

Retailers: Just looking or ready to buy?

Some 2,000 retailers crowded into IBM's opening keynote "super session" at the National Retail Federation's (NRF) annual convention to learn how an on demand retail industry will change the way consumers buy everything from china to chinos -- and the way retailers will address customer loyalty, competitive challenges and fluctuating market conditions. The four-day event, which drew a total of 15,000 line-of-business and IT executives from Walmart, Sears, J.C. Penney, Target and other chain stores to New York City's Jacob Javits Convention Center, showcased integrated retail solutions that promise to transform the consumer experience, enhance revenue, streamline retail and manufacturing supply chains and deliver a clear return-on-investment within 12 months.

At its floor exhibit, IBM emphasized integrated industry solutions like the Dynamic Workplace portal, which shows retailers the value of tailoring a screen to the specific roles of store managers and associates; Trading Partner Collaboration, which cuts costs and time out of supply chain and procurement processes; and MerchantReach, designed to increase revenue by linking store, Web, catalog and kiosk with a customer data warehouse. Retailers also witnessed the self-checkout capabilities of the IBM Kiosk and digital menu features of IBM's Digital Merchandising solutions. NRF proved an excellent forum in which to showcase solutions that fuse business and technology issues -- the chief goal of IBM's Industry Value Project.

Engaging with an on demand industry

IBM delivered a comprehensive, fully integrated on demand message at the event with an eye to explaining how Retail On Demand will help retailers cope with a competitive and fast-changing industry landscape. In addition to the super session, IBM's marketing efforts included a presentation on trading partner collaboration with the Worldwide Retail Exchange, the release of a major survey by NRF and the IBM Institute for Business Value (IBV) on retail technology, dozens of guided "personal shopper" tours for customers through IBM's standing-room-only booth and numerous analyst interviews. The major media were on hand too, with CNNfn giving prominent coverage to IBM's booth on day one.

Super session: on demand retailing: The future of customer experience

A panel of retail CEOs, who are also IBM customers, commented on the findings of the NRF-IVB retail survey:

Retailers are investing in employee empowerment. 70% of respondents stated that they are "currently implementing" customer segmentation and data warehouse capabilities. This means less emphasis on direct customer-facing activities.

Significant IT opportunities remain unexploited. 55% of respondents said that giving store employees access to customer purchase records would be "extremely effective" in improving the returns process and optimizing sales. Only one-fifth are making this happen today.

A small group of innovators is taking the lead. This group of early adopters, often focused on providing the customer with new access points and services, stands to outpace the competition.

Retailers are not taking full advantage of the multi-channel opportunity. Many retailers are still playing "catch up," even though nearly all stated that cross-channel shopping was "moderately" or "extremely prevalent" in their customer base.

Motivate customers, make managers experts, empower employees

IBM marketing planners demonstrated how IBM's on demand retail solutions will benefit the consumer and retailer:

Zone 1: The dynamic consumer experience

Exhibits:

Using the Web to turn information into insight. Retailers are implementing WebSphere Commerce and Scene7 (TM) to capture customer requirements and preferences after a shopper has visited a store Web site. Online coupons and promotional items encourage Web shoppers to visit a brick-and-mortar store.

Real-time data for real-time store management. WebSphere Portal and PeopleSoft(R) electronically deliver up-to-the-minute information straight to the manager's desktop. If loyal shoppers make overnight requests and plan to pick up their orders the next morning, the manager can notify the appropriate departments and even alert customer service personnel on the floor.

Power of the kiosk. IBM Kiosk and Blue Martini Relationship Manager give retailers a way to construct a robust consumer profile based on buying habits. Moreover, the IBM Kiosk platform lets consumers buy catalog merchandise, Web-only products and other goods or services at one location.

Sales associate of the future. WebSphere Portal and Siebel will arm the sales associate with a wireless handheld device that contains customer-specific preferences and recommendations. The goal is to create a one-size-fits-me experience for the customer.

Connecting data to the point of sale. With the installation of SurePOS 750, retailers can integrate data from all channels -- Web, store and catalog -- at the checkout terminal.

Zone 2: The retailer's supporting infrastructure

Exhibits:

Leveraging business intelligence for customer promotions. IBM Business Intelligence, Offer Management and Unica are integrated to capture online consumer information, ultimately resulting in cost-benefit analyses for customers before they even arrive at the store. The same data can generate targeted discounts and cross-promotions. Once in the store, a sales associate can greet the customer with a discount viewed online.

Connected merchandising manager. With a WebSphere Portal-DemandTec-Retek implementation, the online workplace can alert merchandising managers to promotion campaigns -- including ones that do not achieve desired results.

Building the collaborative enterprise. WebSphere, Data Management and Tivoli offerings create a trading partner collaboration that lets retailers and their manufacturing partners integrate their core business processes. The results are reductions in cost, higher growth and enhanced shareholder value.

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