

Becoming A Quick Change Merchandising Artist





According to the internet marketing research company comScore , there were nine days in 2011 where online sales were more than \$1 billion. During the holiday season between November 1, 2011 and December 26, 2011, consumers spent \$35.3 billion online. This is 15 percent more than consumers spent online in the same time period in 2010.¹ Given this trend, did your company maximize merchandising appeal to convert online shoppers into sales?

Enticing the online shopper will likely be dependent on appealing to their personal preferences at first glance. They may have a particular style-color combination in mind, be interested in what's hot and avoiding what's not or be planning to check out what's new.

In today's socially connected online world, their shopping mission may have already been influenced by their friends' opinions, purchases and/or preferences, fashion trends blogs and online discussions, product reviews or celebrity tweets. Consequently, the influencing information that is critical to successful merchandising has become voluminous, highly dynamic and scattered. Gone are the days of just keeping up with the fashion publications.

Once the customer has a particular item in their sights, competitive pricing will also come in to play. With the ability to quickly check other stores individually online or with popular mobile apps such as Amazon Price Check, Google Shopper, RedLaser and ShopSavvy, providing a stellar customer experience is one of the only ways for retailers to be able to charge anything above the lowest market price.

The volume of potential influences, and the fact that they are constantly changing, makes staying on top of your customers likes and dislikes an incredibly challenging endeavor. Add the need to keep up with the ever expanding ways that your customer may be gathering information in the marketplace be it web, mobile, tablets, Facebook or even in-store kiosks, and the evolving art of merchandising appears to require superhuman powers or at the very least, the ability to obtain actionable insight and be able to quickly map merchandising presentation in multiple channels to capitalize on it.

¹ Final Christmas Push Propels U.S. Online Holiday Spending to \$35.3 Billion, Up 15 Percent Versus Last Year, December 28, 2011.
www.comscore.com/Press_Events/Press_Releases/2011/12/Final_Christmas_Push_Propels_U.S._Online_Holiday_Spending_to_35.3_Billion



Grabbing the Greatest Share of Available Demand

To grab the greatest share of the available demand, online retailers must move beyond a concentration on navigation and shopping cart efficiency and into the same type of visual merchandising sophistication that the brick and mortar stores have always known to be of critical importance.

A savvy online merchandiser will need to be able to consider what the market has been doing based on sales and conversion rates, what the market will likely be doing based on market buzz and competitor pricing and then compare that to what inventory is available at not only the product level, but all the way down to the item level. A merchandiser must be aware if inventory may be running low on certain combinations of hot colors, styles, materials or sizes or even be out of stock or discontinued, and whether still others are stockpiled and in need of dramatic actions.

Further merchandising considerations may be necessary to view by regions, adding yet another lens to view and update accordingly.

Once the merchandising strategy has been crystallized, then it requires the ability to visually execute the plan in terms of color display and sequencing in various channels and be ready to start the exercise all over again as the market continues to change.

Peeking Behind Today's Merchandising Curtain

Most retailers have visibility into their inventory based on simple product attributes, available stock and value based on cost and current pricing. While automation has allowed some of these same retailers to have enhanced intelligence about their customers based on sales activity, this often has to be manually compared to a retailer's inventory system requiring time and effort and causing delays in keeping step with the marketplace.

If retailers have a system in place to monitor social networking activities and correlate product conversion rates, this information must also be considered to determine what may change from past sales levels in order to predict activity in the immediate future.



However, all of this information can become overwhelming without the means to integrate and distill it down into manageable intelligence that can be interpreted and acted upon.

Armed with differing degrees of market insight, the merchandising manager must now tackle mapping this information to the visual presentation of available inventory in order to promote or de-emphasize color based on hottest-selling, new, seasonal, highest-inventory, liquidation, etc.

This is the point where the discipline of merchandising often becomes very “old school,” harkening back to catalog practices where pictures of the products are printed and cut outs are made to paste up on a wall to strike that right balance between managing inventory levels and creating the desired visual customer experience.

To actually update the online presentation, merchandisers usually then have to manually add a sequence number to each product in the category database, further making the update cumbersome and time consuming. When a merchandiser has to manage over 40,000 SKU's, the process can become maddening!

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To keep in step with the market, today's merchandiser must be informed and agile enough to take advantage of the changing tides of consumer behavior. Reliance on paper reporting must evolve into an automated environment that provides a unified view of both online and offline customer behavior that has been distilled into meaningful information and can be acted upon in real-time in an impactful way.

In essence, this requires an integrated, automated analytics functionality that is connected to the ability to visually manage the customer experience through color display with sequencing at the item level for each available online channel and key region.

With Zobrist's Smart Merchandiser, built on IBM WebSphere Commerce, merchandisers have a single tool that combines the intelligence of web analytics and social media data within a visually orientated, intuitive inventory management system.

Designed for business users, it provides a view to product analytics, ratings and reviews, conversion rates, stock status, social data and more just by clicking on product images.



The basic view includes product image, color swatches, product code and price. Merchandisers see a view of their category navigation and products that mirrors what their customers see. They can then select from different Overlays to layer information over each product, such as inventory levels, conversion rates, price margins, and social buzz. Click on the color wheel over each product, and you see its color swatches with each color's total inventory.

Quick change artistry is then enabled by allowing merchandisers to visually make changes based on this intelligence by easily:

- Remove products from seasonal catalog
- Permanently delete colors to clean up the master catalog
- Add or remove individual colors from sale
- Copy and paste groups of products between categories
- Add products from the master catalog
- Change default and leading color being displayed for each product per category
- Rearrange color swatch order
- Merchandise top search results

With Zobrist's Smart Merchandiser solution, merchandisers have the ability to control the product display of their top product search results. This solves the common problem of displaying the right products in the wrong colors in customer search results. So now, when a customer searches for "red shoes" they can be sure to see only shoes displayed in the appropriate family of red colors.

The potential of this tool is really in enabling online retailers to tap into the creativity and intuition of the merchandisers that use it. Creating and optimizing a catalog is no longer like painting a picture that you toss out with the change of the seasons. True "quick change merchandising artists" listen and tap into the buzzing beat of their savvy, social customers. According to Lisa Skowrup, Ecommerce Merchandiser at The North Face, "sales have increased incrementally because Smart Merchandiser is extremely user-friendly thus allowing us to make daily merchandising changes based on traffic, conversion, and inventory."

With the proper set up, changes made to the website will automatically be pulled into kiosk, mobile, and tablet versions of the site.



With Zobrist's Smart Merchandiser, online retailers are able to present merchandise in the most strategic way, optimize the shopper's experience and facilitate the highest possible conversion rate while decreasing the amount of time required executing product management activities from days to hours.

To learn more how you can connect your business intelligence and visual management to become a quick change merchandising artist, contact:

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About Zobrist Consulting Group

Zobrist Consulting Group, Inc. is a leading services provider dedicated to developing eBusiness applications on the IBM platform. We implement award-winning solutions that drive sales and business efficiency which garnered the IBM WebSphere Commerce Foundational Leadership Award. Zobrist was recognized with the 2011 IBM IMPACT Best of Show Award and the 2011 IBM Beacon Award for "Best Industry Solution for Retail". Our focus on innovation and customer satisfaction combined with industry-leading IBM technology means that we deliver solutions that perform.



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For more information, visit:

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