CGI

Transforming into a 'digital lifestyle provider' through omni-channel retailing

CGI delivers innovative omni-channel platform to German telco mobilcom-debitel

As more and more people embrace mobile devices as a way of life, the worldwide mobile services market has become increasingly saturated, with tight competition to win customers and meet their rising expectations. Leading providers are responding by exploring new ways of doing business to differentiate themselves, including new business models, products and services driven by emerging digital technologies.

One of those leading providers is Germany's mobilcom-debitel—the largest provider in the country as a member of the freenet Group with its 12 million customers. With a large portion of its business made up of roughly 600 brick-and-mortar stores, the company is embracing digitalization to transform its business model. Ultimately, its vision is to become a "digital lifestyle provider"—creating a digital lifestyle for its customers that improves their quality and enjoyment of life.

As a first step toward achieving its vision, mobilcom-debitel recognized the need to transition to an omni-channel business model—one that seamlessly integrates brick-and-mortar, online and call center channels, creating a consistent customer experience across all touchpoints.

"In a sense, our customers are leading us into a new world, and the change is irresistible," said Florian Wolf, Head of IT Customer & Commerce Systems at mobilcom-debitel. "Clearly, they are ready for an omni-channel environment, and transformation is not a matter of choice, but a necessity."

Finding the right **partner**

Before beginning its omni-channel journey, mobilcom-debitel had to find the right partner. Due to the complexity of its business and the scale of the transformation involved, the company sought a trustworthy partner that could offer the following:

- Significant omni-channel capabilities and experience, with a solid track record of success

- Extensive telecom expertise

- High-end business and technology consulting skills

- In-depth understanding of business and challenges of mobilcom-debitel

- End-to-end services—from strategy development, to design and development, to implementation

To demonstrate it had these qualifications, CGI sent a small team to the office of mobilcom-debitel office in Hamburg to meet with key stakeholders and, through these meetings, conveyed a thorough understanding of the provider's current situation and how CGI could help it achieve its digital roadmap. As a result, CGI was chosen to lead digitalization project of mobilcom-debitel, which launched at the end of 2014.

Starting the **journey**

From the start, CGI worked with upper management to formulate the future vision of mobilcom-debitel and develop an effective roadmap for achieving it. The CGI team did a lot of listening, holding workshops with the company's most important stakeholders to learn their biggest issues from a customer perspective.

With this input, CGI designed omni-channel user journeys and conducted future state planning for numerous key functional areas, including receiving product information, sharing a cart, delivering to a store, booking an appointment, returning a product, redeeming a voucher, receiving payments and more.

Based on this work, CGI prioritized the critical steps in the omni-channel journey of mobilcom-debitel, laying out, for example, the first 10 priorities to be achieved in the first 10 months. To validate its approach, CGI met with journey testers to get their buy-in and feedback.

CGI also invested substantial time in educating the mobilcom-debitel staff on the importance of evolving to an omni-channel business model. One challenge, for example, was the concern among store staff about how the new model would impact their sales commissions by redirecting business online. CGI helped to develop new omni-channel commission schemes to ensure fairness and motivate store staff to continue delivering the same level of customer care.

Taking an **agile approach**

CGI began the development of a new cross-channel e-commerce platform for mobilcom-debitel in May of 2015 using agile development. While agile was on the rise in Europe at the time, it was still considered more of a trend than an established approach, and mobilcom-debitel had yet to use it.

To "sell" the company's developers on the concept, CGI conducted training, making the case for agile's shorter development and refining cycles in light of the project's aggressive goals and deadlines. CGI demonstrated how these shorter cycles speed up execution while ensuring quality.

While newer developers were open to the idea, veteran developers hesitated, having used only the traditional waterfall method. CGI, however, brought everyone on board, demonstrating the benefits of agile to developers and its business value to the company.

Exceeding project **expectations**

CGI completed development of the cross-channel e-commerce platform in just six months. The platform offers a wide range of cross-channel features, enabling customers to order the same products from each channel and even initiate a sale in one channel while completing it in another. For example, a customer's online shopping cart can be shared with a call center representative who then completes the sale and orders in-store pickup.

From a technical perspective, the platform's SAP Hybris Commerce architecture supports mobilcom-debitel's highly complex products, which involve network tariffs and third-party contracts, as well as its entire retail product line. It can be accessed via desktops, as well as on any mobile device,

CGI's end-to-end digital and omni-channel capabilities

Organizations in consumer-intensive industries like communications and retail are experiencing a high urgency to digitally transform their business models to meet increasing customer demands for new products and services, as well as omni-channel, real-time and personalized service delivery. CGI works with communications providers, retailers and other consumer-intensive businesses across the globe to help them win the battle for today's digital customer.

We help clients accelerate their digital strategies and transition to digital, omni-channel business models that put the customer first. Through these models, clients create rich, personalized customer experiences that drive customer loyalty, competitive advantage and long-term growth.

Our digital and omni-channel services are end-to-end—from high-end business and IT consulting and systems integration, to transformational outsourcing, to IP services and solutions. We evaluate a client's digital objectives, provide strategic recommendations for transforming its business, develop digital, omni-channel transformation plans and roadmaps, and offer metrics for tracking progress and return on investment.

To learn more about our digital and omni-channel experience, ideas and end-to-end capabilities, contact us at info@cgi.com.

using an identical code base. In addition, CGI integrated mobilcom-debitel's highly complex legacy systems with the new platform. CGI continues to maintain and evolve the platform, integrating new features based on customer demand, and has met every quality goal and project milestone over the past two-plus years.

"The pace of the project has been phenomenal," noted Florian. "What's taken place within a short time is remarkable, especially considering the fact that, just a few years ago, our company was still hesitant about embarking on a transformation journey. CGI's role in our liftoff has been crucial."

Delivering the value of **omni-channel**

"Presently, everyone in mobilcom-debitel is convinced of the project's value," added Florian. "We have achieved more than anyone expected, and, technically, I would say we are now a state-of-the-art company. As an integration partner, CGI steered us through all of the challenges of our project, accomplishing in six months more than any other project in the company's 25-year history."

Customers began using the new platform immediately. Within the first three months, for example, on average 1,000 sales appointments were booked online per month, without the use of any advertising or other types of promotion. "Since implementation, our business has developed very well so far, and we expect a significant rise in sales and customer satisfaction this year," shared Florian.

"While our retail shops will continue to play an important role in the future, our digital transformation continues," he added. "Besides we expect growing digital sales, we are going to renew our platform for customer self service with an omni-channel approach. Our digital journey is well underway, and we look forward to continuing to partner with CGI to shape and drive our digital future."

> **"** The decision to collaborate with CGI was made swiftly. CGI offered not only omni-channel experience but also experience within our business area. The timing and launch of the project was impeccable. Our wishes, which are essentially our customers' wishes, were listened to and taken into account. Particularly useful was CGI's skill in bringing together IT and business staff, convincing them of the project's importance and getting them on board. **"**

Florian Wolf, Head of IT Customer & Commerce Systems

A brief history of omni-channel retailing

At the end of the last millennium, online stores were established to complement existing retail shops. Basically, a two-pillar system was setup, and it was up to the customer to choose whether to purchase goods online or at a physical store. From a company perspective, online and in-store were two separate entities and thus operated separately. Gradually, however, online shopping, retail shops and call centers began to intertwine, leading to a new concept—omni-channel retailing.

With omni-channel retailing, the customer experience is integrated and equal across all sales channels. The customer can easily search for, select and purchase products from any channel and seamlessly move from one channel to another in completing the sales life cycle. For example, a product purchased online can be sent to the nearest store for immediate pickup.

Omni-channel retailing is more than a technological trend; it's a cultural phenomenon driven by changing customer behaviours and emerging digital technologies. As such, it demands more than just a technology solution, but a new mind-set. Previously, customers bought what was available. Today, they have more opportunity and power to dictate their preferences. In response, leading companies are seeking ways to better serve customers, and omni-channel retailing has become a dominant force, giving customer what they want, when they want it across all touchpoints.

CGI

cgi.com/digital-transformation

Founded in 1976, CGI is one of the largest IT and business process services providers in the world. Operating in hundreds of locations across the globe, CGI helps clients become customer-centric digital organizations. We deliver high-quality business and IT consulting, systems integration and transformational outsourcing services, complemented by more than 150 IP-based solutions, to support clients in transforming into digital enterprises end to end. CGI works with clients around the world through a unique client proximity and best-fit global delivery model to accelerate their digital transformation, ensure on-time, within budget delivery, and drive competitive advantage in today's increasingly digital world.