

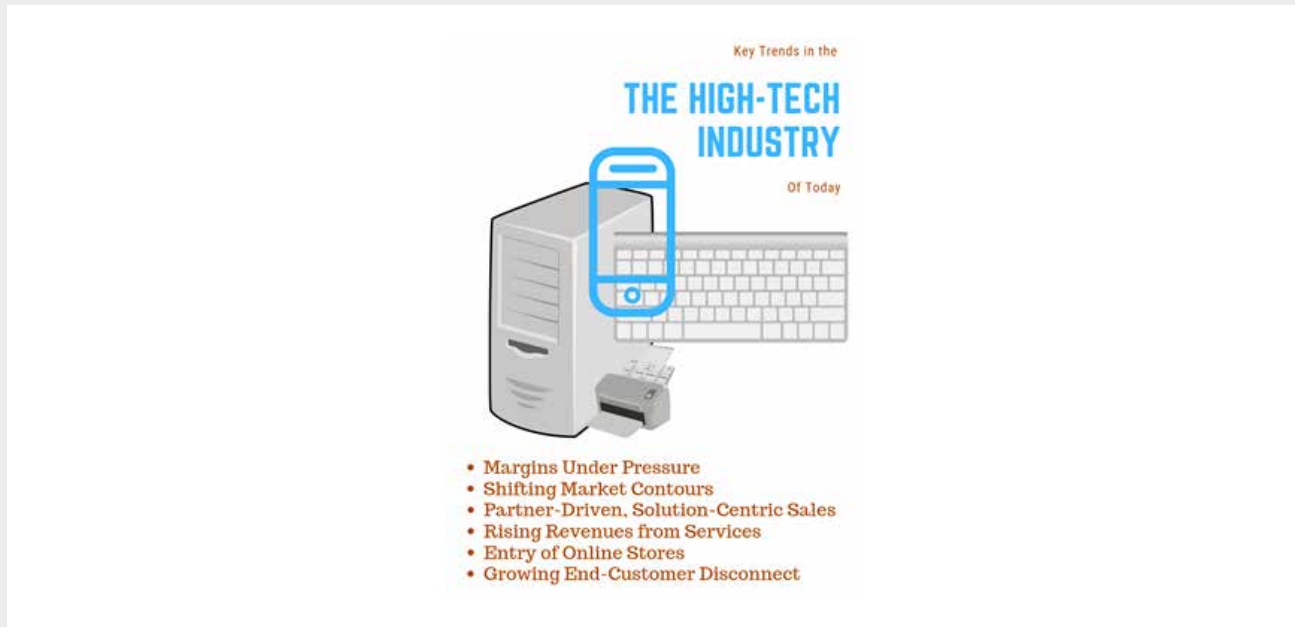


Rescuing Hi-Tech Profitability with Channel Digitalization



Most reports predict that for the foreseeable future, the high-tech industry looks set to continue revenue growth comfortably. However, even as the industry's technology advances help move the world into the digital era, they have also unleashed trends that are influencing

marketplace dynamics and hurting competitiveness. High-tech companies that do not understand, adapt, and innovate around these trends cannot continue profiting from the growth story.



Margins are under pressure:

With the 'democratization of innovation', the high-tech market is getting increasingly commoditized due to ever-shorter R&D cycles, rapid knowledge dissemination, and the ease with which manufacturing upstarts — especially in China — are setting-up design and production facilities. With competitive pressures at a boil and margins squeezed, most high-tech players are seeking to improve profitability by reducing the cost of sales.



The market contours are shifting:

As data-security conscious firms overcome their earlier aversion to getting onto the cloud, the high-tech marketplace is seeing a tectonic shift in end-customer demographics. Thus, while the Storage & Compute Industry leaders earlier had large enterprises as their customer base, today much of their revenue comes from cloud providers such as AWS, Google Cloud, or Microsoft Azure.



Sales is increasingly partner-driven and solution-centric:

Most high-tech companies rely heavily on channel partners, who now account for over 80% of revenues. But with this power imbalance, partners are becoming increasingly picky and difficult to hold on to. Also, there is a clear move away from product-centric sales towards bundled solutions that deliver greater customer value. The challenge is to keep channel partners aware of these changes in a company's sales strategy



Revenues from services is the new mantra:

Today, with connected, cloud-based, always-on platforms, the boundary lines between 'product' and 'service' are blurring. As margins in the traditional products space plummet, high-tech is increasingly adopting the services route with its significantly higher margins. Take Apple, where the fastest growing revenue comes from services, and which plans to double this side of the business within the next four years.



Online portals are helping drive increased sales:

Large players are complementing traditional sales efforts with their own online distribution channels and Cloud marketplaces. Microsoft Azure and AWS have cloud offerings for purchase online, Cisco has its Marketplace for technology and solutions, and Dell markets a Premier Solutions site for hardware purchases. However, online tech sales comes with its own set of challenges, primarily how to enable buyers to make better-informed decisions and deliver a simplified purchase experience.



The end-customer disconnect is growing:

As high-tech companies increase sales through partners, they are no longer in possession of a complete picture of their end-customers. With more B2B2C than B2B, it is difficult to get real customer insights. For example, Intel does not really have a connection with the actual users of their chips anymore, and the same goes for storage companies.



The digital era has new demands:

Customer experience (CX) is the new currency in the digital era, with hyper-connected customers demanding a new level of involvement from the brands they buy from. Just selling a product is no longer enough; a company needs to enable a digital sale and seamlessly support the entire customer journey from lead to post-sale, with responsiveness, speed, and the right interventions at the right time.

Digitalizing channels to drive profits and revenues

As companies pivot their business models to win in these changed realities, only having hands and feet on the ground cannot ensure sales effectiveness. Digitalization of sales channels will play an integral role towards differentiation in a saturated market, revenue growth, and improved profitability. The approaches outlined below will help.



Mapping customer journeys:

Today's omni-channel world requires researching and mapping persona-based journeys for customers, partners, and employees across all channels. Journey mapping can deliver insights on questions such as who is buying the product or service, how to make the purchase journey easier, how to resolve partner queries more easily, or how to better deliver information and enable the ease of doing business. These answers will help high-tech marketers engage with the different segments more effectively across multiple channels as well as identify opportunities to grow revenue.

Ground report: Wipro engaged with a Health Tech major to reimagine the buyer journeys. This helped monetize and increase conversion and revenue from their apps and services.



Creating a self-service digital store:

Online sales platforms can deliver superlative CX through factors such as usability, searchability, and simplicity, and cater to all aspects of the customer journey with well-thought-out workflows. Such online stores can yield better opportunities to upsell or cross-sell through personalized recommendations based on data analytics and customer history, and through customizable bundled solutions

Ground report: Wipro built an online sales platform for a Leading Storage & Networking Major using SAP Hybris, which enhanced B2B sales through customer-focused features such as tier pricing, address book, promotions, and a wide range of payment options. The system had near real-time integration with the SAP order management module, which further enriched the overall customer experience. The new channel also provides a 360-degree view of the customer across all channels and applications.



Automating sales operations:

Bots can realize seamless and more efficient sales and marketing operations. A mix of AI, marketing automation, and RPA when used for pushing content, updating technical documentation, support for partner or billing queries, or order management follow-ups can greatly streamline processes and enhance customer experience.

Ground report: Wipro is providing an exceptional level of customer experience for a Leading Semi-conductor company's end customers through 24X7, end-to-end support for their global web content publishing requirements. The solution which leverages Adobe Experience Manager and the WordPress environment delivers consistent omni-channel and multi-geo customer experience, increases reuse and repurposing of content and assets, drives efficiencies in functional ticket resolution, and reduces turnaround times across the board.



Leveraging the deluge of data:

An overwhelming amount of data from partner channels remains unutilized for analytics. While this may be spread across disparate information systems, artificial intelligence and data management tools can help derive superlative customer insights despite the complexity. This will help sell more through product recommendations or precise targeted campaigns.

Ground report: Wipro's Data Discovery Platform provides relevant and actionable business insights across the value chain of an industry. The solution utilizes machine learning, natural language processing, and stream computing capability, and leverages techniques like visual sciences and storytelling with data. These enable insights-driven decision-making to enhance customer experience.

The times ahead are exciting for high-tech industry players who accelerate innovation on the customer experience front. By leveraging Digitized channels, they can address the core issues of margins and profitability, and gain pole position in the hyper-competitive marketplace.





Wipro Limited

Doddakannelli, Sarjapur Road,
Bangalore-560 035, India

Tel: +91 (80) 2844 0011

Fax: +91 (80) 2844 0256

wipro.com

Wipro Limited (NYSE: WIT, BSE: 507685, NSE: WIPRO) is a leading global information technology, consulting and business process services company. We harness the power of cognitive computing, hyper-automation, robotics, cloud, analytics and emerging technologies to help our clients adapt to the digital world and make them successful. A company recognized globally for its comprehensive portfolio of services, strong commitment to sustainability and good corporate citizenship, we have over 175,000 dedicated employees serving clients across six continents. Together, we discover ideas and connect the dots to build a better and a bold new future.

For more information,
please write to us at
info@wipro.com



About the author

David Ranjit William,
Digital Head, Technology BU,
Wipro Ltd.

David has over 20 years of IT experience working in the Communications & Hi-Tech industry. He is responsible for driving the Digital strategy for the Technology BU at Wipro. As part of this role, he is responsible for demand generation, competency building, solution enablement and brand building initiatives for the Digital business within the Technology BU.