IBM

IBM Retail Integration Framework.

*Supporting choice, flexibility and speed
in the new economic environment*

The Winning Retailer - focusing on value, exploiting opportunities, acting with speed

The economic downturn will create opportunities for retailers to gain share and build key capabilities. Needing to do more with less, refocus on their core businesses and strategic initiatives, and realign their relationships with selected suppliers and customers, the winning retailer understands that the new environment favors the fast and agile.

Customers, also affected by the downturn, are changing their shopping behavior. Better informed, with online access to prices, availability, product comparisons and consumer opinions, they are seeking to maximize the value they get for every transaction. More and more, they are doing research on the web and then completing the transaction in the store.

Tomorrow's retail leaders are positioning themselves to capitalize on the opportunities created by the new economic environment. They are focused on ***delivering a superior shopping experience***, driving profitable sales by delighting customers with choice and convenience; ***creating demand-driven merchandising & supply chains***, with optimized supply chain operations and by infusing merchandising with true customer insight; and ***driving operational excellence*** with a boosted store efficiency and an IT which is optimized to maximize business performance

A new kind of technology platform is needed in this environment. Not only does it need to be versatile, adaptable and affordable, but it must be intelligent, interconnected and instrumented. The Retail Integration Framework is the platform that meets these needs.

Driving Operational Excellence – a platform for IT efficiency and effectiveness

Packages which cannot be integrated; inaccurate and difficult-to-source information; information which is fragmented and stored across multiple systems; data which is delivered in a multiplicity of formats by different suppliers.

These are the top of mind issues for retailers as they battle with the systems-level complexity and a widening gap between the information available and information needed to drive an effective business.

The Retail Integration Framework is designed to address many of these IT and business process related issues which stand in the way of a retailer exploiting the opportunity. It enables retailers to deliver IT-enabled capability as they work on creating a platform for delivering superior shopping experience, creating demand-driven merchandising and supply chains, and driving operational excellence. It integrates processes and information, and yet still allows retailers to deploy applications and solutions of their choice.

The Retail Integration Framework enables a retailer's information agenda, extracting more business value from their data while improving the efficiency of data management across the enterprise. For example, master data management capabilities enable them to propagate a consistent set of product, customer or sales information to just about any system that needs it. Using Retail Business Intelligence and Performance Management solutions enabled by the Retail Integration Framework, Royal Doulton eliminated their unprofitable product lines (reducing from 31,000 to 6,000) - with net savings of $26M in working capital over the 3 years !

What really makes IBM Retail Integration Framework stand out in the marketplace is that it is backed by a set of best practices and references developed in engagements with some of the world's leading retailers

REWE GROUP

Retail challenge

Efficiently adopt innovative technology in the stores that helps reduce costs and drive profitable sales by delighting customers with choice and convenience.

Leveraging the power of Industry standards

REWE, a leading German retailer and one of the largest in Europe, is implementing new store solutions that are built on the IBM Retail Integration Framework. Using the open standard ARTS RTI (Retail Transaction Interface) to leverage their existing environment, REWE has completed a successful pilot to integrate their current POS application with the new Pecuron® multifunctional POS payment terminal – an innovative payment solution that offers customers flexibility in payment methods from cash or credit card to biometric or cell phone payment. Further, the self payment terminal reduces store associate time needed to handle and manage cash because it can recycle both bills and coin within the unit.

ARTS
Association for Retail Technology Standards
of the National Retail Federation®

Pecuron® is a registered trademark of Giesecke & devrient GmbH, Munich, Germany

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Your Store platform – supporting your current and future capabilities

In Retailing, one size does not fit all. Consider Casas Bahia (Brazil's largest Retailer), Hebei National Great Chain Business (a large chain of convenience stores in China) and Metro Group (MGI) in Europe. They are all in different segments of the retail landscape, they all have different requirements for applications to be supported at the point of sale, and they all have different approaches to centralized systems.

But what is common among them, is that the Retail Integration Framework has provided the platform to build their store applications.

Incorporating technologies from across IBM's software offerings which are most applicable for the store, and optimized for store usage, the Retail Integration Framework provides retailers with the benefits of being able to choose a platform with the options that will support their integration and information needs, today and into the future.
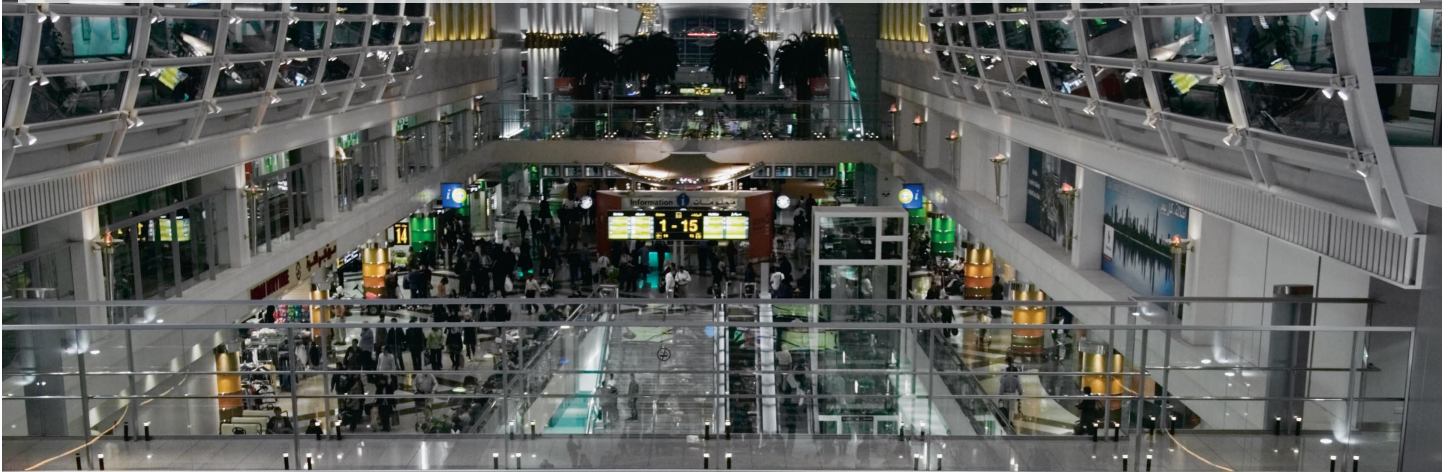
Delivering a superior shopping experience - engaging the customer on a very personal level

Building a differentiated customer experience is all about putting the customer at the center of every interaction. In order to deliver this, the retailer needs a consistent view of the customer that spans the entire relationship across all business units and product families. It needs to be enriched with information which may be relevant to the interaction, such as buying preferences and customer lifecycle events. It needs to be available at every point of interaction, along with other relevant tools such as product reviews, forums and support. And the business then has to make the interaction a compelling experience.

Moosejaw Mountaineering adopted this approach as they implemented a solution delivered by an IBM Business Partner, CrossView. With the Retail Integration Framework, Moosejaw now provides a consistent shopping experience, whether the shopper is interacting on the web, store or phone. It does this by reusing the same databases and business logic across all their channels.

The solution allows Moosejaw to deploy capabilities which were previously available only on the web and make them available in the store. Internet kiosks in their retail outlets create an "endless aisle", giving customers in the store access to a much larger range of products than can ever be displayed on the shelves. The kiosks also enable cross selling, advertising of promotions and access to product reviews, all of which further drives sales productivity. Furthermore, retail sales staff can view the inventory of other Moosejaw store and supplier inventories in real-time, enabling them to provide customers with alternative pickup or delivery options for out of stock items.

"We are blurring the lines between the store, mobile, call center and e-commerce, taking the best of each channel and making it possible across all channels."
COO Jeffrey Wolfe

Moosejaw

Retail challenge

A way to engage a customer community whose appetite for extreme sports is matched by a hunger for communication and collaboration.

Getting in to the heads of its customers

Moosejaw Mountaineering may sell outdoor gear, climbing equipment and snowboards, but their real product is passion, excitement and fun.

The company puts themselves in the mindset of their customers, finds out what really turns them on and then engages the customers on a very personal level. The Michigan-based mid-sized retailer reaches its community of customers using cell phone texting, e-mails, blogs, podcasts and product reviews, as well as a multi-channel sales strategy including Web sites, retail stores, a mobile site, a call center and print catalogs.

"Finally, social commerce data like customer reviews and product level blogs, so integral to the online shopping experience and the Moosejaw community, will now be accessible via the point of sale system, in-store kiosks and mobile phones. This is the stuff that gets me so excited about multi-channel commerce"

Jeffery Wolfe, COO

Creating Customer-centric Merchandising and Demand Driven Supply Chains

Customer centricity is not only about the customer experience, but about tailoring merchandise assortments to your targeted customer base and systemically infusing customer preference and demand into the retailer's decision making.

Your systems and business processes need to optimize the supply chain for unique product, customer and channel requirements, and respond dynamically to changing trends and events. They need to deliver real-time visibility across channels and to dynamically manage allocations and eplenishments in response to changing demands and stock positions. And in support of the personalization and profit objectives, they need to enable the Retailer to deliver pricing promotions personalized by location and customer segment.

Implementing Sensor and Actuator Solutions is one strategy being adopted by retailers to improve supply chain visibility, reduce costs, and increase sales and customer satisfaction. Whether they are looking to create Smart Freezers, or getting hot items onto the shelves, with the help of RFID technology, retailers can use real-time information and improved data visibility and accuracy to transform their supply chains and to enhance the in-store customer experience.

Business Process Management is also rapidly becoming an approach that retailers are turning to as they focus on their supply network operations. It can provide retailers with increased productivity and profitability by giving them action-able visibility, optimized processes and the ability to sense and respond to opportunities and threats in merchandise allocation, inventory, and vendor on-boarding.

The Retail Integration Framework brings together all of these capabilities and technologies needed to create the customer-centric Merchandising and Demand Driven Supply Chains.

Getting started with The IBM Retail Integration Framework

Against the backdrop of economic uncertainty, where retailers are striving to do more with less, they are ensuring that each of the transformational projects they select are intended to directly drive bottom-line benefits.

The IBM Retail Integration Framework supports this approach. It provides an SOA-based platform as well as "starter kits" for projects supporting the highest-impact business scenarios, including cross-channel selling, new product introduction, store integration, and master data management.

IBM offers six business areas in which the IBM Retail Integration Framework can help customers accelerate value from their investments:

- Managing master data for merchandising and supply chain
- Cross-channel selling
- Supply chain visibility
- Managing master data for customers
- Integrated retail analytics
- Total store solutions.

Take advantage of our vast expertise. IBM and its Business Partner Ecosystem can provide you with the integrating platform and leading solutions needed to ensure you are one of tomorrow's leaders.

For more information

To learn more about the IBM Retail Integration Framework
Solution, contact your IBM representative or visit:

ibm.com/retail