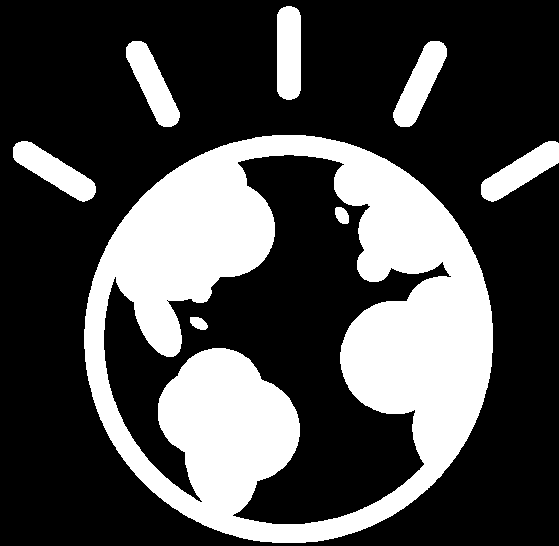


Innovating the Customer Experience



John Mesberg
Vice President, Commerce Solutions, IBM SWG

Years to reach 50 million users



38 Years

Years to reach 50 million users



13 Years

Years to reach 50 million users



4 Years

Years to reach 50 million users



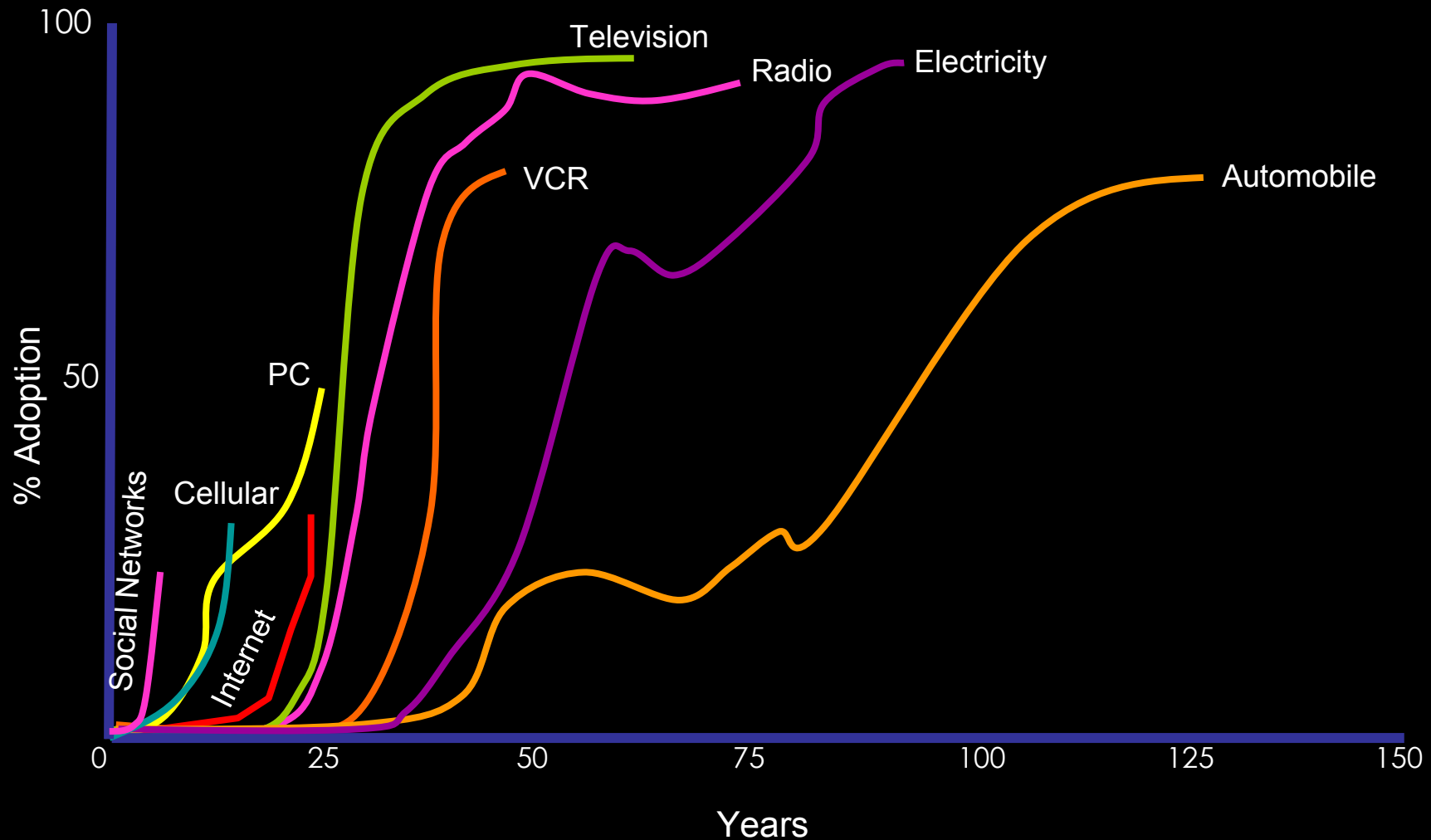
3 Years

Years to reach ¹⁰⁰~~50~~ million users

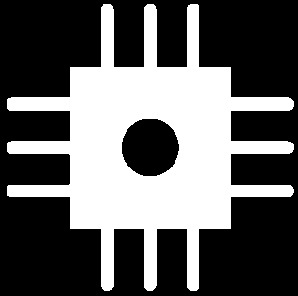
facebook

9 Months

Accelerated technology adoption cycles are reshaping the human experience

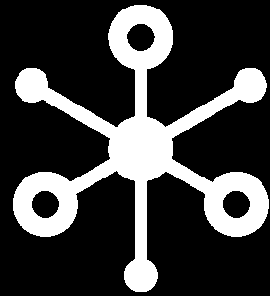


Innovations are creating a Smarter Planet



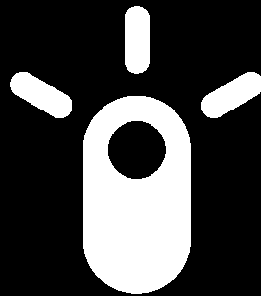
Our world is becoming

INSTRUMENTED



Our world is becoming

INTERCONNECTED



Virtually all things, processes and ways of working are becoming

INTELLIGENT



Innovations are changing Society

...and the way we interact

1.7+ billion or 25%
of the world's population – are online



4.6 Billion

mobile phones
worldwide

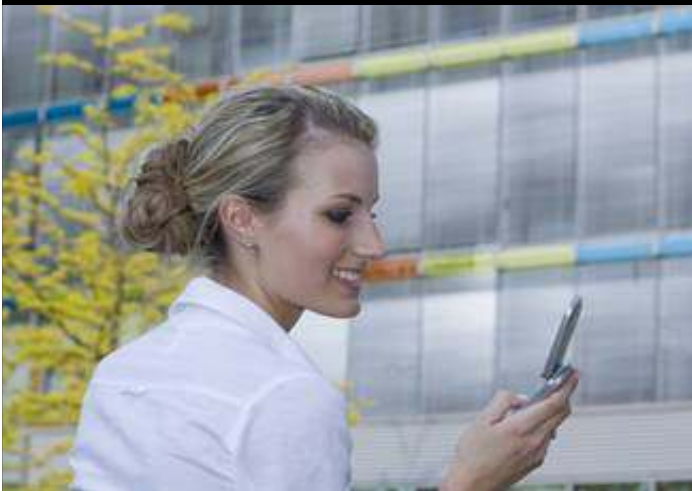
2 Trillion

mobile messages
are sent daily



The Average American Teen sends

2,272 texts a month!



Source: NY Times, 5/09

If **facebook** were a country it would be the

3rd largest in the world

with over **500 million** active users worldwide



Social Networking has exploded globally with near 1 billion users worldwide



Facebook
500M+ users
100%+ growth



Vkontakte
25M users
20% growth



QQ
47M users
65% growth



MySpace
120M users
-7% growth



Skyrock
20M users
-9% growth



Baidu
54M users
35% growth



CyWorld
19M users
-12% growth



Twitter
74M users
1110% growth



Hi5
47M users
-22% growth



Renren
34M users
--% growth



Mixi
14M users
14% growth



Orkut
52M users
6% growth



Friendster
15M users
-44% growth

In China, “netizens” spend 70% of their free time participating in social networking sites



78% of Chinese consumers said that they are likely to 'follow' a retailer on their social site

New Interaction Models: Presence Zones

Mobile context will be as influential to mobile consumer services and relationships as search engines are to the Web

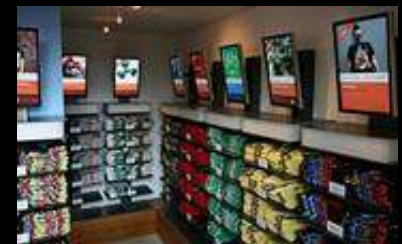


Motion and Gesture-based Technologies



Source: MIT 6th sense

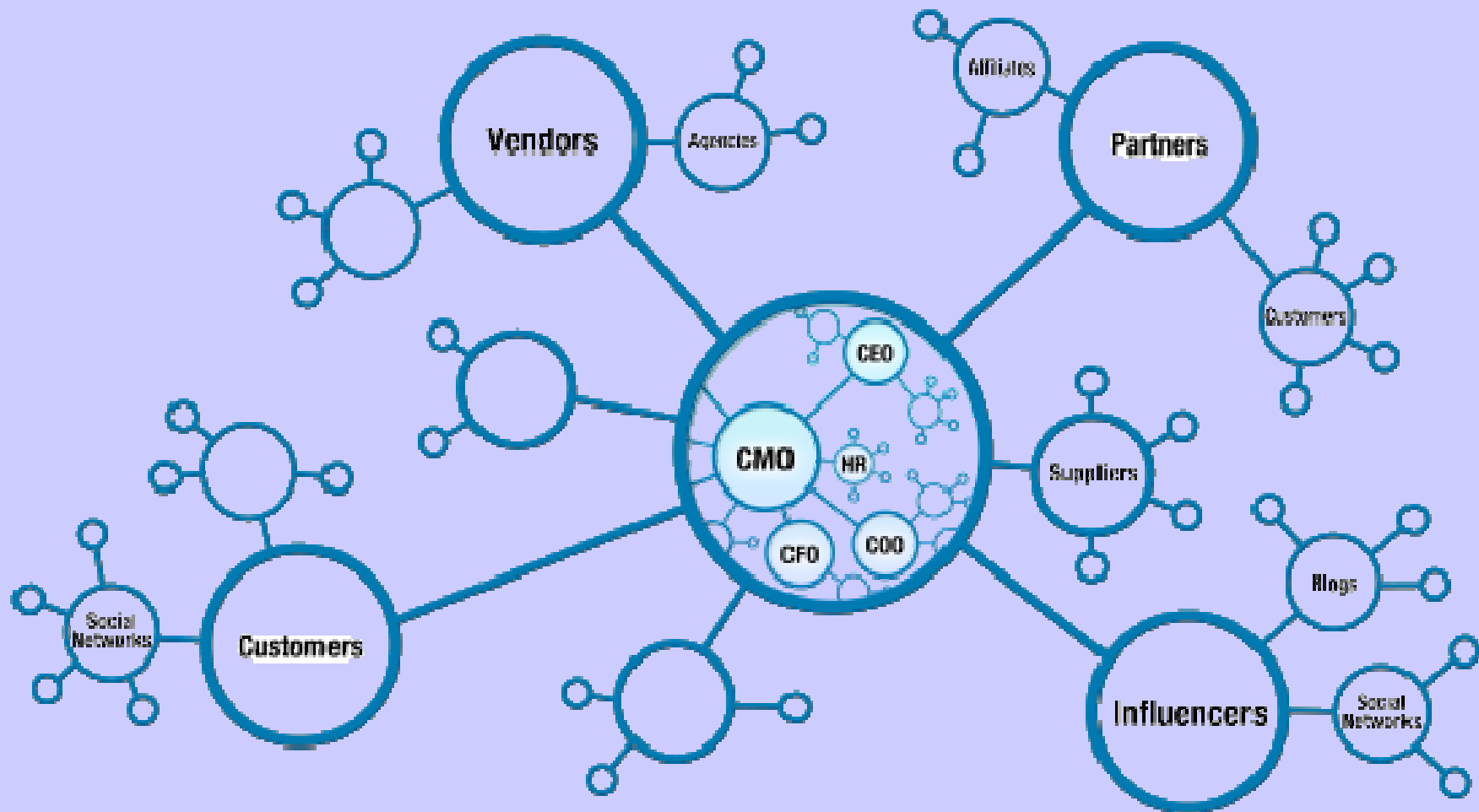
Source: Orange Interactive Window



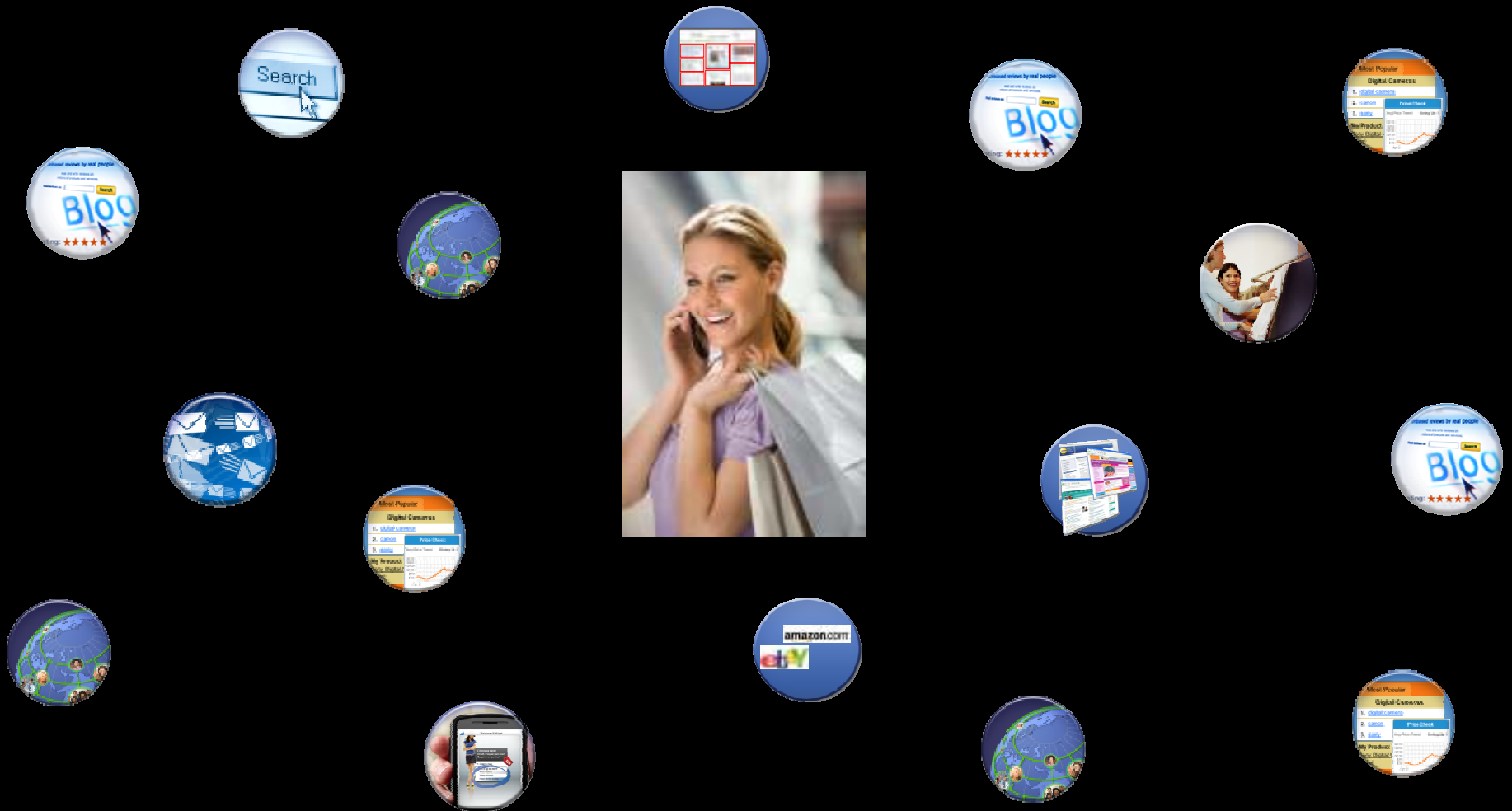
These technologies are changing the way we interact with each other and brands...



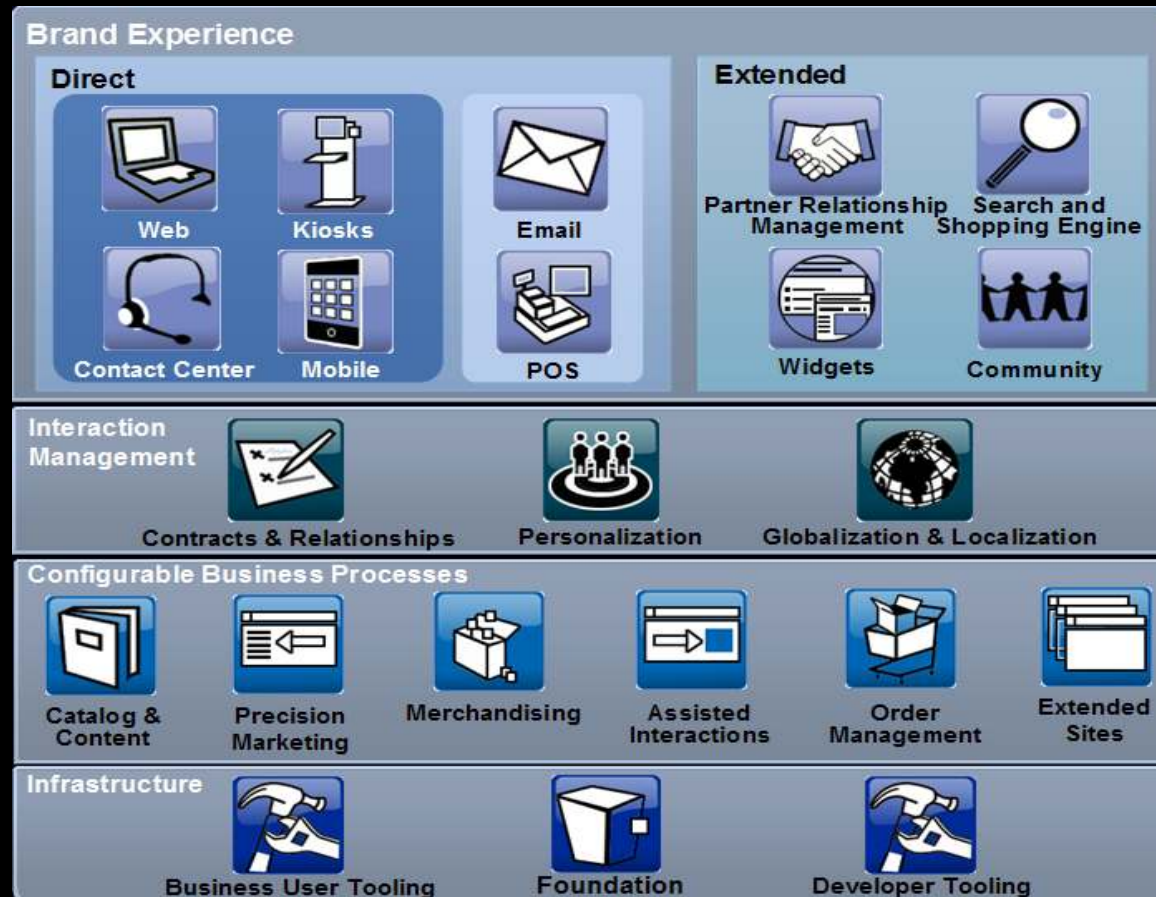
...meanwhile, it becomes increasingly necessary to execute across highly complex, dynamic business networks



The result: the “brand experience” is fragmenting and becoming more complicated to manage



IBM helps today - through WebSphere Commerce



Customer Interaction Platform

...coordinating how customers experience your brand across digital touchpoints



New WebSphere Commerce features help Extend, Manage the Brand Experience

Social Network widgets & apps



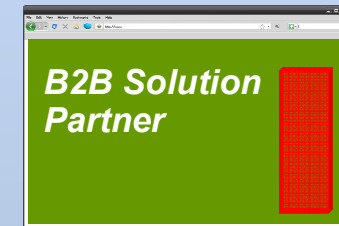
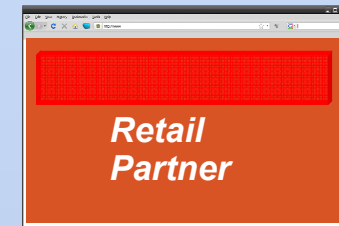
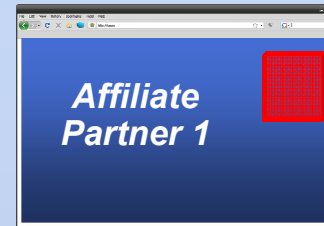
Personalized Widgets



iPhone Apps & Widgets



Affiliate Marketing Widgets



<http://www>



But is it enough?

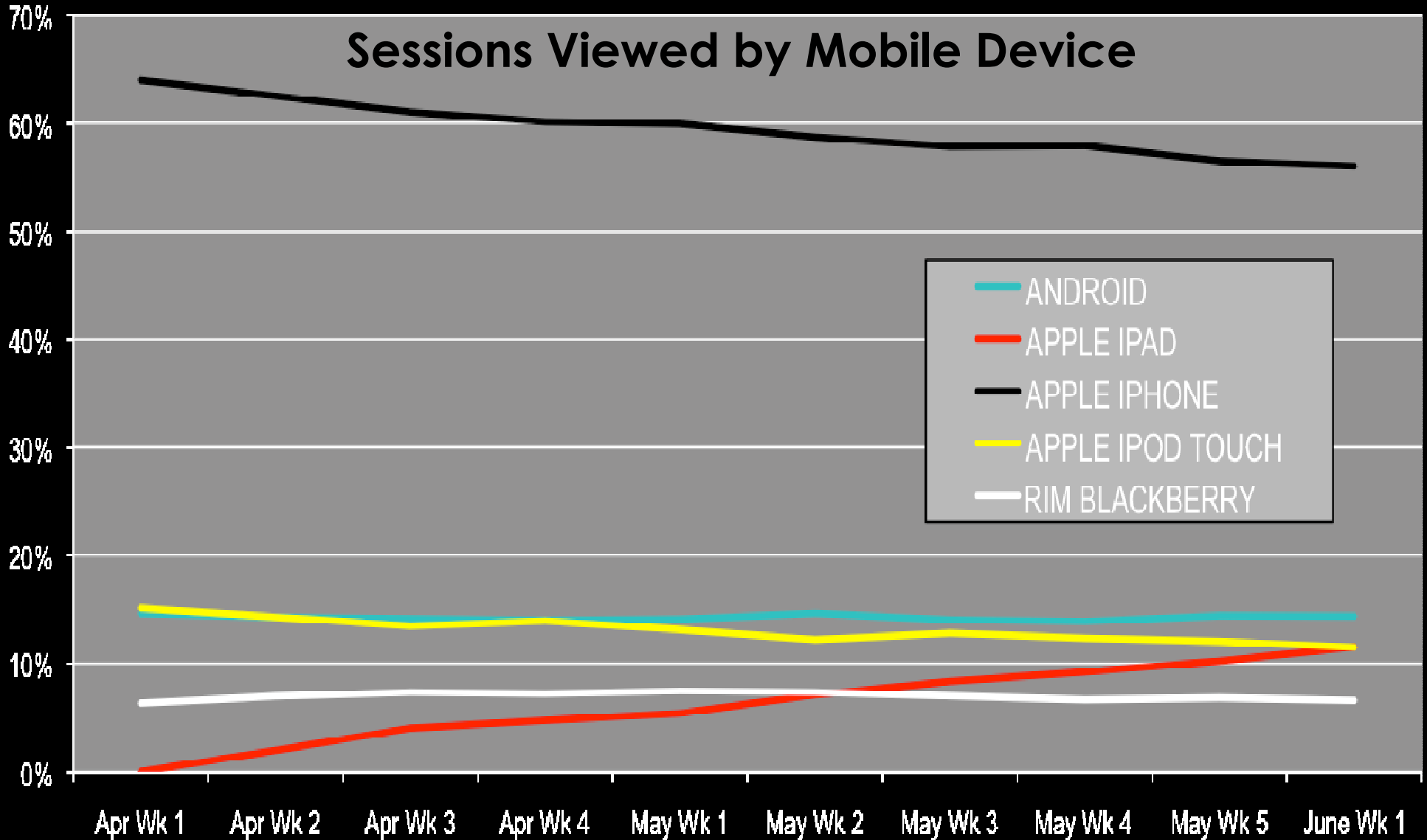
Is it the complete answer to
these problems?

Let's look at three stories.

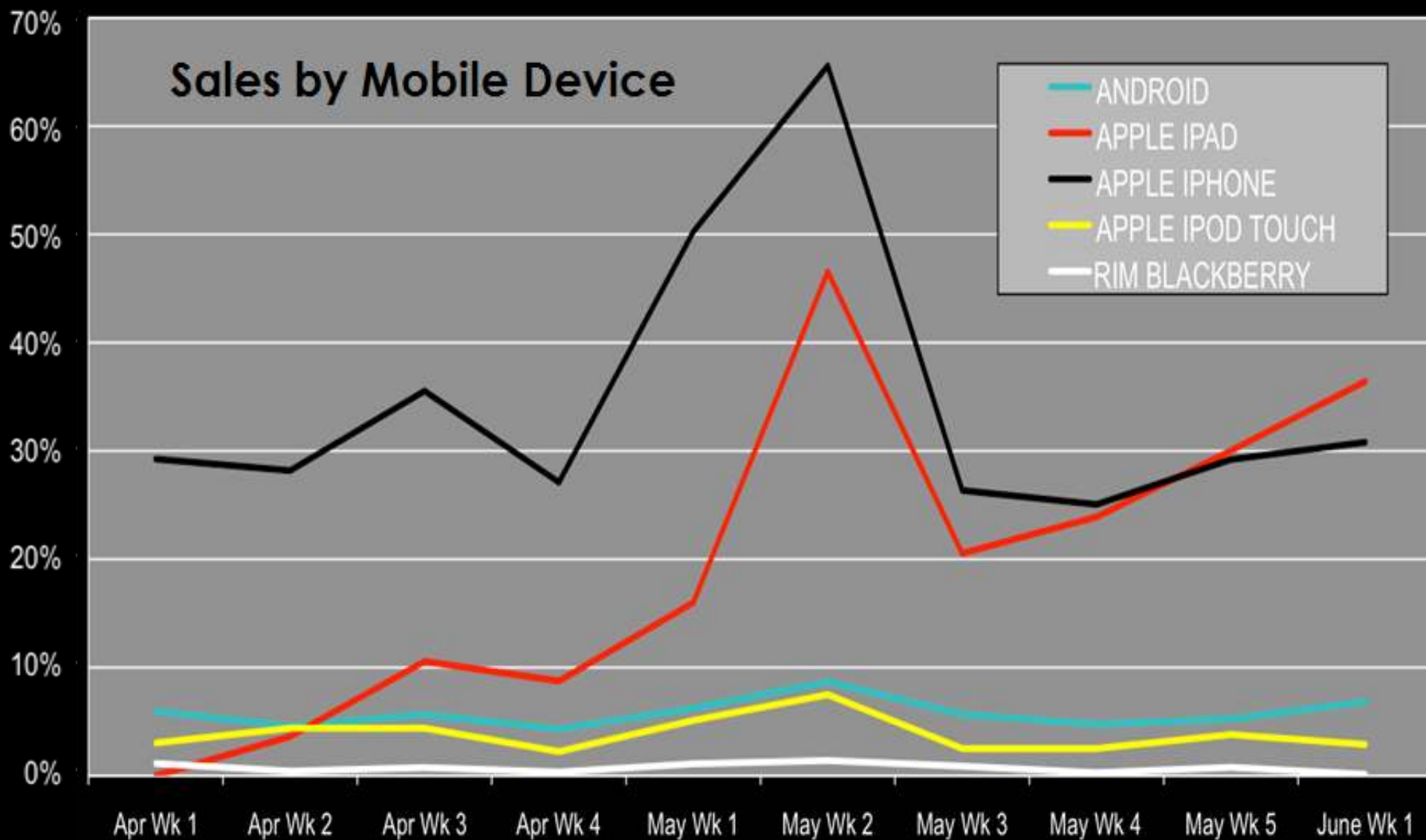
Challenge: Mobile Device Awareness



What devices your customers are using to view your site?



...vs. the devices used to PURCHASE?





Core *metrics*
An IBM Company

Coremetrics at a Glance

Providing integrated marketing optimization solutions through web analytics

Complete Marketing Optimization Solution

- Leading web analytics to accurately measure marketing effectiveness
- Suite of capabilities designed to optimize marketing ROI

Business Highlights

- Over 565 direct customers
- Supports top brands across various industries, transacting more than \$20 billion/year
- Over a decade of expertise and innovation



Coremetrics for WebSphere Commerce

Since 2006 IBM and Coremetrics have partnered to provide tailored best-in-class Analytics for WebSphere Commerce

• Customers benefit from:

- Analytics solutions specifically designed for WebSphere Commerce
- Jointly developed & tested technology
- Continuous on-going enhancements
- Rapid implementation
- Less ongoing maintenance



Coremetrics Mobile Demonstration



Challenge: Cross-Channel Order and Inventory Awareness



Crocs: Brand Experience Suffering Due to Order Management Challenges

- Heavily fragmented ERP systems required manual intervention to manage orders, resulting in:
 - Lengthy order response times, inaccurate information
 - Very poor order accuracy in the wholesale channel
 - Inability to promise availability and deliver on that promise
 - Dissatisfied customers
- Crocs needed a new order management system to drive order efficiencies and improve the customer experience



Crocs After: Cross-Channel Order and Inventory Awareness Improves Experience

- Crocs now has a common pool of inventory that can be accessed across all regions and channels – a single view of inventory
 - All inventory now planned and reserved by channel
 - Each channel measured on order volume, inventory on reserve
- **Results:**
 - Fill rate on web orders at nearly 100%
 - Accurate available to promise commitments, with orders pulled from reserved inventory
 - Improved end-user and wholesale customer brand satisfaction



Sterling Commerce

An IBM Company

Sterling Commerce at a Glance

A leader in business-to-business integration and cross-channel solutions

Sterling Commerce
An IBM Company

- Founded in 1975
- HQ in Columbus, OH
- 2,500 employees world wide
- More than 18,000 customers world wide
- Recognized as a leader by key analysts in B2B integration and cross-channel solutions
 - Sterling B2B Integration Suite
 - Sterling Selling and Fulfillment Suite
- Offers great flexibility of deployment with Managed Service and Software as a Service (SaaS) options



Executive 100

SOFTWAREmag.com

Top 100 Largest SW Companies



Top 100 Logistics
IT Provider

Food Logistics

Top 100 Provider

SUPPLYCHAINBRAIN

100 Great Supply Chain Partners for 2009

Sterling Store Associate Demonstration



Challenge: Siloed Marketing



ING Bank: Struggling to Coordinate Marketing Outreach to Consumers

- Multiple bank brands, driving 60 million pieces of direct mail / year, were merged into one
 - Campaign management process was disconnected, costly and involved too many stakeholders
 - As many as 14 people required for a single campaign briefing meeting
 - Marketing costs were increasing while response rates were declining
- 
- Resulting programs very slow
 - 16-22 weeks to launch a campaign
 - As long as two months to measure results

*“ING communicated with its customers through different channels like direct mail, Web site, call center, and email. However, **each channel had its own communication and contact strategy.** The result: No channel had a complete view of the customer’s entire relationship and contact history.”*

ING Bank After: Coordinated Marketing Approach Helps Manage Brand Experience

- **Unified cross-channel solution** controls marketing via direct mail, email, web, call center and branches



- **No marketing silos:** a centralized customer intelligence team has the tools to plan and execute multichannel marketing campaigns
- **Results:**
 - €20 million increase in corporate earnings attributed to increased marketing effectiveness
 - Annual Direct Mail costs reduced by 35%
 - Campaign cycle time reduced to maximum of 4 weeks



unica

Unica at a Glance

Proven and Established

- Headquarters:** Waltham, MA
- Global:** Offices in US, Europe, Asia, Australia, and Latin America
- Financials:** Public. Over \$100M revenue, positive cash flow, profitable*
- Partnerships:** Over 150 partners

Business Focus

Software and services to help marketers:

- Better understand their customers
- Run effective interactive marketing campaigns
- Increase marketing accountability, ROI

Product Leadership

- **Meeting the needs of:**
 - Relationship marketers
 - Online marketers
 - Marketing operations
- **Two product lines:**
 - Unica Enterprise
 - Unica OnDemand
- The **recognized leader** in marketing software solutions



Customer Success

- Over **1,500 organizations** worldwide
- **Tens of thousands** of total users
- In **69 countries**



Together, what will all of this
mean for IBM customers?



Sterling Commerce
An IBM Company



IBM's strategy is to address our customers' complete opportunity-to-fulfillment lifecycle

Market

Selling

Fulfillment



- Resource Mgmt
- Campaign Mgmt
- Marketing Execution
- Performance
- Analysis



- Analytics
- Segmentation
- Reporting
- Search Optimization

WebSphere Commerce



- Cross-Channel Order Capture, Cart, Catalog
- Customer-centric Shopping Experience
- B2C/B2B Storefronts
- Precision Marketing

Sterling Commerce
An IBM Company

- Cross Channel Order Mgmt.
- Configuration, Pricing, Quoting
- Multi-vendor Catalog
- Distributed Order Mgmt.
- Warehouse Mgmt.
- Transportation Mgmt.
- Supply Chain Visibility

Supported by:

IBM Application Infrastructure, Database & Integration Middleware

Note: The Unica acquisition is pending closure subject to regulatory approvals

In addition, with WebSphere Commerce and other IBM products, the new acquisitions combine to **address the needs of the CMO and related marketing functions**

Single View of the Customer

Establish a single view of customers across every touch point, system, and function

Customer Experiences

Attract and engage customers/prospects with exceptional brand experiences across direct and extended touch points.

Interactions, Relationships, Commerce

Provide personalized, contextual interactions and customer facing business processes

Enterprise Marketing

Drive relevant, targeted marketing campaigns via all mediums with centralized decisions, integrated marketing operations.

Intelligent Processes and Infrastructure

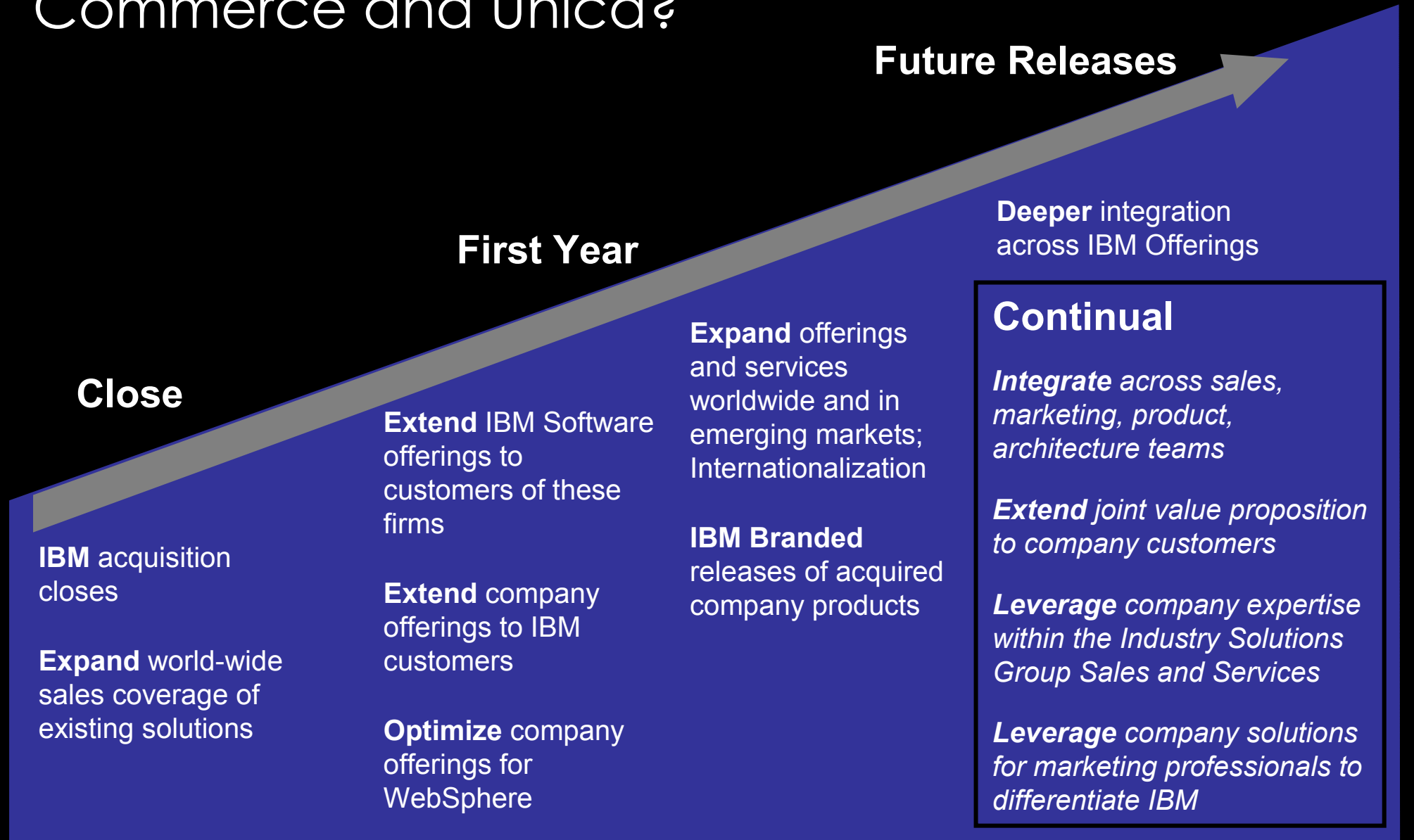
Analytics and Business Optimization

Improve insight and apply scientific rigor to optimize every aspect of the business

In addition, with WebSphere Commerce and other IBM products, the new acquisitions combine to **address the needs of the CMO and related marketing functions**



What can customers expect from IBM in terms of an integration roadmap for Coremetrics, Sterling Commerce and Unica?





Thank You