



Leading hypermarket chain launches B2C portal with the help of Commerce Server 2007

Overview

Country or Region: Denmark

Industry: Packaged goods

Customer Profile

Founded in 1907 as Salling Stormagasins, Dansk Supermarked Gruppen (DSG) is the largest retail group in Denmark.

Business Situation

In 2009 Bilka decided to re-architect its e-commerce platform, and looked for technology that would best suit its needs.

Solution

Bilka worked with Cactus Commerce, a specialist in dynamic, cross-channel B2C and B2B e-commerce solutions, to build the new site on the Microsoft® Commerce Server 2007 platform.

Benefits

- More traffic and stronger product turnover
- Improved reach and product selection
- Foundation for growth

“Commerce Server 2007 has helped us build the online shopping experience we need to succeed in an increasingly competitive industry.”

Kim Nissen, Manager of IT&S System Development, Dansk Supermarked A/S

Dansk Supermarked Gruppen (DSG) is the largest retail group in Denmark. It owns and operates several high-profile supermarket and “hypermarket” chains under the Fotex, Bilka and NETTO brands, and employs 44,000 people across Europe. In 2009 Bilka decided to re-architect its e-commerce platform, and looked for technology that would best suit its needs. The company worked with Cactus Commerce, a specialist in dynamic, cross-channel B2C and B2B e-commerce solutions, to build the new site on the Microsoft® Commerce Server 2007 platform. The new Bilka e-commerce site is far more nimble and easier for Bilka to maintain - it has also generated more traffic and greater product turnover.

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Situation

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Europe’s retail industry has undergone a dramatic transformation in recent years. Retail chains that for generations had operated largely inside their own country of operations are now focused on growth opportunities beyond their borders. DSG is among the firms looking to expand.

“It’s getting easier to source goods from all over the world, and getting the right products on our shelves is no longer the only focus of our attention. An emerging challenge is competition at home and from abroad. It’s critical that we have the best possible price for quality and provide the best buying experience for our customers,” says Kim Nissen, Manager of IT&S System Development.

As an experiment, Bilka launched an online book store in 2007 to extend its market reach and provide customers with the convenience of online shopping. Although sales exceeded expectations in the beginning, the experience provided DSG with valuable insight into the challenges of B2C e-commerce and how consumers interact with online retailers. Among the key lessons was marketing and exposure of online products. The book store was created as a separate entity, not coupled with Bilka’s homepage. Visitors to the main Bilka site might never see that books were available for sale online, resulting in lost sales. DSG also optimized the site for book sales only and sacrificed scalability in order to get the site launched as quickly as possible.

“At a later point Bilka wanted to offer a much broader product portfolio to our e-commerce customers, but the platform was built with books in mind. We didn’t want to invest in anything more substantial that could handle greater traffic and product volume, which was a deliberate but short-term decision,” adds Nissen.

Bilka was also unprepared for the sheer volume of questions and support requests from customers via phone and email. At Bilka, delivering good customer service is a prerequisite, so staff were allocated as necessary. It was clear that shoppers expected the online experience to closely match the levels of service they are accustomed to receiving in stores.

Solution

In 2009 Bilka decided to re-architect its e-commerce platform, and looked for technology that would best suit its needs. “Our goal is to become a destination e-commerce site. But if we want to be the best, we need the best e-commerce platform,” says Nissen.

With the help of analyst firm Gartner Inc. the company explored a variety of solutions. It ultimately chose to work with Cactus Commerce, a specialist in dynamic, cross-channel B2C and B2B e-commerce solutions, to build the new site on the Microsoft® Commerce Server 2007 platform. “We were impressed with the experience Cactus brought to the table, and Commerce Server 2007 offered us the best total cost of ownership. It allows us to use the skills we have in-house and has the flexibility and scalability we need to grow our online business,” says Nissen.

The new site needed a smoother end-to-end workflow, seamlessly connecting customer orders with inventory, payment and shipping.

Bilka and Cactus Commerce turned to Vertica, a Microsoft Gold Certified Partner, to help design a service oriented architecture based on Microsoft BizTalk® Server that allows the site to be tightly integrated with Bilka's core retail software and external partners.

Benefits

With the help of Commerce Server 2007, catalogues maintained by suppliers can be, if they choose, integrated directly into the site, and any pricing or availability changes they make are reflected immediately. Taking advantage of fraud-detection features in Commerce Server 2007, large orders are automatically re-routed to customer service departments to verify billing information, helping to stem losses. The built-in foreign currency features of Commerce Server 2007 also make it possible for DSG to build its profile outside of Denmark.

"We spent a lot of time making sure we met customer expectations, and Commerce Server 2007 has helped us build the online shopping experience we need to succeed in an increasingly competitive industry," says Nissen.

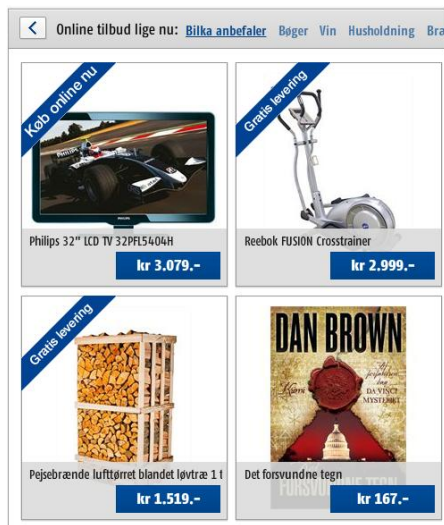


More traffic and stronger product turnover
Now coupled with Bilka's homepage, the new e-commerce site provides a robust one-stop shopping experience. Bilka is able to market a wider variety of products more effectively and encourage more shoppers to explore the option of online shopping.

"We're happy with the sales we've seen so far, and traffic on the site is growing. We don't even have to advertise many of our offers - people are spending more time on the site and discovering promotions by themselves," says Nissen.

Improved reach and product selection
The Catalog Manager feature of Commerce Server 2007 helps Bilka manage its inventory of more than 60,000 different products, while the Customer and Orders Manager feature makes it possible for staff to search through orders based on specific criteria, remove and clear old orders, and even create and edit profile data, site terms, or shipping and payment methods.

"This feature has been especially useful. We use that data to help make our customer marketing and email newsletters more targeted and relevant, which helps us cultivate stronger relationships," says Nissen.



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For more information about Bilka products and services, visit the Web site at: <http://www.bilka.dk/>

For more information about Dansk Supermarked Gruppen products and services, visit the Web site at: <http://www.dsg.dk/da/Pages/Forside.aspx>

Confirmed orders are shipped to suppliers to fulfill. Once complete, money is withdrawn from the card and a confirmation email is sent via BizTalk Sever to customers informing them that the order has been shipped. This has made the shopping experience more transparent and has helped reduce the number of questions fielded by the Bilka call center.

Foundation for growth

Bilka's customer support team uses an intranet based on Microsoft Office SharePoint® Server 2007 to manage important information, and Bilka plans to migrate the B2C portal front-end to SharePoint Server in the near future. The company will take advantage of tight integration with Commerce Server 2009 to make it easier for anyone to add or change images or branding from their desktop. "Today we're in a much better position. We have a strong e-commerce platform in place, and we can frequently make changes to improve the user experience and create optimal sales conditions in any market," says Nissen.

Microsoft Server Product Portfolio

For more information about the Microsoft server product portfolio, go to: www.microsoft.com/servers/default.aspx

Partner

- Cactus Commerce