

CUSTOMER SOLUTION CASE STUDY



Summary



Customer:
Edcon

Country or Region:
South Africa – JHB

Industry:
Retail

Company Profile:
Edgars Consolidated Stores Limited (Edcon) is the leading clothing, footwear, and textiles (CFT) retailing group in South Africa trading through a range of retail formats. Since opening its first store in 1929, Edcon, with more than 20,000 employees, has grown to 10 retail brands trading in more than 900 stores in Botswana, Lesotho, Namibia, and South Africa.

Business Situation:
3fifteen streamlines Edcon's Electronic Business Platform (EBP) in order to obtain proper reporting and to manage its customer service initiative effectively.

Technologies used:
Core:
Microsoft Commerce Server
K2.net Workflow
D/B:
Microsoft SQL Server 2000
O/S:
Microsoft Server 2003
Development:
Microsoft .Net
Microsoft Visual Studio 2005

3fifteen streamlines Edcon's Electronic Business Platform

Situation

Edcon approached its Microsoft applications development partner, 3fifteen, to streamline its Electronic Business Platform (EBP) in order to obtain proper reporting and to manage its customer service initiative effectively.

Edcon made a strategic decision to in 2004 to standardise its e-commerce ICT infrastructure on Microsoft technology. With the help of Microsoft Gold Certified Partner 3fifteen, it implemented and integrated a standardised platform based on Microsoft Office System and Microsoft server software, including Microsoft Office SharePoint Server 2003, Microsoft Content Management Server, Microsoft Commerce Server, Microsoft Windows 2003 Server, and Microsoft SQL Server. The portal also uses K2.net workflow technology to automate complex accounting and budget approval processes that were previously managed manually.

Edcon required more control over its e-commerce call centre and the Fashion Hotline initiative. Until now, the Company was unable to measure the customer service initiative within the business.

Fashion Hotline is a solution that enables customers to establish whether the retailer has stock of a particular item in a desired size and colour, and to have that item delivered to a store of their convenience, or to their home.

There was no way to co-ordinate deliveries between stores, with the result that single items were being couriered between stores that could be hundreds of kilometres apart. And once the item reached its destination, there was no guarantee that the customer who requested it would purchase it – or even respond to the call informing them that the item has arrived.

To improve productivity and customer satisfaction, Edcon needed to be more proactive in canceling orders in Fashion Hotline that did not meet the required criteria or that could not be fulfilled. Keeping customers informed through accurate feedback would drastically improve the customer experience.

In order to do so, 3fifteen had to revamp the reporting structure for Fashion Hotline and also needed to design various reports to track customer services initiatives. Furthermore, productivity in the e-commerce call centre needed to be improved.

Effective management of Fashion Hotline requests through optimised processes and reports was required to prevent unnecessary costs and prompt feedback to customers, thus improving the customer experience and ensuring customer retention.

Client Background

Edgars Consolidated Stores Limited (Edcon) is the leading clothing, footwear, and textiles (CFT) retailing group in South Africa with a 31.4 per cent share of the CFT market. Listed on the Johannesburg Stock Exchange since 1946, Edcon is a multi-brand retailer with a dominant sub-Saharan footprint and stores in all major locations in South Africa, plus outlets in Botswana, Lesotho, and Namibia. It comprises the retail clothing and footwear chains of Edgars, Jet, Super Mart; homewares group Boardmans, and stationery and books chain CNA.

With a strong database of 4.1 million customers, Edcon has grouped its business into two broad divisions based on the target markets they each serve: the department stores division including Edgars, CNA, and Boardmans, which focuses on middle and upper-income consumers, and the Discount division, incorporating Jet and Super Mart, aimed at the lower-income market. The 2005 Markinor/Sunday Times Top Brands Survey rated Jet and Edgars the top two clothing retail brands in South Africa.

Since opening its first store in 1929, Edcon has grown to 10 retail brands trading in more than 900 stores. In 2002, Edcon began aggressively expanding through acquisition. It added top stationery and houseware brands, as well as general merchandise stores - including cosmetics, books, fashion, furniture, and household goods - to its CFT portfolio. It is still actively looking for new opportunities both in Africa and worldwide.

"The enhancements enabled Edcon to be more proactive in canceling orders in Fashion Hotline that did not meet the required criteria or that could not be fulfilled. This improved productivity and customer satisfaction considerably."

Frank Pinto
Technology Executive Manager
Edcon

Edcon is supported by world-class IT and distribution systems, as well as efficient operating procedures. Edcon Financial Services provides credit facilities and financial services products to the group's 4.1 million cardholders.

Solution

Edcon revamped the reporting structure for Fashion Hotline and designed various reports in order for the business to track their customer services initiatives. Productivity in the e-commerce call centre was also improved as a result of the enhancements to the Electronic Business Platform.

The enhancements enabled Edcon to be more proactive in canceling orders in Fashion Hotline that did not meet the required criteria or that could not be fulfilled. This improved productivity and customer satisfaction considerably. Keeping customers informed through accurate feedback drastically improve the customer experience.

Moving to a standardised technology platform, Edcon strives to provide its customers with the right products and outstanding personal service. The company is also committed to creating wealth for the benefit of all stakeholders by keeping its cost base as low as possible.

These twin business challenges require an IT environment that is both robust and able to grow with the company, while guaranteeing enterprise-level integration and interoperability. Edcon requires a technology environment that offers excellent functionality, but which also provides highly efficient connectivity to overcome bandwidth constraints.

The interoperability between systems also hampered data integration, preventing enterprise systems from communicating and sharing business critical information. Furthermore, the numerous systems acted as a sizable hurdle to the rapid deployment of new applications, preventing the company from reacting quickly to changing market demands and opportunities.

Versatility is the key strength of the company's technology strategy. To date, the company has deployed 12 applications that control business processes as divergent as wedding registries, finance, product quality assurance, and travel bookings.

The speed with which these new tools have been developed, coupled with the efficiencies they have brought to the group, have ensured that the company can meet its strategic objectives.

Employees are familiar with Microsoft applications and so they have adapted quickly to the new IT environment. Consequently, Edcon has bypassed expensive training fees and quickly realised tangible productivity gains.

Edcon has enjoyed rapid return on investment (ROI), low cost of development, and effective, group-wide communication. By making its IT infrastructure an integrated part of its business strategy, the organisation has a strong foundation on which to create and deploy new applications that boost operational excellence and meet the ever-changing demands of customers.

With more than 900 locations across southern Africa, Edcon relies on clear and effective communications to run its business efficiently. Sophisticated supply chain management, coupled with real-time business management strategies, demand reliable and rapid communication between store managers, senior managers at head office, and shop floor workers. Without fast and efficient communication channels, business-critical developments can be overlooked, resulting in stores failing to recognise new directives. In many cases, this will have a direct effect on bottom-line results.

Effective management of Fashion Hotline requests through optimised processes and reports has prevented unnecessary costs and prompt feedback to customers, thus improving the customer experience and ensuring customer retention.

Benefits

The enhancements enabled Edcon to be more proactive in canceling orders in Fashion Hotline that did not meet the required criteria or that could not be fulfilled. This has improved productivity and customer satisfaction considerably. By keeping customers informed through accurate feedback has drastically improved the customer experience.

Effective management of Fashion Hotline requests through optimised processes and reports has prevented unnecessary costs and prompt feedback to customers, thus improving the customer experience and ensuring customer retention. Productivity in the e-commerce call centre was also improved considerably since implementing the new enhancements.