



Amway's Digital Transformation

from online ordering
to digital business

Amway's Digital Transformation

“

"e-point has collected and properly managed knowledge of the Amway business model, the context of functional assumptions and local markets specifics. Thanks to e-point's deep domain knowledge, we were sure that Amway would be able to achieve optimal IT solutions. Moreover, we have always felt that our relationship with e-point was a true partnership. Our needs, mostly of a very complex nature, were heard, deeply considered and satisfied."

Michael Gamaggio,
Regional Head of
Digital Services EIA
Europe, India, Africa,
Russia Amway GmbH

Key challenges

- building digital capabilities in the organization
- digitalization of the B2B models of cooperation with Amway Business Owners
- bridging the gap between online and offline experience with the business

Key benefits

- increase in online orders from **30% to 80%** of the total value of orders after the implementation of the digital platform in Europe
- **sixfold** decrease in operating costs comparing to the previous solutions after the introduction of the new platform and key sales and support processes optimization
- increase in the success rate of online registrations among Amway Business Owners from **70% to nearly 90%**, as an effect of the customer experience (CX) improvements in the Pain Points Removal Project

Amway's digital transformation began with our implementation of the platform in the first 10 East European countries. In 2007, the Project Management Poland Association honoured the work we did for Amway with a Project Excellence Award for the most effectively managed project.

Figure 1:

e-point received a Project Excellence Award for the implementation of Amway's platform in 10 East European countries.



Amway's First Steps into e-commerce

Amway is the world leader in direct selling and operates in 80 countries. Amway lets anyone start their own company and sell high quality products and offer others the opportunity to sell too. More than 3 million Independent Business Owners (IBOs) currently work with Amway worldwide.

Amway offered its IBOs in Eastern Europe the opportunity to order and sell products online in 2001– first in Hungary, then Croatia, the Czech Republic, Poland, Romania, Slovakia, Slovenia, and Turkey. The system was a huge success with 126,000 users by the beginning of 2006.

The company decided to build a completely new online system that could handle significantly more Users, offer new functionalities, and allow for flexible functionality changes to keep pace with the ever changing business environment. An important aim of the new project was to deliver a new, clear and attractive tool to facilitate placing orders, aid daily business operations and attract people to Amway.

Digital Transformation– Ukraine and the 10 Eastern European Countries

Ukraine, Russia, Turkey, Poland, Hungary, Croatia, Czech Republic, Romania, Slovakia, Slovenia

In order to better understand the future solution, we prepared a system prototype. This was then used to conduct sessions with selected Amway IBOs in Warsaw, Prague, and Budapest . The prototype enabled us to collect valuable feedback and the client to prepare for the upcoming changes.

The system was first implemented in Ukraine, which did not have an e-commerce system at the time, so this was a pioneering enterprise for that country.

As a result of the experience gained from our first implementation, we modified our original project assumptions and decided to make reference visits to each of the countries involved. During those trips, we presented parts of the system specifications, especially those concerning country specific functions, e.g., ordering and payment options, and customer invoicing. Our system engineers worked on the final system specifications onsite.

We managed implementation of the system in two countries every two months and the users responded enthusiastically in every case. Once the system had been implemented, the value of online orders (as a percentage of the total) increased from 30% to 60% and is now approaching 80%. The number of registered users and orders also rose dramatically.

Expansion to Western Europe

Austria, Belgium, Denmark, Finland, France, Greece, Spain, the Netherlands, Ireland, Germany, Norway, Portugal, Switzerland, Sweden, the United Kingdom and Italy

The success of the Eastern European implementation, as measured by the volume of orders, the percentage of online orders in the total number of orders, and the significant reduction of operating costs convinced the Management Board of Amway Europe to continue with 16 Western European countries.

Mobile Strategy

Since 2012 we have observed a growing number of visits to Amway Online from mobile devices – smartphones and tablets. Users, especially the Amway Business Owners (ABOs), started to ask about a mobile version of the system that they could access on their smartphones, while at their clients' location. Therefore, we faced the challenge of devising a mobile strategy for Amway Online.

Frequently, mobile projects are understood as mobile applications copying existing functionalities of desktop Internet systems. This understanding could not be more wrong. On the contrary, mobile solutions should take maximum advantage of the capabilities of mobile devices and fit into the overall customer service strategy. Which is why we use the term mobile strategy.

2 apps x 2 versions

The mobile solution is comprised of two separate applications, one for the iOS and the other for the Android operating system. Each application has two versions: one version for smartphones and one version for tablets. The information architecture changes accordingly based on the device being used, which allowed us and our client to avoid creating separate applications for tablets.

Collecting orders

The Amway Business Owner can collect an order for his or her client in the form of a shopping list. This list is then synchronized with Amway Online, where the ABO can eventually confirm the order. Order confirmation is made in Amway Online Light, therefore, also via a smartphone or tablet. As you can see, order collection can be done offline, while placing the order requires an Internet connection and, in fact, happens in the Amway Online system. Thanks to this approach we avoided rewriting the complex process of placing and verifying orders for mobile devices, but still we provided the ABOs with the essential functionality. The ordering process works the same for the ABOs themselves, as well as for other ABOs in their group.

Managing clients

The mobile app contains a complete list of an Amway Business Owner's clients, the status of registration of new members and, most importantly, the ability to register a new client, which will usually happen at a meeting with the client.

Sales presentations

The Amway Business Owner has access to multimedia materials in the mobile app that they can use to make an attractive presentation on their smartphone or tablet.

Sponsoring

An important role of Amway Business Owners is introducing new members to Amway. This process begins with sponsoring – registration of a new ABO by the Amway Business Owner. The mobile app supports this process by providing the Sponsorship Invitations functionality. At a meeting with a candidate an ABO can send him or her an invitation, which starts the registration process.

Notifications

Notifications take advantage of the specific features of a mobile device. Notifications include important information for ABOs related to their business, such as:

- status of placed orders,
- new orders placed by clients in Amway Online,
- registration of new clients in the Amway Business Owner's profile.

Sales results

With their mobile device Amway Business Owners can view the current value of the points they collected, which reflect their monthly and global sales results. In this way they can check how orders placed by other ABOs influence their own salary and status.

Working offline

The mobile app enables working offline. This is really important for Amway Business Owners since they don't always have a stable Internet connection when visiting their clients. In the offline mode ABOs can present Amway products, create an order, or prepare an invitation for a new partner. When they get access to the Internet the data between the mobile app and Amway Online is synchronized.

Figure 2:

With the mobile app Amway Business Owners can take advantage of the digital business tools when visiting their clients.



Light Version

The Light Version complements the mobile strategy of the Amway Online system, serving both customers and Independent Business Owners (IBOs).

- For customers, the frequency of their Amway product purchases did not justify the development of a native mobile application. The customers weren't motivated enough to download it. However, the Light Version fully satisfies the needs of the demanding smartphone user.
- For Amway Independent Business Owners, the Light Version has offered 100% coverage for all functions of the system, which the Mobile Application was unable to provide for technical and cost reasons. Owing to this, the IBO using a smartphone has access to all data and can use all operations in the system in an ergonomic manner.

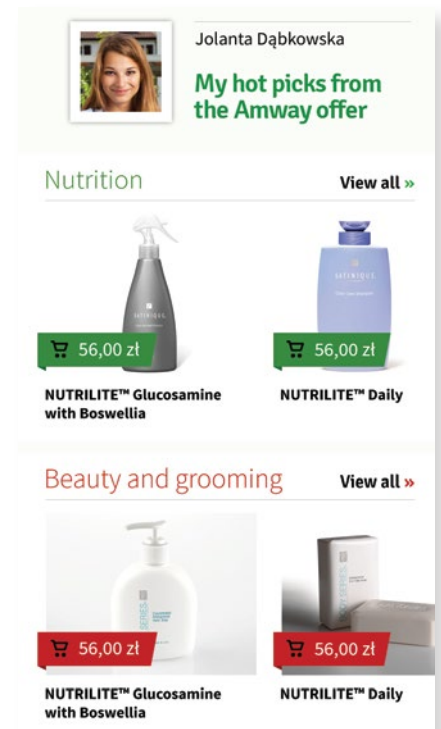
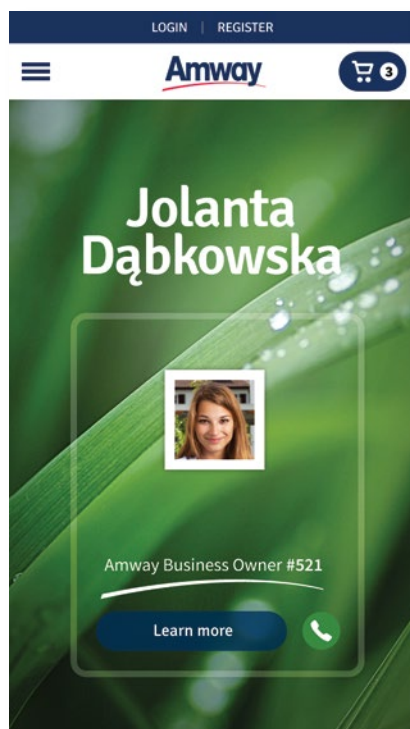
Mobile First in Practice

With the Mobile First concept, web-based systems are designed for mobile device users first. Next, solutions created for mobile devices are propagated to the standard version of the system. We have used the Mobile First approach in the Amway Online system design. We identified those processes in the system which needed to be simplified for use with the smartphone. What proved particularly complicated were the registration processes for both Customers and for IBOs. The processes were completely redesigned for smartphones – we divided them into clear steps, concealed fields which were not required, and removed or modified some actions. The result was astonishing – processes that had been difficult to go through even on a desktop proved surprisingly simple on a smartphone. Therefore, we decided to implement them in the standard version of the system.

Mobile UX Design

In the absence of strict corporate guidelines for mobile services, our UX team could demonstrate all their capabilities, which yielded both an interesting graphical design and unique website ergonomics. Thanks to this, the Light Version delivers a user experience that matches the best mobile applications.

Figure 3:
UX design of the
Light Version
of Amway Online
for smartphones
ensures mobile app
experience.



Pain Points Removal Project



"You've got to start with the customer experience and work back toward the technology – not the other way round."

Steve Jobs

Our cooperation with Amway has been going on for 11 years now. During this time we have introduced Amway Online to 31 countries in 46 unique language versions to serve 1.5 million users. In 2014 we started the Pain Points Removal project to solicit feedback directly from users to improve the functionality of the system.

Amway Business Owners participated in usability tests of their dedicated system which they use on a daily basis. It turned out that certain areas and processes within the system did not aid their job to the extent that could be expected from a business tool. Armed with these findings, we got back to our technological base and gradually modified parts of the system, like the ordering process or the sponsoring module for registering new Amway Business Owners by other ABOs. The design was highly approved by the users, becoming the envy of Amway's other markets.

Increase in online registrations

We have split the uniform, overwhelming Amway Business Owner registration form into step-by-step screens that guide the user through the consecutive registration stages. Therefore, we have replaced a form that resembled paper questionnaires with a simple and clear process adjusted to the digital behaviors of internet users. The registration form itself has been adjusted to facilitate completion on mobile devices. Thanks to these changes the success rate of online registrations among Amway Business Owners has risen from 70% to nearly 90% and remains at this level.

Figure 4:

Adapting the registration process to digital experience increased the success rate of online registrations from 70% to nearly 90%.

Amway EN

1 2 3 4

Basic information
[About this process](#)

REGISTER as a Member Plus

Nice to see you here! Your online registration form has 4 simple steps and will only take a few minutes. You will need to enter your personal contact details and your sponsor's number.

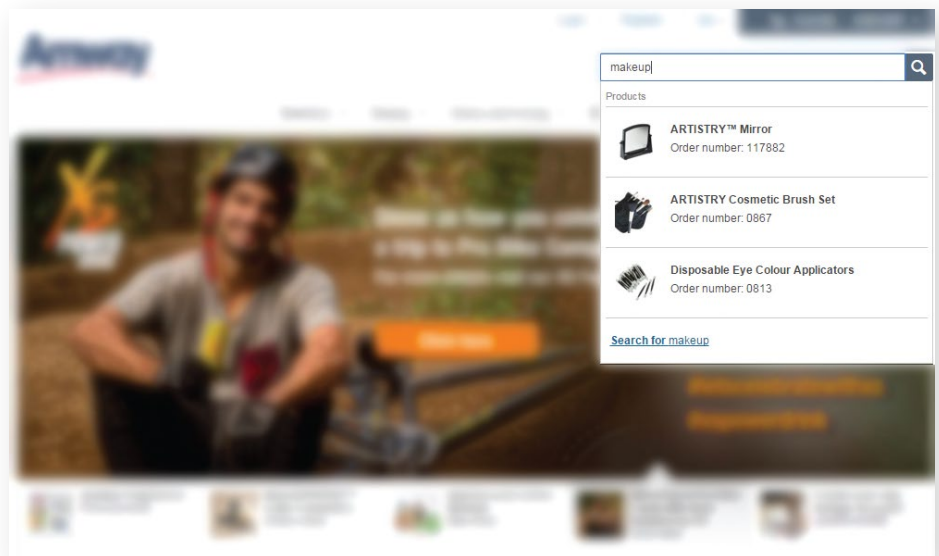
Figure 5:

The new search mechanism in Amway Online immediately shows products that match an inquiry to drive order placement.

Effective search

Within our latest implementation we have modified several areas of the system, including the search tool. Powered by a new engine and fitted with autocompletion and live search functionalities, it provides users with the kind of experience they are familiar with from everyday web browsing.

Due to the increased effectiveness of the search mechanism we want to achieve better conversions for orders initiated from within the search tool. Simply put, we want the user entering a phrase into the Amway Online search engine to receive results that match their inquiry in a way that will make them buy.



Streamlined navigation

We have also taken a closer look at the user interface and the database, which was slimmed down to remove excess, heavy PDF files and can now work much more efficiently.

The product catalog also underwent a metamorphosis. As a result, product lists are now clearer and more accessible. The filtering mechanism has been modified too. It is more intuitive for users to navigate the catalog and get more quickly to the content they are looking for.

Delivery costs calculation

We have redesigned the ordering process to reflect delivery costs upfront. Up to now the costs appeared only at the last stage. Therefore the Amway Business Owner did not know how much they would need to pay for the delivery until the very end. We adjusted algorithms that calculate delivery costs to the specifics of 6 countries – Poland, Lithuania, Latvia, Estonia, Turkey and the Czech Republic. As a result users will feel more secure when placing orders. This is of great importance for the whole customer experience.

Building loyalty

According to statistics, what is most important for building customers' brand loyalty is delivering high quality products and good customer service. When one of these is missing, the chances for consumer loyalty fade away. Therefore we are currently working on an individual customer's registration module. A brand also needs to stay in touch with its customers to build loyalty. Today it means delivering additional, useful value. Our next task will be a creative transformation of the content included in the section for Amway Business Owners.

Russian Regulations: Ensuring Compliance through Technical Ingenuity

“

"The project involved launching a new instance of the whole ecommerce environment on the territory of the Russian Federation that would be maximally independent from the infrastructure maintained in Warsaw."

Norbert Pabiś,
Head of Technology
at e-point

“

"We are ready to launch a similar application environment on a similar physical environment, totally remotely."

Norbert Pabiś,
Head of Technology
at e-point

Situation

At the beginning of September, new regulations on the processing of personal data entered into force in the Russian Federation. According to the new provisions, international companies operating in Russia and Kazakhstan need to save the personal data of Russian and Kazakh citizens on servers located in the Russian Federation. e-point was responsible for ensuring that the client's system complied with this regulation while minimizing the impact to existing hardware and software solutions.

Challenges

To comply with the personal data regulations, e-point needed to meet the following challenges:

- Extracting the account registration and system activity data associated with citizens of the Russian Federation from the centralized database for Central and Eastern Europe and moving that data to a data center located in Russia.
- Acting on a difficult, unpredictable and changeable market.
- Completing the task in a short timeframe.

Results:

- Compliance with the local regulations concerning the processing of personal data.
- Launching an additional, dedicated data center.
- Designing and obtaining the necessary telecom, network and server infrastructure. Integration with other IT resources from the client's global network.
- Entirely remote configuration of all layers of the environment.

Benefits:

Not only did this effort keep the client in compliance with personal data handling requirements for users within the Russian Federation, the implementation team gained invaluable experience, contacts, and an operational base within the territory of the Russian Federation. This sets the foundation for subsequent projects in the country.

“

"At present clients who access the ecommerce system from the Russian and Kazakh domains are served with a system operating in the Russian Federation."

Łukasz Łagudza,
Senior Solutions
Architect at e-point

Phase 1: organizing the infrastructure on site

3 possible ways of approaching the challenges were devised:

A. Purchasing the hardware in Poland and transporting it to a Russian data center to configure remotely

This option was abandoned due to concerns about meticulous border control inspections causing the technological infrastructure to arrive too late.

B. Cloud computing

A Dutch hosting company had both the required infrastructure and the physical servers hosted in the Russian Federation. This option was abandoned because, due to the licensing terms, the cost of utilizing the infrastructure would dramatically rise and erode any profits from the implementation.

C. Purchasing the hardware in the Russian Federation

This is the option that was selected.

Phase 2: software migration

All the necessary work related to the configuration and installation of the new environment was done remotely. Installation of the necessary components was divided into stages. The first step was to configure the network environment so that it could be used for starting the servers. Software migration was completed using epoint's proprietary solutions supporting remote administration and scripts automating the installation of selected components of the application.

The production launch of the ecommerce platform was preceded by a test carried out with the client's help, as well as a final audit of the security and stability of the environment.



We help innovative companies transform their ideas into cutting-edge digital systems.

For Amway, our partner of 10-years, we made one of the biggest eCommerce systems in Europe – 31 countries, 46 unique languages, 1.5M users. Our solution supports taxes, delivery, or payments on the pan-European level, as well as direct selling features, such as group orders.

We provide all of our clients with 360 degree solutions that establish digital competencies within key business functions. This means that although we are a software house, the scope of our activity covers both system engineering and UX design, digitalization activation and project management.

As a Silver Regional Partner of SAP/hybris we possess a mature and stable technological base to enable complex B2B2C eCommerce models executing your omnichannel strategies.

Engagement Solutions for Direct Selling



Omnichannel for Financials



E-commerce on SAP Hybris



Let's discuss your business' growth opportunities

Marek Sodolski

Sales & Marketing Vice President,
Board Member at e-point
+48 571 338 610
msodolski@e-point.com

