



IBM New Digital Media Solutions Answer Challenge to Attract Customers, Increase Sales

Raiffeisen Landesbank and Douglas Perfumeries Select IBM to Help Lower Marketing Costs, Increase Customer Satisfaction

ARMONK, NY and HANNOVER, GERMANY -- Mar 18, 2004 -- CeBIT -- IBM today announced new digital media products, solutions and services designed to provide the retail and banking sectors with customized audio, video and dynamic displays to help sell merchandise, provide consumer information, generate new revenue and streamline operations.

By utilizing the IBM Dynamic Digital Merchandising solution, companies will be able to respond quickly and more efficiently to customer requests for product, sale information and reduce the time and costs typically associated with the production, distribution of printed marketing and advertising materials.

This solution means that customers like Raiffeisen Landesbank, one of the largest regional banks in Austria and Douglas perfumeries, a worldwide perfume and beauty products retailer, will be able to manage and centrally distribute any type of rich media, including video, audio and images, simultaneously to thousands of stores or branch office locations to promote products, sale information, how-to videos and other applications. The IBM Dynamic Digital Merchandising solution gives retailers and financial institutions centralized control of in-store and branch advertising distributed to plasma screens, kiosks or other type of displays.

With over 400 branches serving personal, small and medium business customers throughout the region, Raiffeisen Landesbank (RLB) turned to IBM to create a dynamic digital display system on large plasma screens that would broadcast key information about the bank's offerings and services directly to customers while in bank branch offices. From this concept, raiffeisen.vision was created -- RLB's own in-branch television information channel -- which provides the flexibility to deliver real time information about bank offerings and services to over 2 million customers throughout Austria. RLB has also been able to generate additional revenue through raiffeisen.vision by charging other companies for advertising space on their channel.

"Responding to customers while growing our business is critical to Raiffeisen Landesbank's overall mission," said Dr. Heinz Schaller, member of the board, Raiffeisen Landesbank. "IBM digital merchandising solutions helps bring a new dimension to customer service by delivering real time, on demand information about our services and offerings, providing customers with additional and exciting ways to obtain information to make product and purchasing decisions."

In addition, IBM is working with Douglas perfumeries to bring a new shopping experience that is personalized, entertaining and appealing -- to help attract customers and keep them in the store while reducing the risk usually associated with new advertising, marketing strategies. Using IBM digital media technology, Douglas perfumeries will pilot in-store plasma screens to display advertisements and information about branded and private label beauty products merchandise.

The digital media solution helps raise customer awareness around products, special offers and in-store promotions to help generate sales and increase customer traffic to its lower ground floor and first floor departments. While advertising content is generated centrally, IBM technology will allow local authorized Douglas perfumeries store staff to adapt and manage content, which will help customize information like prices and descriptions to coincide with the available in-store product and promotion offerings.

THE SOLUTION

The IBM Dynamic Digital Merchandising solution utilizes IBM hardware, software and services to help customers centrally manage TV and CD-quality digital media content (video, audio, images) and control distribution over broadband networks, including satellite, digital terrestrial, cable, xDSL, Wireless Local Loop (WLL) and eventually 3G Mobile networks.

The solution coupled with IBM technology ensures that specific video advertisements and promotions are delivered to the designated store and played on the selected plasma screens at the scheduled time. In addition, kiosk applications and related digital media content are successfully transmitted and brought into service in a synchronized fashion. The IBM Dynamic Digital Merchandising solution combines digital content and transactional data to support all aspects of digital content "push" & "pull," play-lists, and play-list metrics that support digital media in-store advertising.

The IBM Dynamic Digital Merchandising solution can be deployed using existing platforms or using IBM hardware, software and services that could include:

- IBM WebSphere® Business Integration software -- to collaborate, develop, deploy and integrate next generation e-business applications across dissimilar platforms and operating systems.
- IBM eServer systems including Intel®-based IBM eServer* xSeries®, which run on Linux® and IBM eServer pSeries® UNIX® Web servers.
- IBM DB2® Universal Database™ -- a multiplatform, multimedia, Web-ready relational database management system that provides access to, and integration of, rich media data from multiple sources.
- IBM TotalStorage Tivoli® Storage Manager -- scales to protect thousands of computers running multiple platforms.

IBM ROI Tool

Also, IBM has created a business tool for retailers and retail banking customers to assess business value and operational impact using dynamic digital merchandising solutions. The IBM Return On Investment (ROI) tool is based on industry specific business measurements to help customers match solutions with business strategy; compare company performance to industry benchmarks; employ scenario analysis to assess options and risk. For example, a retailer using this tool can create a test pilot and measure a control point against the pilot to determine the value of digital merchandising solutions to their specific needs. Retailers can then review project results, such as return on investment, net value, internal rate of return as well as overall net profit.

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