
- Drop zones for eligible sources:** Points to the source selection areas within the rule blocks.
- Drop zones for building blocks:** Points to the rule selection area within the second rule block.

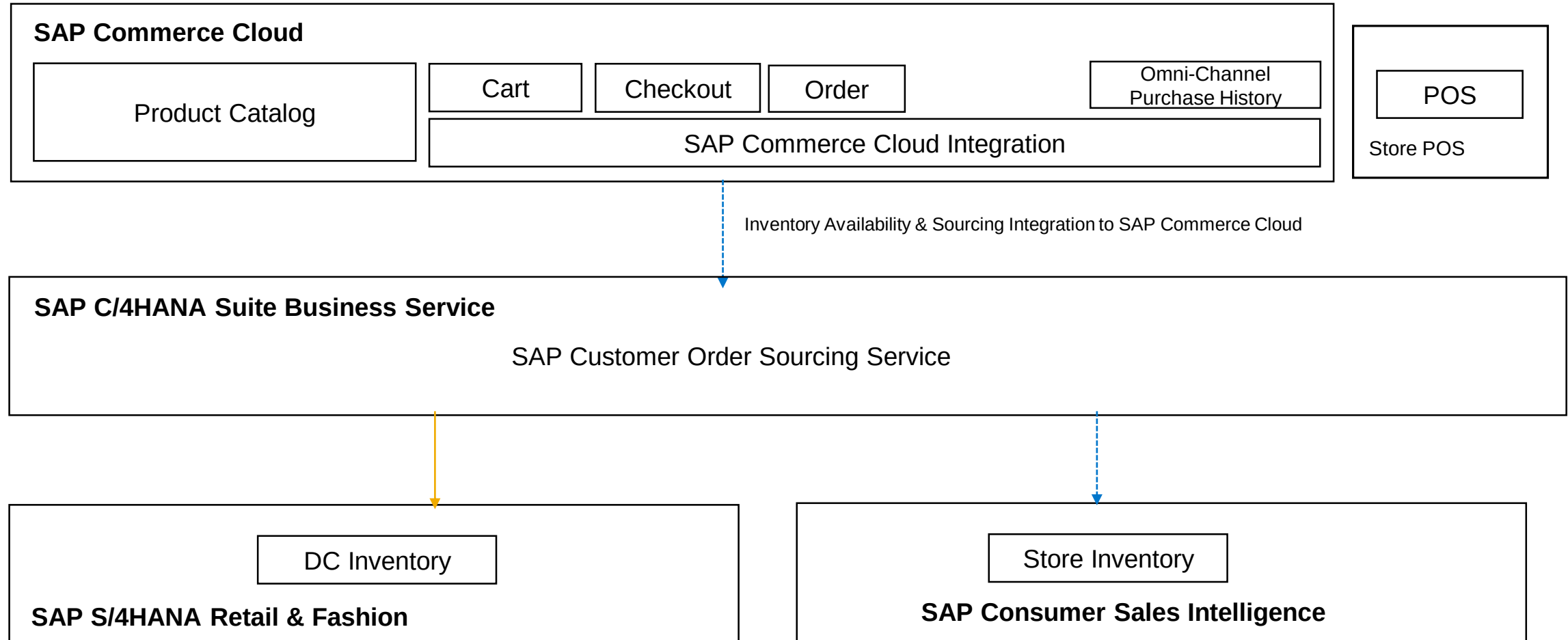
A "Save" button is located at the bottom right of the interface.

Retail Reference Architecture : Inventory Availability

SAP Customer Order Sourcing (CSO) Service Architecture



Roadmap
subject to
change



SAP C/4 HANA Order Management

Cloud Native Micro Service Orchestration

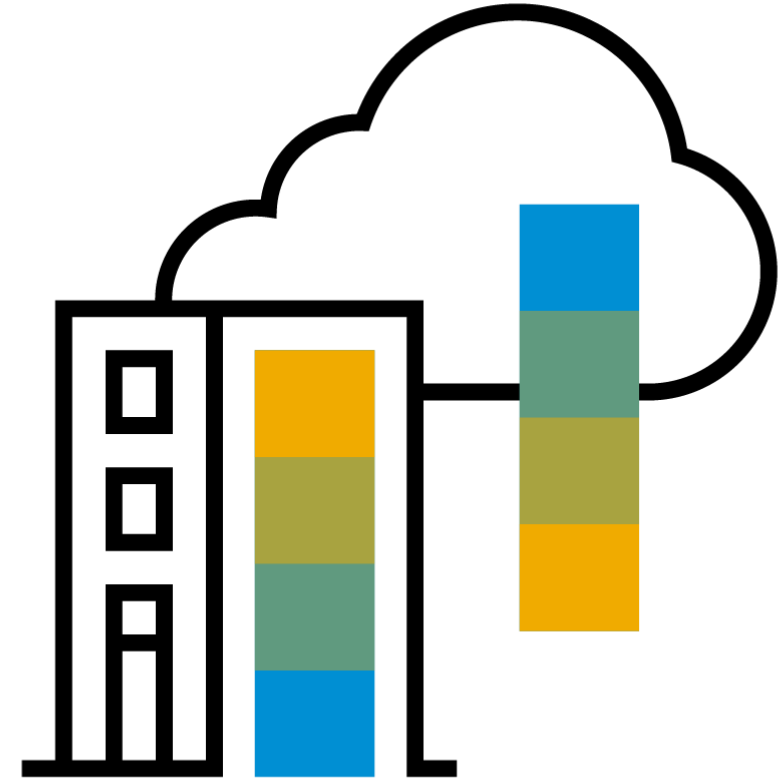
Master Data Services

Consumer sales
Intelligence (CSI)

Order and Customer
Order Sourcing (COS)

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Omnichannel
Promotion Pricing (OPPS)



SAP Omnichannel Promotion Pricing in the Cloud

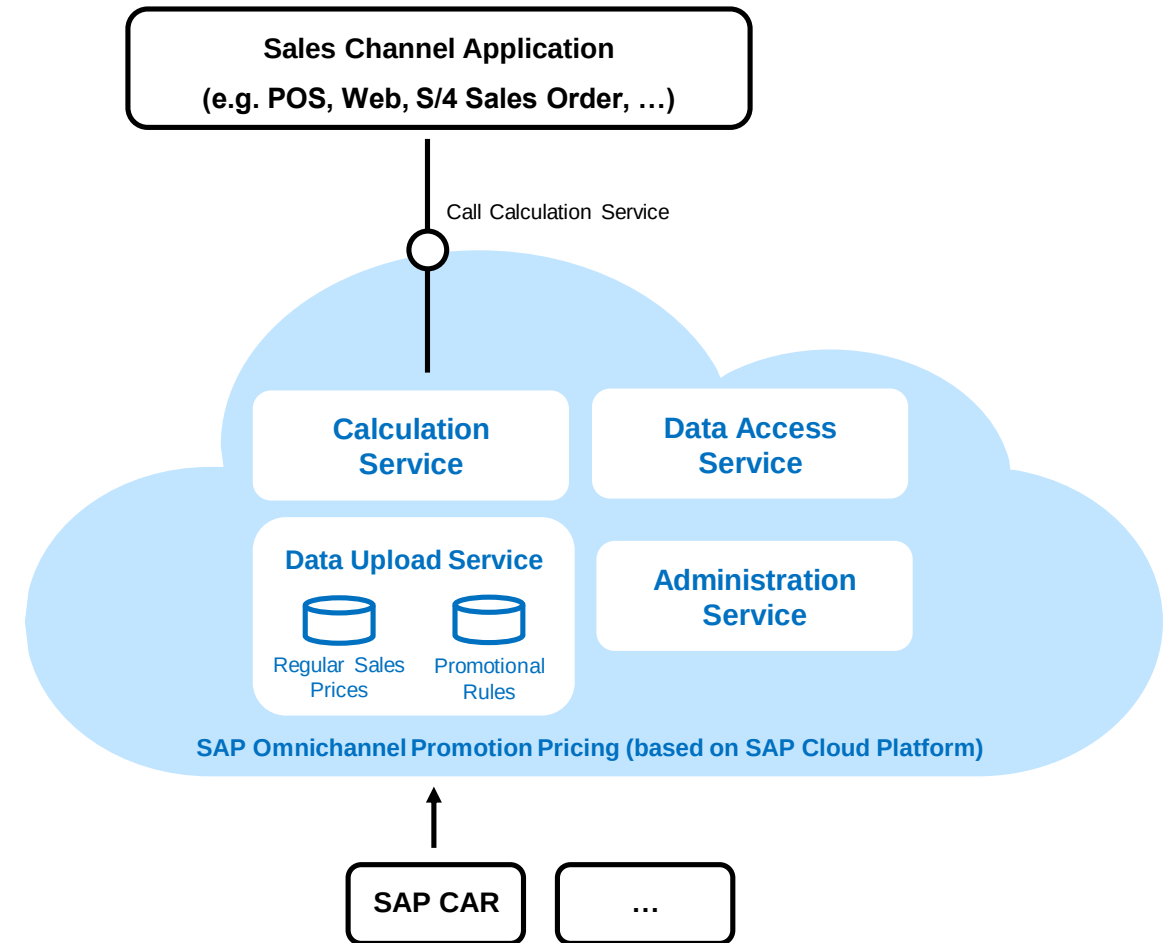
Our Approach

Why?

- Customer pain points of the omnichannel business: need **consistent pricing across all sales channels**
- Each system (e.g. POS, Web, ERP...) has its own price and promotion repository and its own price calculation logic, which makes it impossible to have consistent pricing across all sales channels.

Solution Overview:

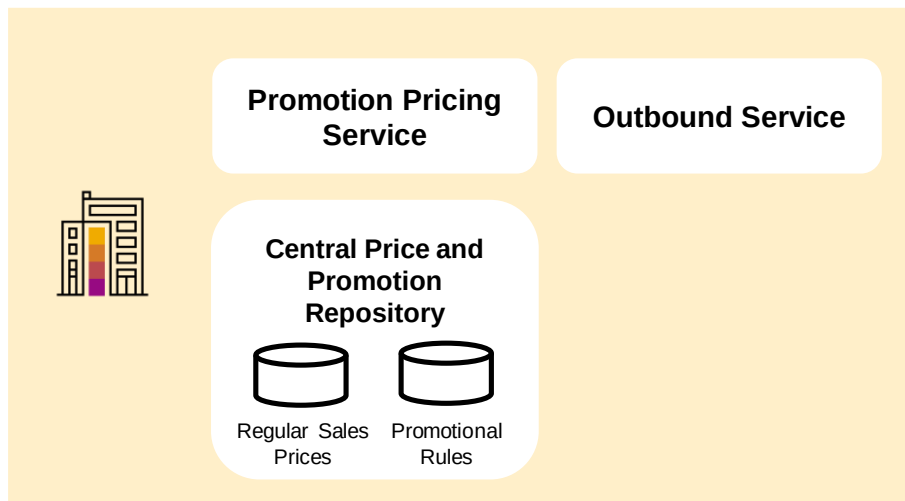
- **Calculation service** to provide consistent price and promotion information by using the same calculation logic and the same price and promotion data
- **Data Upload service** to upload regular sales prices and promotional rules to the cloud environment
- **Data Access service** (OData service) to read sales prices and promotional rules
- **Administration service** to delete obsolete sales prices and promotional rules in the cloud environment



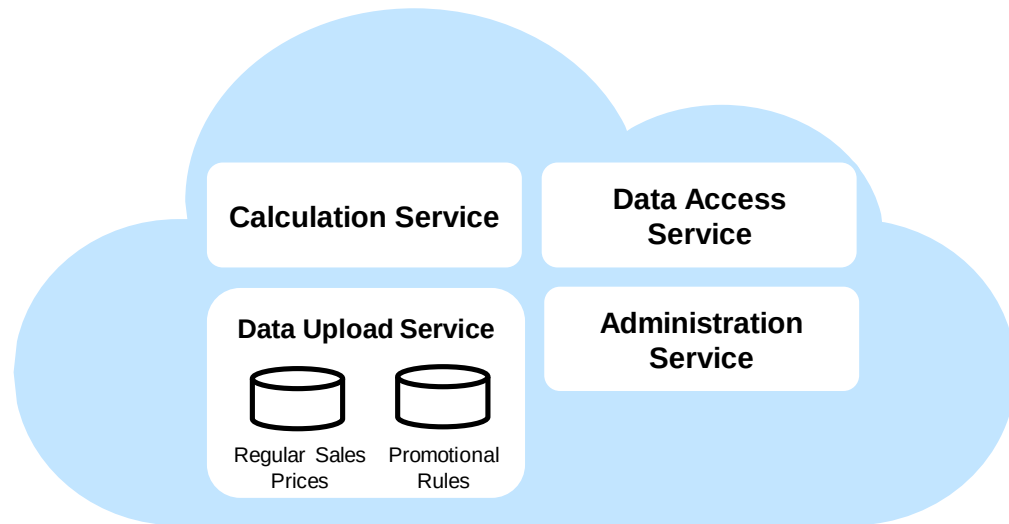
SAP Omnichannel Promotion Pricing

On-premise and Cloud-based solutions Compared

SAP Customer Activity Repository, Omnichannel Price and Promotion Service (*on-premise*)



SAP Omnichannel Promotion Pricing (*cloud-based*)



Please note:

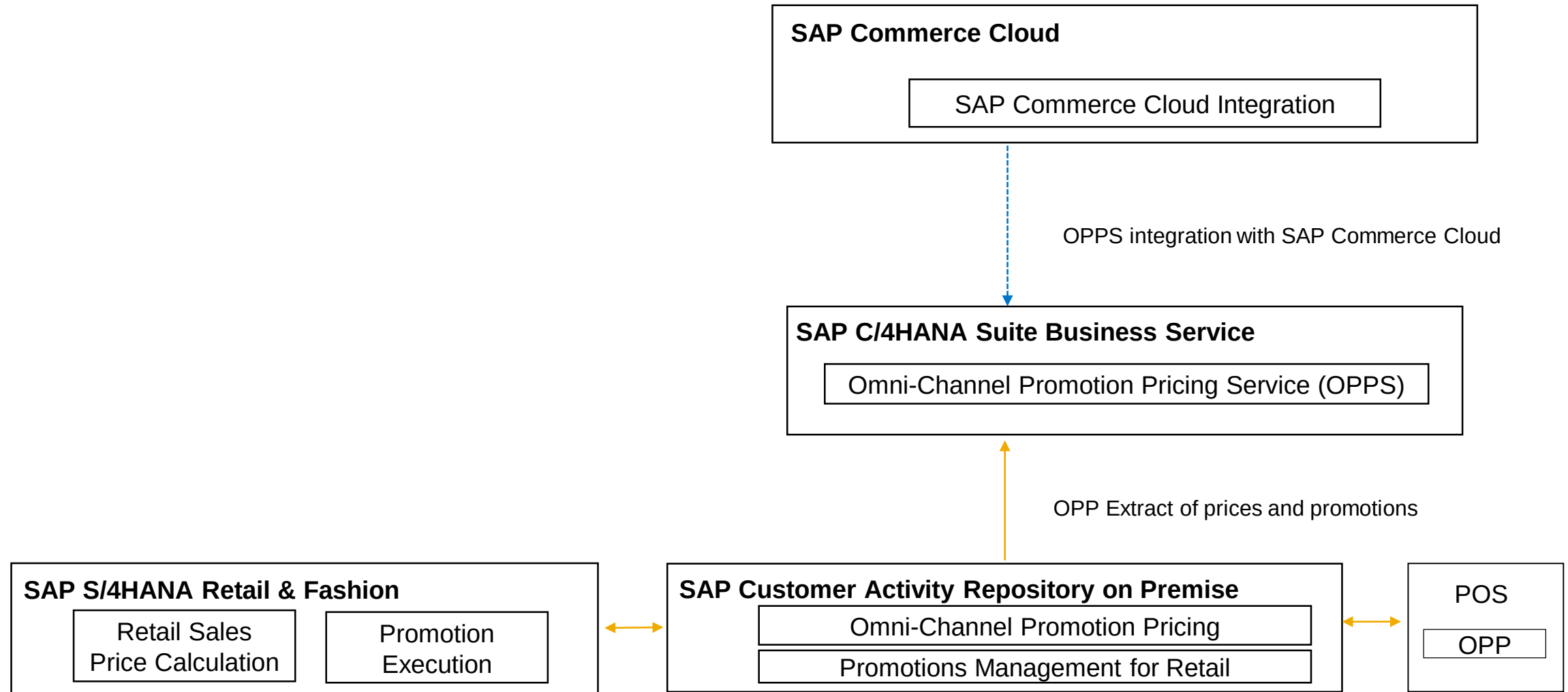
- The calculation functionality of SAP Omnichannel Promotion Pricing (OPP) is called in the on-premise version “Promotion Pricing Service” and in the cloud version “Calculation Service”. There is no difference in the functionality.
- The code base for the on-premise version and cloud version of OPP is the same.

Retail Reference Architecture: Omnichannel Pricing

Omnichannel Pricing & Promotion Service OPPS & CAR Architecture OPP

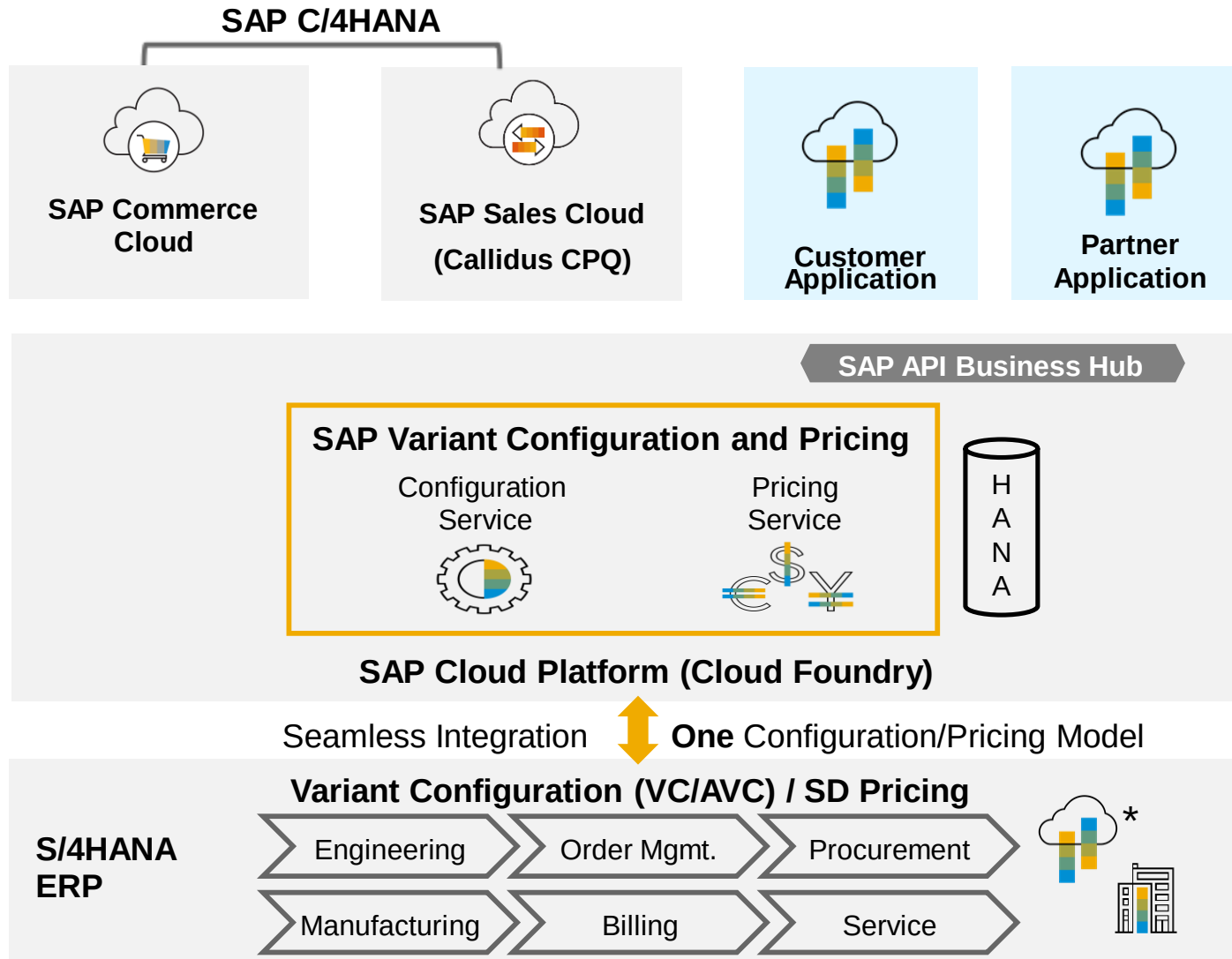
— Available
- - - Roadmap Q4 2019-Q1 2020
— Partner Integration

Roadmap
subject to
change



SAP Variant Configuration and Pricing on SAP Cloud Platform

Microservice APIs for easy Consumption in SAP, Partner, & Customer Applications



Microservices on SAP Cloud Platform for consistent omni-channel configuration and pricing

Expand backend functionality to the cloud – SD pricing and Variant Configuration

Relevant master data and customizing are replicated

Services are integrated to SAP solutions and available on SAP API Business Hub for custom solutions



Annex Cloud Loyalty / Marketing Platform

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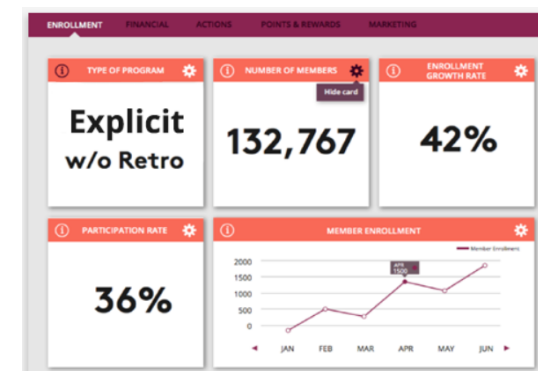
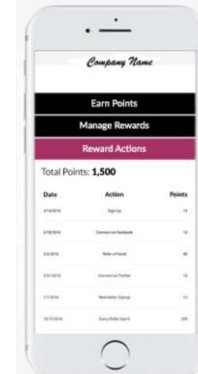
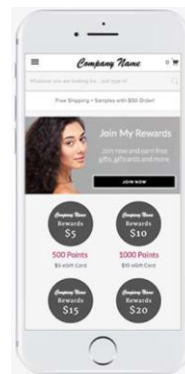
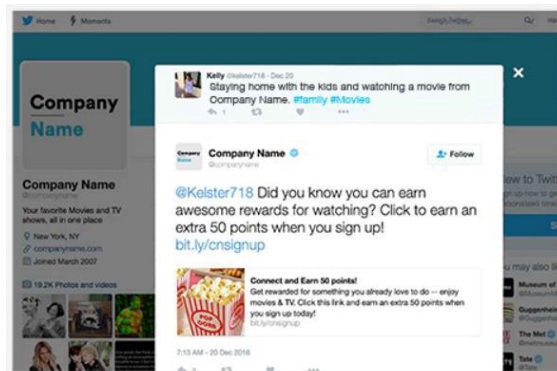
Annex Cloud - Customer Marketing Platform

Retail B2C, Consumer B2C/B2B, Manufacturing, Telecommunications



Retail

- In-Store Loyalty
- In-App Loyalty
- POS integration
- eCommerce integration
- Call Center integration
- Marketing integration



Annex Cloud - Customer Marketing Platform

How Annex Cloud 6-Step Customer Loyalty Programs Work

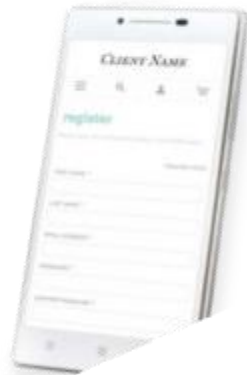
1

Loyalty Program Recruitment



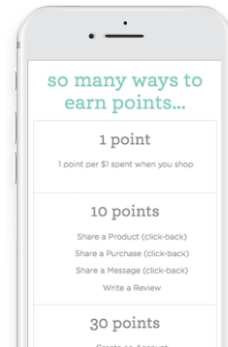
2

Customer Loyalty Registration



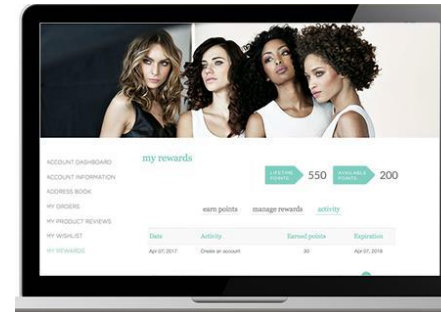
3

Comprehensive Loyalty Actions



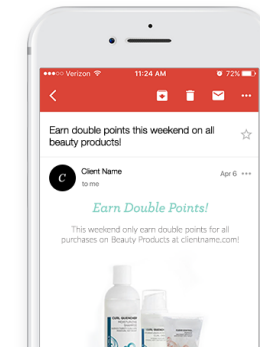
4

Flexible Loyalty Rewards Redemption



5

Loyalty Program Marketing



6

Measure and Optimize



How does PMR and Annex Cloud collaborate with Loyalty Offer construction?

Loyalty Offers – Product-centric, Behavioral, Social Offers

- **PMR creates “Product Centric” Loyalty Offers**
- **Annex Cloud creates Loyalty “Behavioral and Social” Offers**
- **Annex Cloud Manages the Loyalty Programs for both**

PMR (Fiori) Offer UI

- PMR has access to the Target Groups results of SAP Marketing Cloud's Customer Segmentation.
- One or more Target Groups can be associated to an Offer.
- When completed and in "Released" status, the Offer's parameters and content attributes are made available to SAP Marketing Cloud where the Offer can be distributed to the Target Group members.
- PMR also makes available via S4 or OPP, the Offer's Buy, Get, Reward information to POS, Web and other Purchase channels.

Promotional Offer

Coffee Specials - Loyalty Customers3285

PROPERTIES

VERSIONS

TERMS

VENDOR FUNDS

ATTRIBUTES

*Offer Name:

Coffee Specials - Loyalty Customers

Description:

Coffee Specials - Loyalty Top A Customers

Status:

In Process

Reference Event:

Marketing Area:

☐ Packaged Offer

*Location Hierarchy Node:

RETAIL FORECAST

Locations(4)

Advanced Location Settings

Promotion Type:

Purchasing Group:

Offer Set:

Manage Offer Sets

Leading Category:

☐ Regular Price Only

*Validity Start:

06.10.2019

*Validity End:

12.10.2019

☒ All day offer

Summary:

From 06.10.2019, 00:00:00 (Week 39/2019)\n To 12.10.2019, 23:59:59 (Week 40/2019)

Tactics (3)

Tactic Type	Validity Date From	Validity Time From	Validity Date To	Validity Time To
Web/Web	06.10.2019	00:00:00	12.10.2019	23:59:59
E-Mail/E-Mail	06.10.2019	00:00:00	12.10.2019	23:59:59
Electronic/Mobile	06.10.2019	00:00:00	12.10.2019	23:59:59

Target Groups (1)

Name	Description	Members	Redeem %	Projected Members
Group A Loyalty Card Holders	The members of this target group are determined based on segment "Order Date: Last 12 Months, Reference Date Today" of segmentation model "Group A Loyalty Card Holders (ID: 31)"	4956	100,0	4956

Save

Cancel

Assign Content

Calculate Financials

Forecast

Collision Detection

PMR (Fiori) Offer UI

- In the PMR Term Construction section the Offer has a configurable
- BUY and GET “Term Area construction”
- Each BUY and GET can have one or more Terms.
- In this example a BUY from a Group of Coffee Products has been configured
- In the GET or Reward construction there are two rewards provided:
- 10% Discount and an Incentive reward

Term Style

Freestyle Term

Enforce Multiple / Limit

Yes

0

Buy

All

Get

Term 1

...

+

×

Dimension:

Product Group

Product Group:

COFFEE GROUP SPECI...

Coffee Group Specials

Edit

Quantity / Unit Of Measure

1

EAC

Minimum Amount:

0,0

User Projection:

12000

See more

Reward 1

For Term 1

...

+

×

Discount Type:

Discount Percent Off

Discount:

10,0

%

Discount Assignment:

All Products

Discount Variety:

Any Products

Reward 2

For Offer

...

+

×

Product at a Discount

Get Reward

Get Points

Deferred Payments

Flexpay

Free Shipping

Financials: Standard *

For Reward 1

Regular Price / Regular Margin %:
17,74 USD / 54,7%

Purchase Price:
9,68 USD

POS Price / POS Margin %:
15,97 USD / 60,1%

POS Price VAT:
17,09 USD

Product Details (4) Bruce View

View: All Terms

	Product	Description	Terms	Discount ...	Discount	POS Price VAT	POS M		Regular Margin...	Purchase Price	User Projection	P
☐	MR311279	100% Colombian	Term 1	Discount Percent Off	10,0	8,72	58,2%	9,69	59,2%	5,09	3000	
☐	MR311281	Black Silk	Term 1	Discount Percent Off	10,0	11,69	52,4%	12,99	55,4%	6,13	3000	
☐	MR311300	French Roast	Term 1	Discount Percent Off	10,0	14,39	54,7%	15,99	56,7%	7,88	3000	
☐	MR311303	Italian Bold	Term 1	Discount Percent Off	10,0	17,09	56,6%	18,99	57,6%	9,68	3000	

Save

Cancel

Assign Content

Calculate Financials

Forecast

Collision Detection

PMR (Fiori) Offer UI

- One possible option for the Incentive is Loyalty Points.
- This example (in this demo system) has three possible options.
- In the Incentive framework multiple options can be configured.
- For example: here you see “Double points” as an option.
- Typical options are:
 - Double or 2x
 - 3x
 - 4x, or
 - Specific number of points.
- In this example, “Double points will be selected.”
- This will reward Double points on the final discount amount of the Coffee Product(s) purchased.

SAP

Promotional Offer

Coffee Specials - Loyalty Customers 3285

PROPERTIESVERSIONSTERMSVENDOR FUNDSATTRIBUTES

Term Style

Freestyle Term

Enforce Multiple / Limit

Yes0

BuyAll

Term 1

Dimension:
Product Group
COFFEE GROUP SPECI...
Edit
Quantity / Unit Of Measure
1EAC
Minimum Amount:
0,0
User Projection:
12000
[See more](#)

Get

Reward 1For Term 1

Discount Type:
Discount Percent Off
Discount:
10,0 %
Discount Assignment:
All Products
Discount Variety:
Any Products

Reward 2For Offer

Get Points:
Air Miles
Double Points
Points

Financials: Standard *

For Reward 1

Regular Price / Regular Margin %:
17,74 USD / 100,0%
Purchase Price:
9,68 USD
POS Price / POS Margin %:
15,97 USD / 100,0%
POS Price VAT:
17,09 USD

Product Details (4) Bruce ViewView: All Terms

Search for a product

Mass Edit Hide

	Product	Description	Terms	Discount ...	Discount	POS Price VAT	POS Margin %	Regular Price V...	Regular Margin...	Purchase Price	User Projection	P
☐	MR311279	100% Colombian	Term 1	Discount Percent Off	10,0	8,72	58,2%	9,69	59,2%	5,09	3000	
☐	MR311281	Black Silk	Term 1	Discount Percent Off	10,0	11,69	52,4%	12,99	55,4%	6,13	3000	
☐	MR311300	French Roast	Term 1	Discount Percent Off	10,0	14,39	54,7%	15,99	56,7%	7,88	3000	
☐	MR311303	Italian Bold	Term 1	Discount Percent Off	10,0	17,09	56,6%	18,99	57,6%	9,68	3000	

Save

Cancel

Assign Content

Calculate Financials

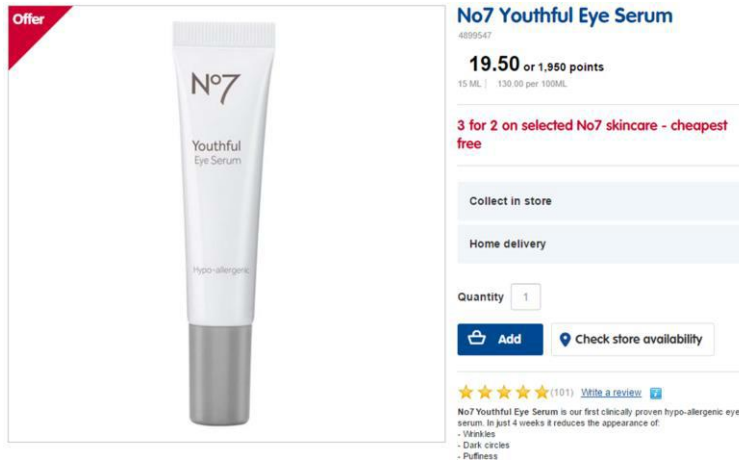
Forecast

Collision Detection

Loyalty Offers - Product-centric, Behavioral & Social Offers [Promotions]

Product-centric Loyalty Offers

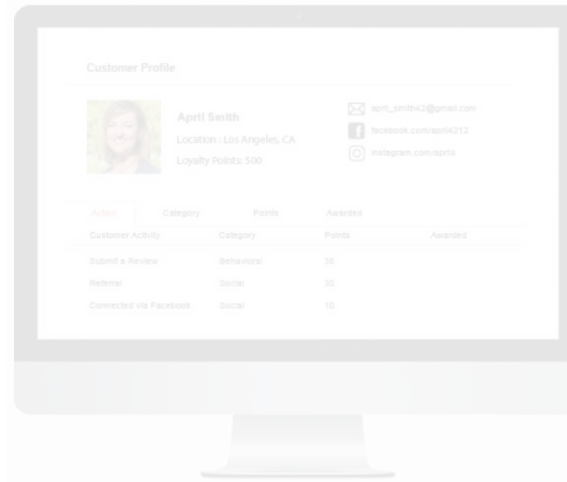
- Promotional Discount on specific Products
- Allows consumer to earn “extra-points”
- Can be combined with multiple Incentives
- Can be for Mass or Targeted Consumers
- Can “give points” or allow “Pay with points”
- Geographical and/or demographical
- Enables Offer conditions and restrictions
- Typically omni-channel in nature



Created in CAR/PMR

Behavioral Loyalty Offers

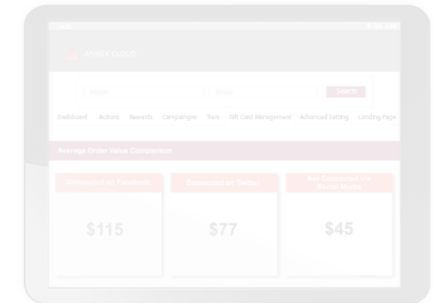
- Writing Reviews
- Answering Fellow Customers' Questions
- Creating an Account
- Signing Up for Your Newsletter
- Filling out Account Profile Data
- Attending Events
- Customer Behaviors Tailored to Your Business



Created in Annex Cloud

Social Loyalty Offers

- Referring Friends
- Sharing Your Brand or Products with Friends
- Mentioning Your Brand on Social Media with Hashtags or @tags
- Signing in Through Your Social Login
- Connecting via Social Media



Created in Annex Cloud

Annex Cloud Full Customer Engagement - Live retailer UI example

[Volcom](#) | [Skate](#), [Swimwear](#), [Snowboarding Clothes](#) & [More](#)

Behavioral Loyalty Offers for Actions

- Writing Reviews
- Answering Fellow Customers' Questions
- Creating an Account
- Signing Up for Your Newsletter
- Filling out Account Profile Data
- Attending Events
- Customer Behaviors Tailored to Your Business

Social Loyalty Offers for Actions

- Referring Friends
- Sharing Your Brand or Products with Friends
- Mentioning Your Brand on Social Media with Hashtags or @tags
- Signing in Through Your Social Login
- Connecting via Social Media

EARN

ACTION

Write a Review

Create an Account

Purchase

Connect on Facebook

Connect on Instagram

Connect on Twitter

Refer a Friend to Volcom.com

Enter Birthday

Birthday Reward

Refer a Friend to Purchase

Purchase More than 3x per year

ACTION

Points will be added upon approval.

COMPLETED

SHOP NOW



SHARE

COMPLETED

Enter birthday above.

REFER A FRIEND

SHOP NOW

POINTS

15 points | Limit: 5x/year

15 points | Limit: once

1 point per \$ spent | Limit: no limit

5 points | Limit: once

5 points | Limit: once

5 points | Limit: once

5 points | Limit: 5x/year

10 points | Limit: once

100 points | Limit: 1x/year

100 points | Limit: no limit

100 points | Limit: One Time



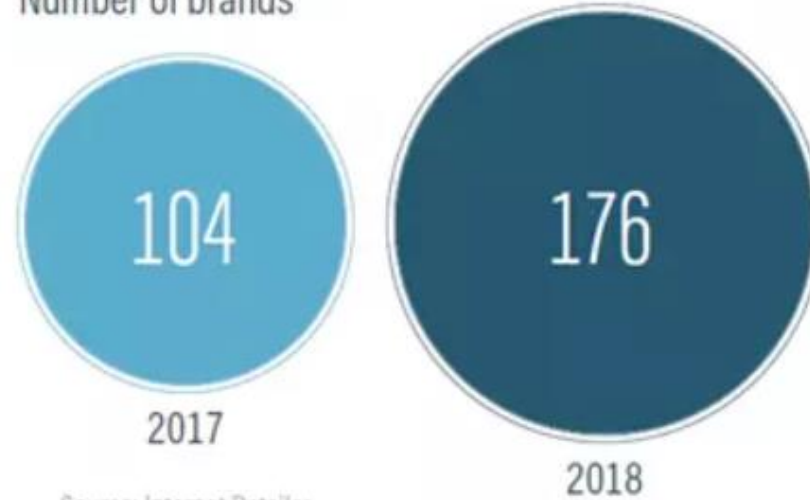
SAP Product Content Hub

CUSTOMER

Amazon in Retail

TOP 500 RETAILERS THAT SELL ON AMAZON

Number of brands

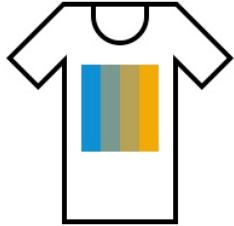


Source: Internet Retailer

Marketplaces are driving the “Fourth Wave” of Ecommerce with projected global sales of \$4 trillion by 2020

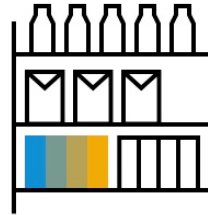
Source: eMarketer

Trends driving the **Product Experience Management** opportunity



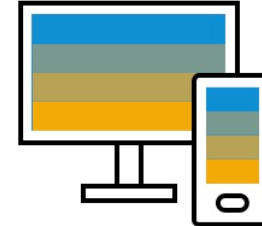
CENTRALIZATION OF PRODUCT DATA

Seamless customer journeys require consistent high quality product data that can be syndicated into regional or LoB specific commerce catalogs.



SKU EXPANSION

Introduction of more product variations, more niche offerings, more personalized products that require efficient management tooling.



CHANNEL EXPLOSION

Selling in own and 3rd party sales channels like Amazon, ebay etc. requires syndication of consistent product data in the right target format, with the required attributes.

**With SAP Product Content Hub
we enable organizations to create
and deliver a consistent and high
quality product data set
that is optimized to the
relevant channels.**

SAP Product Content Hub | Positioning and Use Cases



- (1) SAP Product Content Hub as a **central Enterprise PIM (SaaS)** that distributes product information to local or LoB-specific Commerce Cloud catalogs and 3rd party retail channels (over 1500+ channels)
- (2) SAP Product Content Hub as a **stepping stone to move any on-premise PIM into the cloud** (first step PIM, then commerce) – Complementary to SAP Commerce Cloud or other eCommerce solutions

SAP Product Content Hub

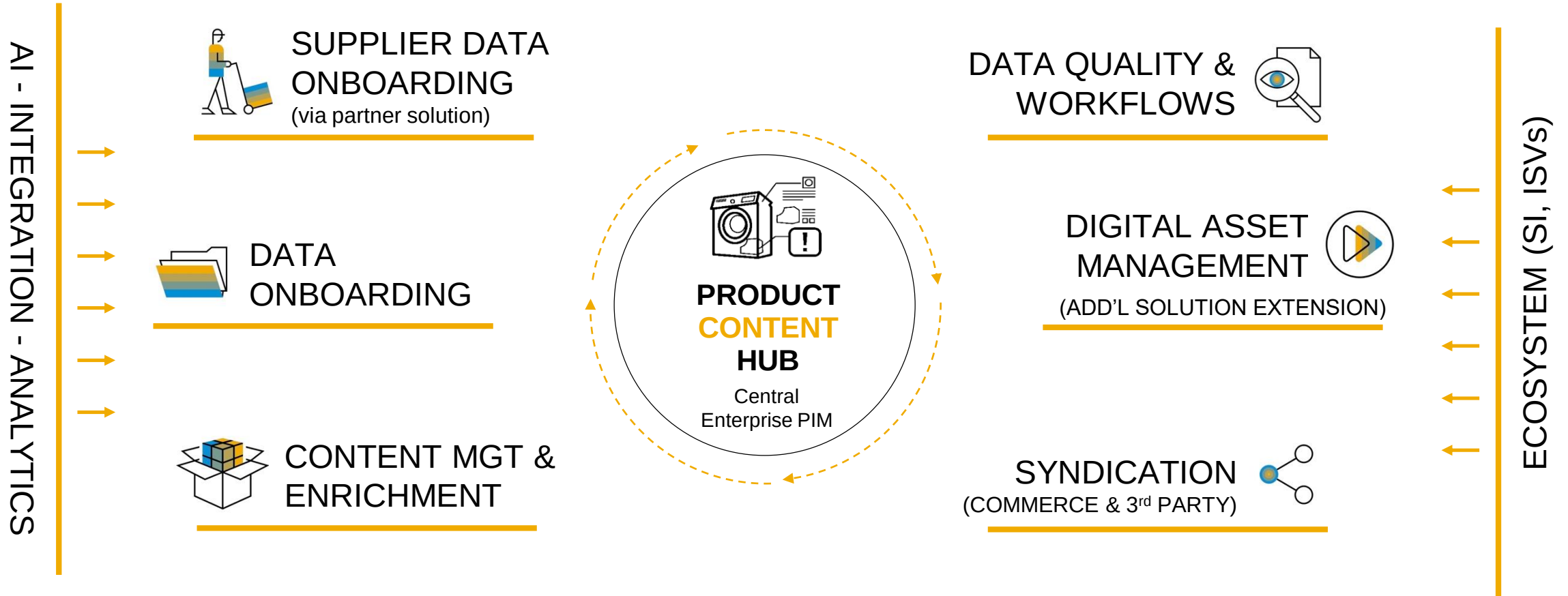
Business View and Benefits



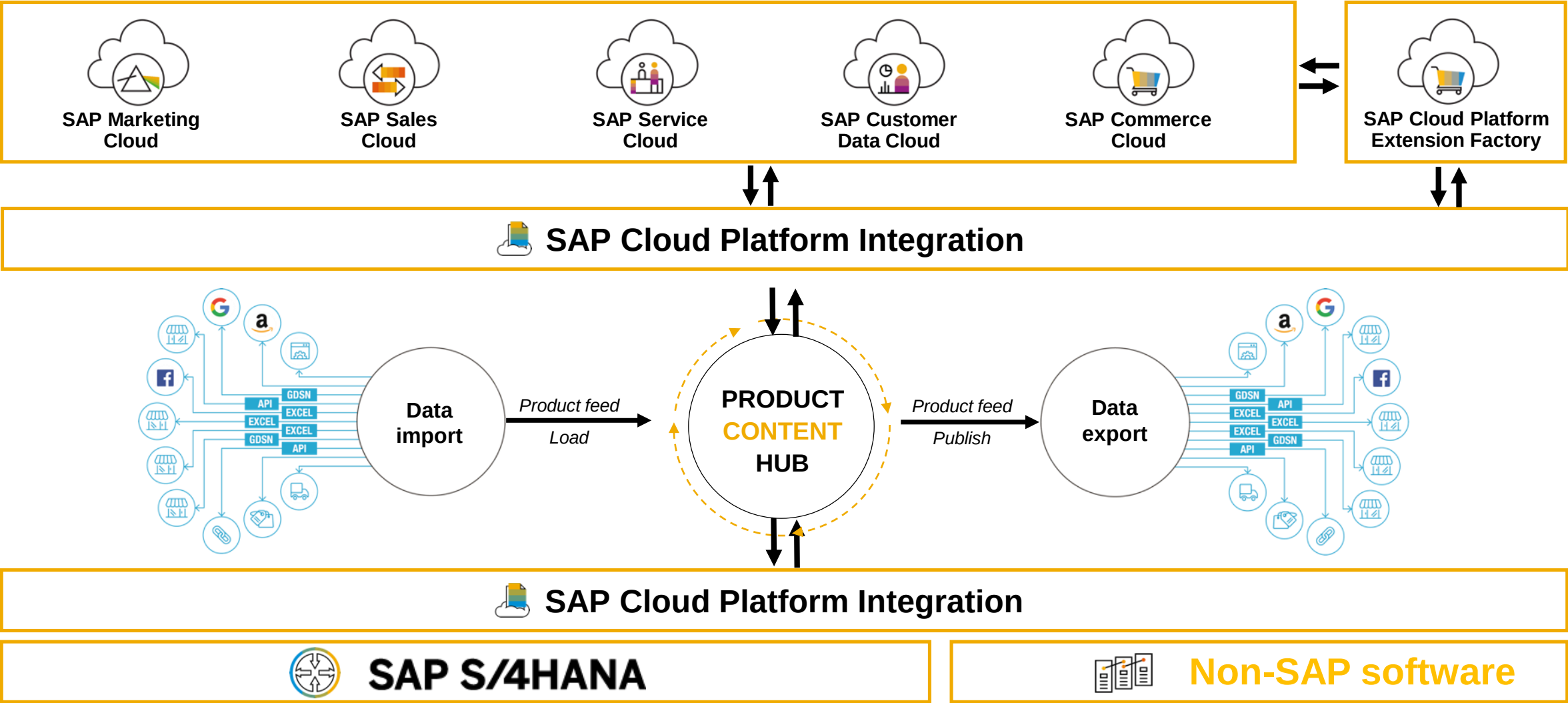
PRODUCT DATA SYNDICATION CHALLENGE SOLVED

- Fully automated syndication to every channel, reseller or marketplace
- Ability to combine multiple data sources into a single, easily manageable data feed.
- Business user tooling that eliminates the need for IT Department involvement
- OEM Partner **Productsup'** solution capabilities are fully embedded into SAP Product Content Hub

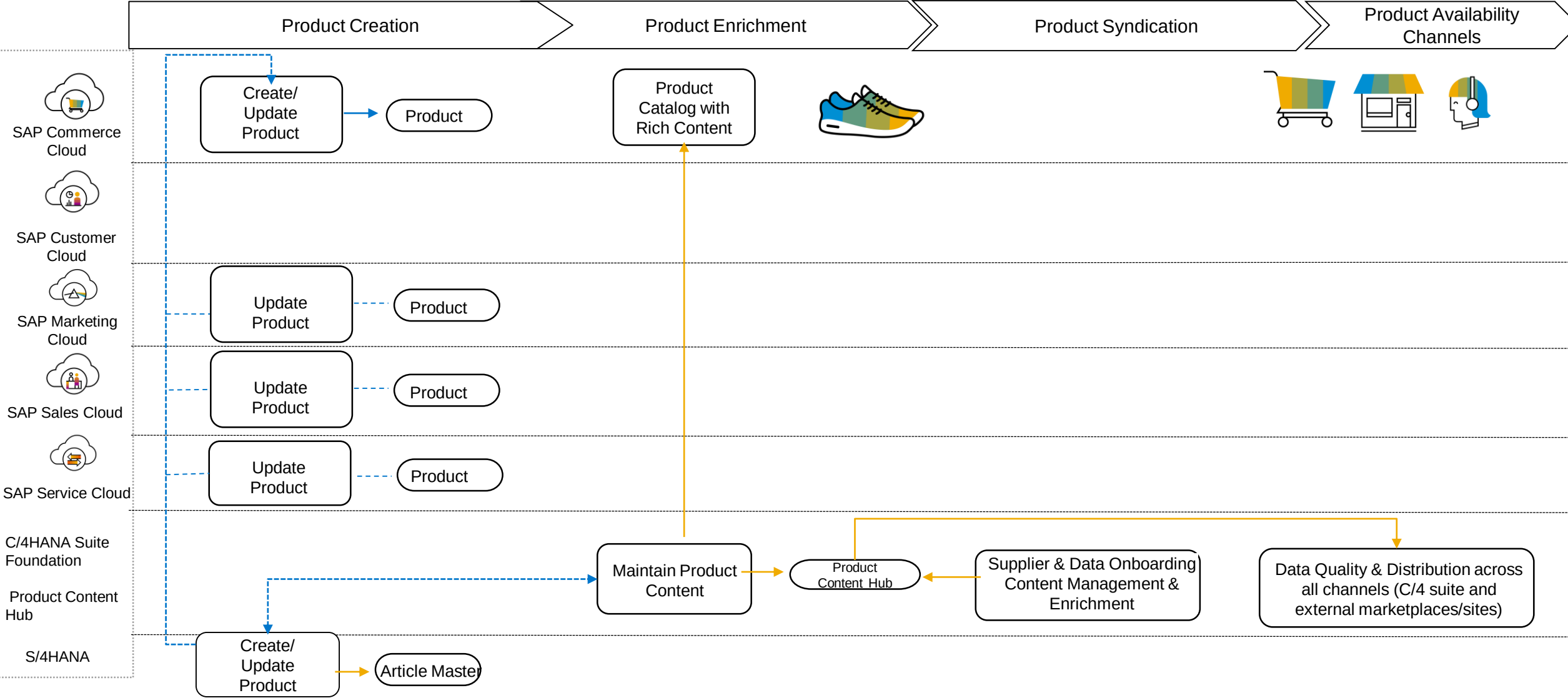
All functional areas of a next generation Product Experience Management solution are covered by **SAP Product Content Hub and our Ecosystem**



Product Content Hub | Architectural View



Product Data Management: Retail Process View

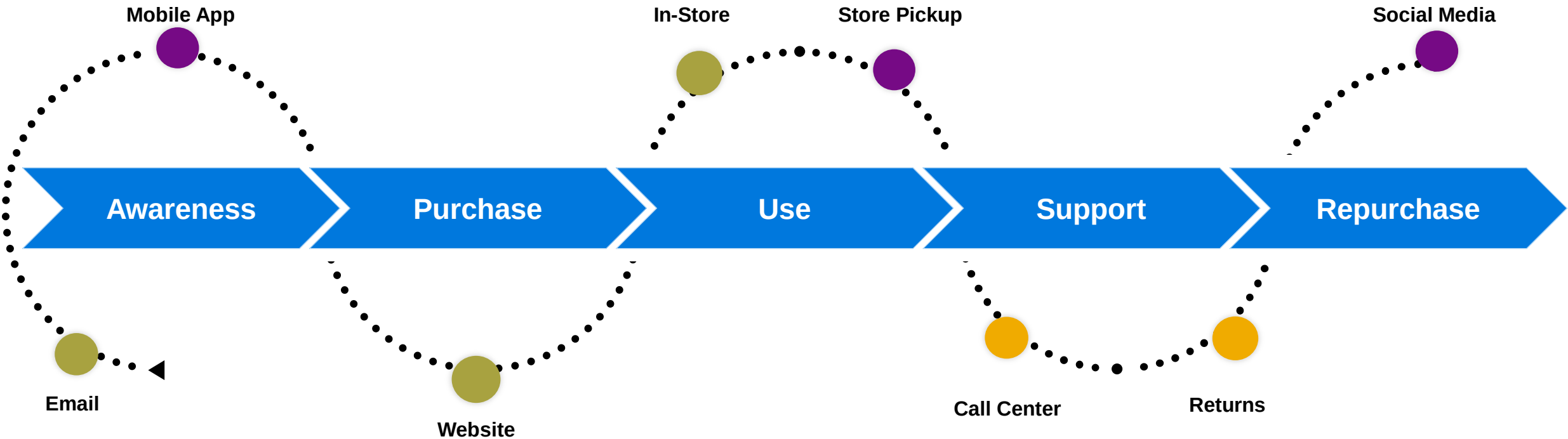




Customer Experience Powered Customer Journey

CUSTOMER

Customer Experience Powered Customer Journey



O	Propensity	Revenue	Consumption	Resolution	Status
X	Motivation	Value	Enjoyment	Impact	Loyalty

Roadmap Update: SAP Experience Management (Qualtrics)

Business View and Benefits

Planned

Combine **experience data and operational data** to gain new business insights and reach a new level of customer satisfaction



Collect experience data along the business process flow to get new insights.

Combine new data with existing data and take your customer-centricity to the next level.

Benefit from a harmonized User Experience across SAP C/4HANA along the end-to-end Process.

Leverage industry-specific reference processes to better reflect your industry business process.

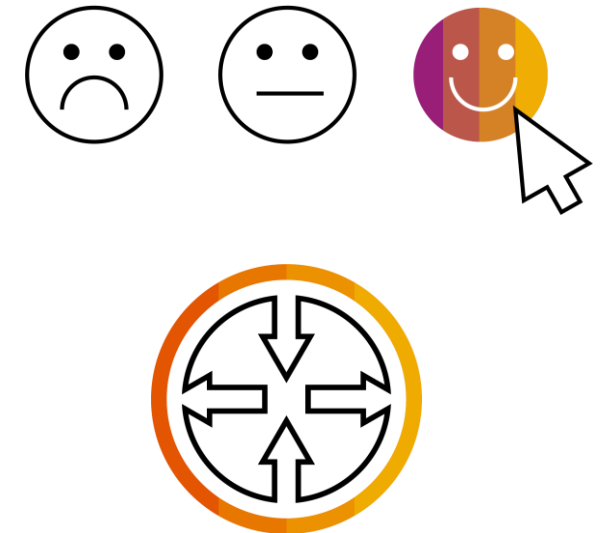
SAP C/4HANA

The modular
Customer Experience Suite



Experience Management with SAP & Qualtrics

- **Engage customers on their terms**
Get straight to the issues with personal conversations
Engage across any channel: email, sms, web, mobile app, wearables
- **Predict what your customers will do next**
Intervene with at-risk customers before they churn
Find insights hidden in structured and unstructured data
- **Activate the entire organization**
Resolve customer concerns faster
Increase conversion rates & adoption





Qualtrics Customer Experience Management



1.

ENGAGE CUSTOMERS ON THEIR OWN TERMS

- Omni-channel, Digital, Voice
- Natural language, responsive
- Online reviews
- Messaging apps
- Frontline feedback



DIGITAL CX



CONTACT CENTER



ACCOUNT MANAGEMENT



LOCATION-BASED



ONLINE REPUTATION MANAGEMENT



INTERNAL IT



CSAT, NPS, CES

2.

REMOVE ROADBLOCKS TO INSIGHTS

- Insights in a predictive way
- Tailored Focus Areas
- Smart notifications
- Text, Stats, Voice analytics
- Competitive Benchmarking

3.

ACTIVATE YOUR ORGANIZATION

- Smart Routing
- Action Planning
- Automated Workflows
- Closed Loop Ticketing
- Escalations

EXPERIENCE MANAGEMENT with SAP CX & Qualtrics

Connecting the X's and O's



+



Hear directly from your
customers from multiple sources

Listen

Insights gained from
operational metrics

Define the experience gap

Understand

Find operational root causes

Delight customers by predicting
their needs

Act

Transform your business
from reactive to proactive

Innovation in the Store with C/4HANA

Valora Store of the Future: Avec Box

- Shop at any time
- Avec App:
 1. Access the store by scanning a QR code
 2. Scan products and add them to a shopping cart
 3. Pay for the goods using the app.
- Regular customers' purchase history used to suggest shopping preferences, with vending machines making personal product suggestions
- SAP C/4HANA
Marketing cloud, commerce cloud, and data cloud modules
- SAP Cloud Platform integrates mobile app, SAP and non-SAP systems, and physical devices such as coffee machines, price tags, and the store's entrance door

