COOP GROUP

SUCCEEDING WITH A SOPHISTICATED E-COMMERCE PLATFORM

QUICK FACTS

Industry
Retail

Revenue (Group)
SFr 27.7 billion (about €20.5 billion)

Employees
75,000

Headquarters
Basel, Switzerland

Web Site
www.coop.ch

SAP® Solutions and Services
SAP® Customer Relationship Management (SAP CRM) application, including e-commerce functionality

Implementation Partner
movento Schweiz AG

Basel-based Coop Group wanted to take up a leading position in the Swiss online food retail market. It launched coop@home – a full-range supermarket accessible through the Internet and mobile devices, such as iPhones. Coop raised revenues for coop@home by 22%. Its upgrade to the SAP® Customer Relationship Management application gave Coop the future IT backbone to add further online shops – at low cost.

Key Challenges

- Launch coop@home – a full-range online supermarket
- Build up an extendible IT backbone for further online shops
- Raise customer satisfaction by enabling orders through Internet and mobile devices, such as iPhones
- Incorporate logistics and ordering processes for coop@home

Why SAP Was Selected

- Ability to upgrade the SAP® Customer Relationship Management (SAP CRM) application rather than implement a totally new application
- Integration with the existing IT landscape, including the SAP ERP application and the SAP for Retail solution portfolio
- Alignment with the overall SAP strategy

Implementation Best Practices

- Used the SAP Best Practices for Retail package to support upgrade
- Engaged SAP services partner movento Schweiz AG to customize SAP CRM and the iPhone application
- Realized upgrade within 8 months, on time and within budget

Low Total Cost of Ownership

- SAP CRM blended perfectly with existing IT environment
- Orders managed without manual processing and unnecessary intermediate steps
- Standard prices and special offers incorporated from SAP for Retail directly, ensuring same pricing online

Financial and Strategic Benefits

- SAP CRM now an essential and sophisticated backbone for Coop's online business model
- Noticeable increase in customer satisfaction
- Flexibility to extend coop@home with more and differing products and services
- Ability to make coop@home accessible through Web services from latest mobile devices, such as iPad
- Flexibility to use SAP CRM as the backbone to introduce further e-commerce models
- Leverage upgrade costs through additional launch of online shops

Operational Benefits

Key Performance Indicator	Impact
coop@home revenues	+22% (2009)
Quantity of products offered through coop@home	+400% (since inception of online stores)
Average purchase value	+41% (since inception of online stores)
Regional coverage in Switzerland	100% (60% through Coop's own delivery service)
Regular iPhone users of coop@home	19,000
Operational efficiency	Noticeable increase

coop
Für mich und dich. @home

"We were able to increase our revenues from coop@home by 22% – particularly thanks to our e-commerce platform in place. We will try to optimize our efficiency. So far, we have made some valuable progress."

August Harder, CIO, Coop Group

Basel-based Coop Group is a Swiss cooperative with 2.5 million members, dedicated to selling food and nonfood products through different retail channels. With its 75,000 employees and 1,800 points of sale in its home market, Coop is the biggest retailer in Switzerland with a market share of 23%.

According to its credo to be the most customer-oriented retailer in Switzerland, Coop regularly looks for new sales channels to make shopping more convenient. The idea was to offer an online supermarket that included the complete range of products and services found in the "bricks and mortar" shops. Coop needed to install the necessary processes for running an online store – a daunting task for logistics, picking, and order processing as well.

Seeking an IT Backbone for the Online Store

Coop was looking for an application to support its new online business model. It needed a sophisticated IT backbone, which integrated perfectly with the existing IT landscape. Coop wanted to be flexible and able to expand the online store as needed. "We had looked at several types of online store functionality and decided to stay with SAP. This was in line with our overall SAP strategy. We wanted to use SAP's fully integrated e-commerce functionality found in the latest version of the SAP Customer Relationship Management [SAP CRM] application. All we had to do was upgrade our existing SAP CRM application. The seamless integration with the existing IT environment was quite compelling to us," states August Harder, CIO of Coop Group.

Coop upgraded to the latest SAP CRM version within 8 months and, at the same time, deployed the SAP Best Practices for Retail package. The package comprises industry-specific content and methodologies to help customers cut implementation costs. The SAP services partner, movento Schweiz AG, supported Coop with its expertise by enhancing e-commerce functionalities.

Increasing Revenue by 22%

Coop wanted to make sure that its retail customers can access coop@home via the Internet and "smart" phones. As Switzerland is the country with the highest usage of Apple's iPhones, Coop created an iPhone application, which, according to surveys, soon became one of the 10 leading lifestyle applications in the nation. "People are now able to place their grocery orders while they are sitting in the train. We try to give them back some of their valuable time. Thanks to the iPhone's scan function, people now save time, by just scanning EAN codes instead of selecting the products in the menu," states Harder. (European Article Numbers (EANs) are unique identifiers for products sold in European countries.)

Coop succeeded in increasing coop@home revenues by 22%. Moreover, the company started its own delivery service to customers in urban areas, which are home to 60% of the nation's population; partner Swiss Post covers the rest. The retailer was able to optimize its cost structure with its own delivery service while increasing customer satisfaction. "We use our own service to deliver products the same day they are ordered. Our customers can choose a certain time, and we will be there within about 30 minutes. This service is unrivaled in Central Europe – as well as our ability to accept cash payments, in addition to the usual electronic and card payments," says Harder.

Planning Further E-Commerce Models

Coop plans to extend coop@home. "We now have an e-commerce platform in place with which we can realize additional shops. We built the online store deliberately so we can install new online stores in the future with little effort," sums up Harder.

Implementation Partner
movento is an SAP services partner with special expertise in the SAP CRM application. Its companies in Switzerland and Germany have successfully implemented 50 SAP CRM projects in Europe.

movento

50 102 989 (10/12)
©2010 SAP AG. All rights reserved.

SAP, R/3, SAP NetWeaver, Duet, PartnerEdge, ByDesign, SAP BusinessObjects Explorer, and other SAP products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of SAP AG in Germany and other countries.

Business Objects and the Business Objects logo, BusinessObjects, Crystal Reports, Crystal Decisions, Web Intelligence, Xcelsius, and other Business Objects products and services mentioned herein as well as their respective logos are trademarks or registered trademarks of Business Objects Software Ltd. in the United States and in other countries.

All other product and service names mentioned are the trademarks of their respective companies. Data contained in this document serves informational purposes only. National product specifications may vary.

These materials are subject to change without notice. These materials are provided by SAP AG and its affiliated companies ("SAP Group") for informational purposes only, without representation or warranty of any kind, and SAP Group shall not be liable for errors or omissions with respect to the materials. The only warranties for SAP Group products and services are those that are set forth in the express warranty statements accompanying such products and services, if any. Nothing herein should be construed as constituting an additional warranty.

Picture Credit
Coop Group, Basel, Switzerland

THE BEST-RUN BUSINESSES RUN SAP™