



Where are you on the ecommerce maturity curve?





By **2025**, consumers' omnichannel buying behavior will drive **60%** of B2C brands to move toward functional, rather than channel-based organization.

– Gartner,
December 2020

The year of the pandemic saw consumers in the US spend \$861.12 billion online, up a massive 44 percent year on year, as per Digital Commerce 360 estimates. This is the highest annual ecommerce growth in the US in at least two decades, and almost triple the 15.1 percent leap registered in 2019.

More than three months into 2021, it's crystal clear that there will be no stopping the rise - and rise - of ecommerce.

Despite this obvious way in which retail is changing, the rate of failure of many B2C businesses remains very high. With only **30%** of B2C brands claiming to have made the shift towards a customer-centric organization, most retail businesses still have a long way to go before they reorient their business strategy to reflect a customer-first, channel agnostic strategy.

This is why businesses must take this time to reflect and pivot their strategies towards unified commerce.

But before we go deeper into that, let's know why this white paper is relevant to you.

To learn more about the evolution in ecommerce journeys and ecommerce maturity

To know where you are on the ecommerce maturity curve

To find out how your positioning on the ecommerce maturity curve affects your growth roadmap

As the market grows and evolves, so do customer expectations. With technology growing at a fast clip, it is vital that online retailers adapt quickly to meet the growing needs of customers. Those who don't catch up are likely to see high churn rates and a loss of market share. Meeting – and exceeding – customer expectations define your company's digital agility, and will help you fast-forward your journey.

Retailers need a clear understanding of current capabilities and a well-defined roadmap for future growth to navigate the hypercompetitive and constantly evolving ecommerce industry. Evaluating their position on the ecommerce maturity curve; will help assess abilities, identify gaps and areas that need improvement, and develop actionable strategies.

The Age of the Customer

According to Forrester, we are now in “**the age of the customer**”.

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Customers are the new market-makers, reshaping industries and changing how businesses compete and win. Success depends on how well and how fast you respond.

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This means adopting and adapting to new technologies is important, and impacts your placement on the ecommerce maturity curve.

Maturity model

This rubric has been used by businesses for long to determine what stage they're at with any given functional area or strategy. This cohesive, growth-centric business model allows B2C businesses to assess the current state of their maturity via specific performance metrics and growth indicators. After identifying the current state, the organization can use the model to strategically plan for their next level of growth as they aim for full-scale maturity. Simply put, this is your business' roadmap for progress.



The many stages of a retailer's ecommerce journey

Let's learn more about the ecommerce maturity curve by tracking Suzanne Roberts' journey as a retailer – from starting small to growing big.

Suzanne was always keen to start something of her own. Her interest in jewelry and her propensity for DIY led her to start a small company for handmade jewelry. Her idea was simple: to focus on creativity, design, and innovations.

Single Channel

Suzanne started her jewelry business with a small investment and focused on offline sales via exhibitions and shows to friends, family, and acquaintances.

When told that she needed to go online because that's where the future was, she decided to set up a small website, a no-fuss, easy-to-maintain platform. She chose to align with a provider that offered her a functional website pre-integrated with capabilities like fixed pages (product lists, home, and product details), drag-and-drop features, payment gateways, and a space for customers to offer reviews of the products.

ECOMMERCE MATURITY METER

At this stage, retailers are learning the fundamentals and are focused on driving traffic and revenue to their new online store. Resources, tools, and strategies are often limited, with this being seen as a testing period. Retailers at this stage are likely to be:

- Comparing platforms and checking internal software systems
- Examining existing data, including prices and product descriptions
- Focusing on the idea of an easy, efficient digital experience



Multichannel

Suzanne's designs started gaining a lot of appreciation and she began doing good business online. Soon, she hired 30-40 designers and was looking to grow her digital capabilities. When her revenue shot up to more than \$25 million, she thought that it was time to invest 5 percent of it into an ecommerce site. By spending up to \$40,000, she wanted increased personalization in user journeys.

The time had also come to invest in other channels of sales, such as social media, investing in a physical store and also to be able to take up orders through phone calls and video calls. The jewelry buying process differs considerably from buying apparel or furniture. The focus on customer experience and visibility meant that it was important to track the product – from the browsing and order placement to shipping and returns, if any. This meant integration with the backend, and translated into higher maturity.

ECOMMERCE MATURITY METER

By this time, retailers have grasped the basics of running an online business and are seeing higher traffic volumes and conversions. Steady cash flow allows them to make additions to the team and infrastructure. They have started displaying their products on a retail store and also have the ability to process orders through phone calls, video calls and receive sales through social media. However, they may offer suffer from disjointed processes that can negatively impact the customer experience and lead to a significant loss in sales. Companies at this stage may be:

- Amending processes to ensure an efficient, consistent digital experience
- Investing in their retail stores
- Growing email subscribers and social media presence
- Adjusting internal teams and working with vendors to ensure seamless experiences
- Improving search options and attempting to define customer personas
- Using insight gained from basic data analytics to increase marketing effectiveness



Omnichannel

Further down the line and after some more evolution, Suzanne decided the way forward was to explore other categories. With more than 120 artisans working exclusively for her, she decided that the time was now right to set up experience centers that would provide touch-and-feel capabilities. Other abilities were also needed – the freedom to buy online and pick up in store, the ability to know which store would stock a particular out-of-stock design, and more.

Omnichannel experiences can position you at different points on the maturity curve. For omnichannel isn't just about your ecommerce model; here, maturity would depend on the maturity of your other systems as well, such as a single view of inventory, a robust inventory system, connected systems to rout orders, a robust order management system, integrated PoS, and more.

ECOMMERCE MATURITY METER

B2C businesses that reach this stage have grown immensely – in size, scale, and sophistication – and employ the best-in-class tools to offer better shopping experiences, increase sales, and drive more revenue. They are likely to leverage data from all channels to make better connections and deliver more personalized experiences to the customer on their e-commerce. They often use a centralized solution and segmentation techniques to target customers, get customer insight, and track sales and revenue. Companies at this stage may be:

- Focusing on well-defined customer personas to draw and retain customers
- Engaging with customers and focusing on more seamless experiences
- Offering enhancements such as product recommendations, live chat
- Setting up a resource center with relevant, engaging content
- Using their expertise to add value and stand out from the competition

Unified Commerce The Holy Grail

Suzanne and her team were happy with omnichannel but they soon realised that the world had changed again. Consumers were now simultaneously browsing on phones, computers, and smart TVs. They were checking out products in her store with Amazon while looking at social media notifications.

Seamless shopping was now the need of the hour, which brought them to unified commerce. This would ensure a more personalized and seamless customer experience, gain time savings, remove all siloes and help scale, and keep the organization agile. With her customers now spending more than 80 percent of their time on social media, it was important to ensure that this was a part of every strategy. Would their social media channels be able to allow virtual try-ons? Would they be able to cater to orders outside their ecosystem, say on their store on an exclusive marketplace? Would the experience on both sites – their own and the marketplace – be exactly the same? Would they be able to reach the highest level of maturity and provide a consistent brand experience within and outside the ecosystem?



Gartner defines unified commerce as



The practice of providing flexibility, continuity and consistency across digital and physical channels to deliver a superior customer experience





ECOMMERCE MATURITY METER

B2C Companies that reach this stage have consistently tapped robust technology to streamline operations. Their business now functions like a well-oiled machine, with numerous tasks automated and specialized employees taking care of specific functions. They use unified commerce to consolidate all channels, products, payment systems, and customer interactions to ensure an integrated, measurable, frictionless, and cohesive experience. Connecting the backend systems with all customer-facing channels offers a unified view of the business and helps the company go from strength to strength. Companies at this stage may be:

- Mapping the entire customer journey from the outside in
- Using data-capture processes and easy-to-use analytics
- Single-mindedly focusing on creating a cohesive brand experience
- Investing in new tools and marketing strategies to maintain market share
- Interpreting customer interactions to increase retention and compete with larger competitors
- Experimenting with enhancements that make customer visits more enjoyable
- Creating internal cultural change – in teams and vendors





Forrester's Ecommerce Maturity Model

Forrester's E-commerce Maturity Model classifies ecommerce competence and scalability of organizations. It is divided into four stages that retailers must keep in mind to complete their maturity journey.

#1 The Greenhorns

Ecommerce companies at this stage are in their infancy. There is scant digital adoption, strategic investments, and risk planning. The main idea for now is to gather information on digital knowledge and market potential, and learn important lessons from industry leaders. Every decision is slow, weighed over carefully and made after careful thought and consideration. There's a general lack of technological readiness.

#2 The Apprentices

An organization at this stage establishes an initial footing in the ecommerce space. But communication is unidirectional and limited to a few parties that constitute the first-level partner ecosystem. This includes brochures, catalogs, and more. The scale of investments is limited, and digital infrastructure tends to be simple, local, and low capacity.

#3 The Practitioners

Stage 3 sees the company witness a "dynamic, value-driven, and competitive ecommerce experience". A personalized, end-to-end shopping experience is the aim and is delivered at every phase – be it inquiries, orders, payments, or other areas. The digital infrastructure is revamped to focus on "efficiency, speed, and interactivity."

#4 The Role Models

At this stage – presently the last in the journey - an organization is termed mature. A holistic approach is taken to ecommerce with top-class digital capabilities, mindful business strategies, "cross-organizational investments, and enhanced risk-taking abilities". This stage includes "seamless connectivity channels across value chains for friendly and mutually beneficial company-customer relationships". These role models reap the benefits of "personalized shopping journeys and targeted cross-selling opportunities while promoting omnichannel capabilities to clock a versatile digital presence".



Ask yourself these questions to know your position on the ecommerce maturity curve

Maya Angelou famously said: “If you don't know where you've come from, you don't know where you're going.” Asking yourself these questions – and answering them honestly – will reveal where you are positioned on the ecommerce maturity curve.

- Do you have a cross-channel view of customer behavior and engagement data?
- Are you focusing on well-defined customer personas to draw and engage?
- Are you and your team focused on creating a cohesive brand experience?
- Are you investing in new tools and technologies to maintain market share?
- Do your digital strategies give you a tactical advantage over the competition?
- Are you integrating new technologies into your organization, and is this augmenting business results?
- Are your digital campaigns merely functional or driving true business growth?
- Are digital technologies and strategies coupled with KPIs? Do you evaluate the outcomes?

Commerce maturity is an important component of digital transformation. But it's not a one-time project that can be done-and-dusted. Instead, it's about consistently delivering what's right for your customers.

The two areas of business that heavily influence any company's growth are customer experience and digital operations. Together, these affect your ecommerce maturity journey, which is key to developing an actionable strategy that will propel your business forward. There is no stopping point on the ecommerce maturity curve; retailers must test, measure, tweak, and repeat to keep growing from data-aware to data-influenced and finally data-driven.





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