

Deliver seamless cross-channel shopping to maximize profitable revenue and create competitive advantage.



Highlights

- Provide a seamless shopping experience across all channels and touch points, allowing customers to interact however, whenever and wherever they choose to help increase revenues
- Integrate and streamline critical business processes across multiple systems, departments and organizations
- Maximize loyalty and customer lifetime value by creating a unified view of the customer
- Optimize efficiencies and brand integrity by centrally managing and syndicating product and brand information across channels consistently and accurately
- Deploy a flexible multichannel platform that scales as your business grows to help minimize risks and IT costs

Retailers are in the midst of an information revolution. With the advent of pervasive access to the Internet and corporate networks, retailers find themselves at a crossroads, transforming from product-centric to consumer-centric organizations. As power continues to shift to consumers, they demand more value for their money and the ability to shop however, whenever and wherever they choose.

Sophisticated consumers have online access to a wealth of information from countless retailers. Many cross-channel shoppers research items on one

retailer's site, but then buy that item offline from a different retailer. Why? They expect convenient cross-channel features, including in-store pickup, store inventory visibility, cross-channel gift registries and Web-based kiosks, because that's how customers buy — using multiple channels. If you don't measure up, customers can easily take their business and loyalty to your competitors.

Yet, few retailers have fully integrated their channels to offer their customers a truly seamless cross-channel shopping experience. Being a retailer with



multiple channels doesn't automatically make you a multichannel retailer. Most retailers have two or more virtually independent sales channels, such as retail stores, Web site, direct catalog and call centers — each with its own policies, procedures, processes, metrics and customer views. This departmental structure has created artificial barriers that prevent employee collaboration and has become a major obstacle that must be overcome to achieve a retailer's multichannel vision.

Changing your organizational structure isn't enough. You need a flexible, standards-based, multichannel platform that can enable you to automate and streamline key multichannel processes, while facilitating contextual interactions with your customers. You also need to seamlessly integrate your sales channels and touch points to capitalize on consumers' cross-channel shopping behaviors. The end goal is to have multichannel shopping experiences become transparent to your customers. Why? Because even though customers physically buy from multiple sales channels, they make their buying decisions

based on your brand and your ability to fulfill their need. To help you successfully execute your multichannel vision, IBM offers IBM software for integrated multichannel retailing.

Leverage IBM's retail industry expertise to transform your multichannel retailing

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 from leading vendors 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 software for multichannel retailing delivers a proven, flexible multichannel platform that can help your retail business create a competitive advantage and maximize profitable revenue. By becoming a consumer-centric organization. By integrating sales channels and touch points. And by enabling your customers to shop however, whenever and wherever they choose.

Retailers can leverage IBM software for integrated retailing to address areas such as next-generation e-commerce, unified product and content management, consolidated order and inventory management, multichannel gift registry, guided selling, in-store online shopping and single view of customer. The results?

- Next-generation online commerce solutions
- Contextually aware interactions that help you provide satisfying shopping experiences for your customers
- Consistent cross-channel customer experiences
- Optimized channels that help minimize costs and drive customer satisfaction and revenues

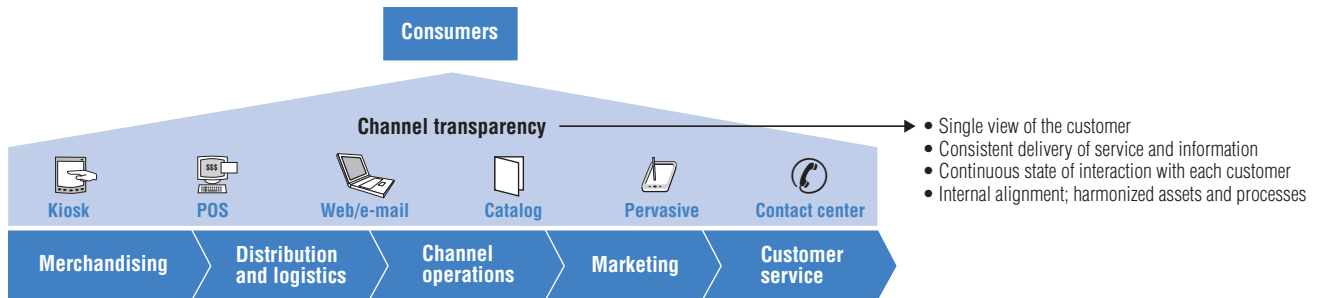
When you streamline your business processes, you can react swiftly and

appropriately to any customer demand or market trend.

Deploy a best-of-breed, next-generation online commerce solution

An effective way to approach optimizing your channels is to start with the Web channel and extend the benefits of online shopping to other channels. Allow your customers to do business on their own terms, where convenience, expedience and flexibility are paramount. Provide consistent product information, capabilities, policies and procedures, whether customers are shopping online, in the store or any other channel. Encourage them to begin a buying process in one channel and complete it in another — in a seamless manner.

As core components of IBM software for multichannel retailing, IBM WebSphere® Commerce and IBM WebSphere Product Center enable companies to provide customers with consistent capabilities and information across multiple channels and touch points. In addition, companies are able to offer the benefits of online shopping —



Multichannel retailing means delivering a seamless consumer shopping experience across multiple channels and touch points.

such as out-of-stock ordering, product comparisons, and cross- and up-sell opportunities — through in-store devices like kiosks, personal shopping assistants (PSAs) and point-of-sale. WebSphere Commerce provides the breadth and depth of capabilities to satisfy your most complex requirements:

- Offering gift registry and guided selling across every channel and touch point.
- Allowing customers to buy online and pick up in the store.
- Providing buying tools through kiosks and wireless devices.

The IBM multichannel platform gives you the flexibility to deploy a wide variety of multichannel solutions within your own timeframe and will grow as your vision grows.

Provide contextually aware interactions that maximize loyalty and satisfaction

Being able to provide your customers with the right information at the right time at any point of interaction can lead to a more satisfying shopping experience — leading to greater customer satisfaction and loyalty. Retailers are beginning to understand the importance and benefits of contextually aware interactions, but most still find it difficult to provide these relevant interactions in other channels or touch points beyond the Web.

Most retailers cannot recognize each customer, utilize the information from a coordinated customer information database and deliver the most relevant interaction — whether it's a promotional offer, product recommendation, special VIP capability or courtesy phone call.

They do not have a “single view of customer” spanning across channels that offers complete insight into customer preferences, buying behaviors and transaction history.

For example, when a customer who has just purchased a bicycle logs on to your Web site with a loyalty program number, your promotion engine will be able to offer complementary items like clothing or a bicycle helmet and provide links to safety tips and trails in your customer's area.

WebSphere Commerce delivers a robust business context engine that provides context to any piece of information, process, promotion or capability at the time of interaction — and thereby drives contextually aware interactions at any channel or touch point.

WebSphere Commerce also provides you with an enterprise customer data warehouse built specifically for retailers utilizing a retail data model. This data warehouse allows you to begin aggregating customer information from all channels and touch points and provides the analytic and data mining tools you need to analyze and recognize your customers' preferences, propensities and buying behaviors.

Deliver a consistent experience across channels

Because today's consumers demand consistency while shopping across channels, you need to leverage the capabilities and information from one channel to help optimize operations in another.

With WebSphere Product Center, you can centrally manage and syndicate your structured and unstructured content across various channels, touch points and marketing tactics, resulting in more consistent information, faster time to market on product launches and reduced expenses by eliminating redundant activities. Leading retailers can create linked promotions that tie the Web, the catalog and the store together to drive sales.

If you're promoting a new clothing line on the Web, a customer who wants to try on the clothes in the store is greeted with a similar promotion in the store and can easily identify the shirt he or she wants to try on. And the description, sales price and other information are all consistent with what was listed on the Web.

With WebSphere Commerce you can consolidate, automate and streamline order and inventory management capabilities across disparate systems. Leverage these common processes to provide a consolidated view of order and inventory, giving your customers and employees access to the right information at the right time.

*According to Aberdeen Group, more than 60 percent of retailers found multichannel buyers to be more profitable than single-channel buyers.**

Optimize channels to create opportunities for growth in an on demand retail world

Operating multiple sales channels can become a competitive advantage instead of being a liability. For instance, savvy retailers are offering promotions based on Web-browsing patterns that drive customers to the store, where their interest can be converted into sales.

When you rely on IBM software for integrated multichannel retailing, you can stand out from the expanding crowd of multiple-channel retailers by fully optimizing all your channels. IBM can help you seamlessly integrate your sales channels, helping you to:

- Offer the services and resources that today's consumers demand.
- Open up new revenue streams.
- Help optimize operational efficiencies and costs.

If you want to use your Web site to drive sales of a large table, on which direct shipping costs make the Web a less-than-ideal channel, you can run an online promotion to drive shoppers to your stores to purchase the table.

Built on a unified, service oriented multichannel platform, IBM software for multichannel retailing also enables ease of integration and allows for reuse of capabilities and processes — so you can leverage, not recreate, the platform for each channel. This facilitates consistency of capabilities and processes for your customers across multiple channels, reduces the complexity of your IT environment and drives down operational and IT expenses.

Highly scalable and comprised of leading IBM software — such as IBM WebSphere Application Server and IBM DB2 Universal Database™ — IBM software for integrated multi-channel retailing builds on a solid IT foundation that can accommodate additional IBM and third-party retail solutions as needed.

Business Partners help further leverage IBM software capabilities

IBM software for integrated retailing 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 multichannel retailing. Working in partnership 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 partner for retailers seeking to optimize their multichannel operations to engage in a seamless interaction with their customers.

To learn more about IBM software for multichannel retailing 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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1-06
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*Jeffrey Grau. Online Consumer Selling: A Multi-Channel Perspective. eMarketer. February 2005.