

Abstract

Teleshopping is shopping in real time. Germany's "most customer-oriented service provider 2009", the first home shopping specialist with its own channel family HSE24, shows how information technology (IT) can help continuously bringing the focus back to the customer, even for impulse shopping.

As the Reply Deutschland subsidiary and the general contractor for all project partners, Xpress Reply has integrated all processes related to order processing into the SAP CRM system designed for the home shopping company. In addition to the service processes, all selling processes have been integrated into a homogenous system landscape with all the necessary internal and external functions existing on the same technical platform, including logistics, accounting and supplier management.



About HSE24

HSE24 is the first home shopping specialist with its own channel family. The flagship channel HSE24 as well as its digital special interest channels TREND and EXTRA together with an online shop provide diversified shopping enjoyment for every taste. Twenty-four hours daily, HSE24 offers a diversified shopping programme covering fashion, jewellery, beauty and wellness products, household articles and everything for a beautiful home. From its beginnings in 1995, HSE24 has grown continually. The year 2009 closed with net sales of 394 million Euro (+12 % over the previous year). HSE24, Germany's most customer-oriented service provider 2009, was also awarded the note of "very good" for customer satisfaction and quality of service by the TÜV Saarland. And in 2010, too, HSE24 received a seal for its "excellent" customer service.

Scenario

If customers need a pair of shoes, they search directly in shoe stores, in mail-order catalogues or in the Internet. Home shopping is different. Home shopping companies such as HSE24 live from impulse purchases: This means that during a live show the customer spontaneously likes items that he or she was not specifically looking for. He simply reaches for the phone and the call centre agent takes the order. This starts a complex process behind the scenes: The order for the item is taken, the availability is checked, the item is reserved, and the customer data are checked or are entered. In this case, the call centre agents check the address and credit rating of the customer while the customer is placing the order. Various types of payment or delivery requests are considered. Furthermore, the customer is also presented with items or additional offers aimed specifically at the target group. Then the order is placed together with several hundred other orders at the same time and effectively booked in the system within a matter of seconds. The audience can watch as the number of available items drops on TV. If a product is particularly popular, the broadcast is changed within minutes and the item remains on the show for a bit longer. The program is, of course, also changed as soon as the inventory levels for an item are depleted. In the background – invisible for the customer – the order is processed, delivered and then finally the payment is processed.

The call centre is not the only manner in which the customer can order the items presented on television. They can also be ordered over the Internet, by IVR (interactive voice response) and even with mobile end devices.

This impulse-driven business model presents IT departments with different challenges than conventional mail-order business. During peak times, HSE24 receives about 70,000 customer orders a day. Of these over 10,000 orders could be placed in one single hour alone. Over 1,500 call centre employees in various call centres provide approximately 2 million customers in Germany, Austria and Switzerland with excellent service. For sales and services to function smoothly, the HSE24 employees need one thing above all: Reliable information available real time across all sales channels – an overall picture of the customer. Only when employees in sales, service and show planning can access all current data can the orders be processed efficiently and with the goal of customer satisfaction. “Our customers tell us what they want every minute. Therefore we need short paths and fast processes between all participants. Although the procedures must be highly automated, they must also allow us to react to the others flexibly, from one minute to another,” said Norbert Paulus, Executive Vice President Broadcast & IT and member of the management board of HSE24. Customer satisfaction is the competitive advantage in the home shopping industry. This is why HSE24 started the “Customer is King” project in 2005. The goal of the home shopping specialists was to offer the customers in-depth consultation, sales and service availability around the clock, the resolution of service requests during the first call when possible, and to enable highly efficient order placement.

Goals & Solution

The basis of the project is a unique, completely integrated IT system that manages all challenges of a home shopping company and really puts the customer first. In two project phases of 15 months each, HSE24 dissolved the heterogeneous legacy systems. The company decision was based mainly on the seamless connection of the CRM system into the existing applications for SAM CRM as a platform for the new system. As the implementation partner, the IT service company Xpress Reply expanded SAP standard functions such as catalogue management or service requests to include additional functions from the B2C environment such as, for example, a central knowledge and information database, a customer history, and functions to process orders already placed by a customer. In this way, a standard software application was fine-tuned to the requirements of HSE24 to make a specially-tailored, individual solution. This resulted in a platform that integrates all service processes and connects all relevant internal and external functions – including logistics, accounting and suppliers, show planning and, in particular, all call centres – into the homogenous system landscape. Thanks to the architecture that supports multiple channels, along with a web-based call centre user interface (UI), additional channels such as the Web shop and the IVR are connected in real time. Employees and external support personnel have access to all relevant information via an intuitive Web interface – the Sales & Service cockpit. Access is based on the role and tasks of the individual staff member. This enables up to 1,200 customer orders to be processed per hour. To meet this challenge, the system was optimised for a high level of availability and extreme peak times. Now the company

is equipped for changes in the future as well. "Technologically, we are ready for the future we will be able to react flexibly to customer wishes", said Norbert Paulus.

The recently completed second project phase also integrates all sales processes of the multi-channel department store with the service processes on the same technical platform. This helps HSE24 profit from highly-efficient and integrated order processing. Systems for show planning and broadcast production are also closely linked to the CRM system. Information on the items and offers currently being broadcast is constantly fed to the CRM system for use in the call centres. The call centre agents receive visual support to simplify the sales process on the telephone. Product images are displayed to ensure that there is a high correlation between the live show and incoming order processing. The centralised processing screen shows product photos with order numbers and summaries of every item that is currently "on air".

The system also recommends products that are logical supplements to the item desired by the customer. One click is enough to place the desired item in the customer's virtual shopping cart. The order can also be accepted by placing the order number first. In this second, the goods are reserved bindingly in the material system for the customer. Afterwards the additional entries of customer data as well as any checks, such as an ID check, can be taken care of without rush. The address and the customer's creditworthiness can be checked in real time while the order is processed. Once the order has been processed, the CRM system provides up-to-the-moment information on current stock levels and sales. This current stock level is then shown on the TV programme, for example, to remind the customer of available sizes and colours or sales on air and to direct the live programme. Interlinking the sales channels brings HSE24 closer to its primary goal of offering the customer the same procedures and the same high level of information at every sales channel. When the last blouse of a certain size has been sold, it is marked a second later as sold out, even in the Internet. The customer receives this feedback immediately and not a day or a week later. "From our point of view, you can't just toot your own horn but you must also keep your promises. This is how customers measure our productivity," reports Norbert Paulus. And in this manner HSE24 increases the quality of its service: Today the agents can respond to as many service requests in 24 hours as they used to in three days, and the customers are measurably more satisfied.

Xpress Reply Value

As the Reply Deutschland subsidiary and the general contractor for all project partners, Xpress Reply has integrated all processes related to order processing into the SAP CRM system designed for the home shopping company. In addition to the service processes, all selling processes have been integrated into a homogenous system landscape with all the necessary internal and external functions existing on the same technical platform, including logistics, accounting and supplier management.

In addition to a Web-based call centre user interface (UI), other channels such as the Web Shop and the IVR (Interactive Voice Response—speech recognition) are connected in “real time”. “This is why we have implemented a multichannel-capable architecture that can also flexibly react to changes in the future. By tailoring SAP CRM, this standardized software can fulfill the high requirements of a multichannel department store,” says Susanne Zander, partner at Xpress Reply GmbH & Co. KG.

About Xpress Reply

As an industry specialist for retail and end-customer business, Xpress Reply offers IT solutions to support customer-oriented processes. Xpress Reply uses standard software from leading manufacturers as well as its own solutions to meet the special requirements in the B2C field. Our customers profit from innovative and reliable solutions, the sound industry knowledge of our Consultants and the partnership-like cooperation with us. The inclusion in the network of the European-wide IT service provider Reply gives Xpress Reply additional access to the knowledge of over 3,000 IT experts.

About Reply Deutschland AG

Reply Deutschland is a leading IT service provider which provides consulting, integration and outsourcing services for efficient corporate management. For our innovative, flexible and reliable solutions of the highest quality, we use adaptive and agile IT platforms and extend them with customer-specific components. This makes it possible for our customers to differentiate themselves in the market and creates long-term competitive advantages. Our customers profit from our sound knowledge of the industry they are operating in and the partnership-like cooperation with us. Reply Deutschland is organized as a network of independent and highly-specialized companies. The inclusion in the network of the European-wide IT service provider Reply gives Reply Deutschland additional access to the knowledge of over 3,000 IT experts. In 2010, Reply had a turnover of over 384 million euros in the main offices in Italy, Germany and the United Kingdom.

For further information: www.reply.de