**IBM**

# Accelerate the automation and integration of cross-channel marketing, sales and service.

## Highlights

- Help attract and retain highly profitable customers by making online shopping more relevant and rewarding

- Provide a seamless cross-channel shopping experience

- Deploy a next-generation e-commerce platform that provides capabilities you can use across your enterprise

### Make your multichannel marketing, sales and service more efficient and integrated than ever

A majority of U.S. households now shop online, in addition to using more traditional channels like stores and catalogs. These valuable shoppers are demanding. They want to shop when they want — and how they want — through both Web and traditional channels. They expect detailed product information and reviews as they research products and prices on the Web. And your top customers expect preferred retailers like you to recognize them — and their preferences — whenever and wherever they shop.

Although these customers are hard to attract and even harder to retain, meeting their demands is well worth the effort, because they spend more than their single-channel counterparts — up to three to four times more. It's important to remember that more than likely, your most valuable retail customer isn't exclusively an online shopper or an in-store shopper — your best customer is a multichannel shopper.

Today, the quality of the customer experience is the new differentiator in the retail world. Forward-thinking retailers can gain a distinct competitive advantage in this area by using new technology to deliver an integrated multichannel customer experience. Simply offering multiple channels to your customers is no longer a significant differentiator — the channels must all work together to create a more rewarding shopping experience.

**ON DEMAND BUSINESS**™

Perhaps the most efficient way to attract and retain your most valuable customers is by first optimizing your e-commerce channel. Recent research indicates that the Web now influences more than 20 percent of all retail sales. To cultivate their loyalty — and to transform ordinary customers into highly profitable ones — today's retailers must offer e-commerce sites that use next-generation capabilities to seamlessly integrate the e-commerce channel with more traditional retail channels.

**Leverage IBM's retail industry expertise to transform your e-commerce presence and deliver highly relevant shopping experiences for your customers**

IBM solutions for the retail industry bring together the extensive IBM portfolio of hardware, software and high-value services — and its wide network of Business Partners — to address the most prevalent challenges for clients in the industry. IBM solutions and retail industry experience help each client accelerate its progress in becoming an On Demand Business — so it can respond with flexibility and speed to virtually any customer demand, market opportunity or external threat.

Creating business processes with a *service orientation* has emerged as the best way to achieve that flexibility and speed, as well as agility and resilience. Service orientation takes everyday business applications and breaks them into individual business tasks, called services. These services can then be shared with other departments within your company, integrated with your trading partners and exposed directly to customers to create new or modified business processes. As a result, you have the flexibility to easily respond to changing market requirements. And because these services can tie together existing enterprise resource planning (ERP), human resources (HR), customer relationship management (CRM) and supply chain systems such as SAP, Oracle, Siebel and JD Edwards, there is no "rip and replace" required. Furthermore, these services can be used across multiple processes — rapidly, easily and consistently — to help drive improved time to value and reduced costs.

IBM software, a key building block of the IBM solutions for the retail industry, is vital to employing a service orientation strategy. It helps our clients achieve business flexibility by enabling

them to model, assemble, deploy and manage business processes for today's on demand business environment.

IBM combines the breadth of its software portfolio with deep retail industry expertise to deliver next-generation e-commerce capabilities that can help you integrate and synchronize with other channels, creating the foundation for a truly integrated multichannel shopping experience.

IBM next-generation e-commerce for retail can help you:

- Deliver a richer, more relevant experience to Web shoppers.
- Integrate your Web channel with traditional channels such as your stores, call center and catalog.
- Synchronize your e-commerce initiatives with other retail processes.

Together, these capabilities help you solidify the loyalty, and increase the quantity, of your very best customers.

**Drive customer loyalty with a richer, more relevant online experience**

Personalization is the foundation of loyalty. It's no big surprise that people like to be treated in ways that recognize

who they are and what they like — and they respond more favorably to retailers who can understand the context of a transaction and provide personalized service. As Internet access spreads and Internet shopping becomes more prevalent — and as globalization drives a need for retailers to respond to different languages, currency and cultures — personalization must augment traditional demographics.

In the first rush of the "Internet era," most retailers introduced an e-commerce site quickly. Now it's becoming apparent that most of those platforms have limited capabilities and are difficult to customize. These basic sites were more like "online brochures," with no greater personalization capabilities than traditional mass communication methods.

As multichannel shoppers find it easier and easier to switch retailers, you must be able to recognize and act on each customer's unique characteristics. Ultimately, you must evolve your business processes so you can treat each customer as a market segment of one.

A key component of IBM next-generation e-commerce is IBM WebSphere® Commerce, which can be configured to bring information about customers — their preferences, purchase histories and how they surf your Web site — into play in customer interactions, regardless of channel. As a result, you can provide a consistent, individualized experience to each customer, regardless of when, where or how he or she shops. And because you can support preferences such as languages and currencies, the IBM solution can help you establish or improve your global presence.

While many sites can recognize customers who return time after time, sites powered by IBM next-generation e-commerce can use the context of those visits to personalize the Web experience. For instance, an IBM-powered Web site can recognize when a customer makes multiple "visits" to the same product page, and can automatically offer that customer an incentive to purchase, based on business rules you establish. This advanced recognition helps you increase Web conversion rates.

### Integrate e-commerce with your other channels more easily

E-commerce came of age as a separate and distinct channel. But as consumer dynamics shift, retailers increasingly need integrated shopping channels. Your best customers have become "super shoppers." Expedience and flexibility are driving their choices. They expect to be able to do business on their own terms. They want the shopping experience to be consistent across channels. And they may move from channel to channel during a single purchase.

It's difficult to retain a customer as he or she zigzags across channels — fully 50 percent of consumers switch to a competitor after researching on the Web. To help retain their loyalty and convert that sale, you need to recognize and influence these multichannel shopping habits. If they're researching online, you can motivate them to buy in your store offline, particularly for items that shoppers prefer to see and try before buying. If they've looked at the same couch or television or even shirt multiple times on your Web site, you can offer them an in-store coupon.

Channel integration also extends past the sale. Suppose your customer just ordered a set of lawn furniture online, to be delivered to his or her home. Now imagine that the customer must change the delivery date and calls customer service to reschedule, but your customer service agent cannot change the delivery date — or even see the order — because your e-commerce

site is not properly integrated with your other channels. You could have one unhappy customer on your hands.

In contrast, next-generation e-commerce from IBM allows you to integrate online systems with both delivery and customer service systems among others. Customers can easily gather the information they need — product information, special events and promotions, store hours and locations, and more — from any channel. WebSphere Commerce helps you integrate your systems, including those for contact centers and gift registries, so your customers can shop how they want, when they want:

- Shop and purchase online.
- Buy online but pick up their purchases in the store.
- Switch halfway through an online transaction to a phone channel to get a question answered — without losing sale information.
- Create an "endless aisle" Web kiosk in your stores to order a nonstock or temporarily out-of-stock item.
- Check online for the availability of items in the store.
- Review order status and purchase history of all transactions.
- Access, update and make purchases from the same gift registry online, over the phone or in-store.

The result? You can provide a seamless and productive experience to your customer every time, in every channel.

## Leverage your e-commerce to help reduce cost and complexity

When consumer expectations change, you may respond using manual activities, policies and procedures. If so, the results can frequently be costly and complex for your company — and unsatisfactory to your valuable multichannel shoppers. Conflicting product information, order management and fulfillment systems frustrate these shoppers and may cause them to take their business elsewhere.

For example, if you want to grow — either by creating new formats or new brands, or through acquisition — you need the flexibility to manage new store formats, brands and call center operations with the same flexible system you know and trust. You cannot rely on complex, costly manual processes and workarounds. Instead of multiple systems to support different product catalogs and Web sites, you must be able to provide consistent information from one system.

IBM next-generation e-commerce can provide a system that you can easily

integrate with the rest of your company. IBM WebSphere Product Center can help provide a centralized repository for product information that is usually scattered across channels and systems. You can also enrich basic product information with images, associations with complementary products and marketing copy. These capabilities also help you eliminate incorrect or inconsistent information, and reduce the time it takes to introduce new products and promotions in any or all channels.

Using the centralized product information and WebSphere Commerce, you can use the same engine, policies and processes to create, present, manage and support as many e-commerce sites as you want. Each site could appear to the outside world as coming from distinct brands, formats and product catalogs. But you would be able to use the world-class features of the IBM software portfolio — collaboration, information and analytics, integration and security — to help integrate your e-commerce efforts with your other departments.

Imagine a retailer that grows by acquiring local or regional stores with similar product catalogs but distinct

brands that have considerable brand recognition in their home areas. The retailer could use IBM software to rapidly create unique e-commerce sites that each capitalize on the equity of a particular brand and an understanding of its customers' preferences to provide relevant customer experiences. At the same time, the retailer would be able to use the single e-commerce platform to facilitate its efforts to consolidate fulfillment and support operations — and thereby help optimize costs and drive service levels.

**Business Partners help further leverage IBM software capabilities**
IBM next-generation e-commerce for retail is complemented by applications and services provided by our IBM Business Partners — including the hundreds of Business Partners specializing in service orientation — helping to make this solution a world-class foundation for successful integrated multichannel retailing. Working together with our clients, IBM and IBM Business Partners can help meet the needs of today's retailers.

**For more information**
IBM is unique in its combination of unmatched retail industry experience, deep service orientation skills, unparalleled Business Partner network, and software and technology product excellence — and as a result is a clear leader in service orientation. We can help you get started with service orientation, whether for the enterprise, a departmental initiative or a single project. IBM is the ideal resource for retailers seeking to realize the potential of true multichannel integration and provide a more consistent, more rewarding and more profitable customer experience.

To learn more about IBM next-generation e-commerce for retail and other retail industry–specific offerings, contact your IBM representative or IBM Business Partner, or visit **ibm.com**/software/industries/retail

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