PRESS RELEASE

IBM Reinvents the Shopping Experience with Store Integration Framework

*New architecture helps retailers offer personalized service,
empower employees and improve business processes*

*A future shopping experience: A consumer receives a message before lunch on her
personal digital assistant (PDA) that merchandise ordered on the Web for store pickup
has just been delivered to the store closest to her office. Meanwhile, store personnel,
buyers, marketing managers, and supply chain managers all have access to the critical
information they need in real-time to help ensure shoppers have the choices they want,
when they want and at a competitive price.*

RALEIGH, N.C., January 12, 2004 … IBM's vision for the future shopping experience
and retail on demand is now becoming a reality with the introduction of IBM's Store
Integration Framework.

Based on open, industry standards, the technology is designed to better connect a
retailer's employees in all areas with the information they need to improve business
processes and deliver a superior shopping experience to customers across all sales
channels. As a result, retailers can offer shoppers personalized customer service and
promotions, and the flexibility to use a variety of wireless devices to shop virtually
anytime and anywhere.

The Store Integration Framework provides the architecture and technology tools to link a
retailer's point-of-sale systems with new wireless devices such as kiosks, Webpad tablet
computers, smart shopping carts and Personal Digital Assistants (PDAs) and then link all
of these to the rest of the retailer's systems across the entire store and into the supply
chain. It also is designed to enable the retailer to link into multiple shopping channels,
such as the Internet, physical stores, call centers and kiosks. The result is a more seamless
shopping experience for the shopper, which can help lead to enhanced customer service
and more profitable, responsive and efficient business operations for the retailer.   IBM is
actively working with select ISV's to enable their applications to the Store Integration
Framework, allowing retailers to more easily implement new functionality to transform
the customer shopping experience, empower store employees, and streamline store
operations.

For example, IBM Store Integration Framework is designed to enable retailers to have a
new level of flexibility for meeting and exceeding shoppers' demands. They are able to
provide individualized promotions and information through various channels, including
digital media displays on the selling floor, shopping carts, kiosks, PDAs and at the point-
of-sale. Additionally, store managers can access up-to-the-minute sales information to
deploy associates to "hot spots" to serve customers and maintain inventory. For example,

sales associates armed with a PDA or WebPad-like device would be able to provide shoppers with product details and even show merchandise currently out of stock.
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Traditionally, the information and intelligence needed to provide these new levels of customer service to shoppers are often locked away in separate silos: older systems, the point-of-sale network, Web applications, and customer databases. The IBM Store Integration Framework is designed to enable retailers to dissolve those boundaries and unlock this information. As a result, on demand retail businesses can respond dynamically and the personalized experience that multichannel shoppers want becomes a reality.

IBM Store Integration Framework components provide the following features and benefits:

- A Java 2 and Web services architecture that can help retailers reuse and extend existing POS business logic, provide POS functions at many touchpoints throughout the store, and integrate the store to the enterprise seamlessly. The Store Integration Framework provides the foundation for retail on demand.

- The proven technology of WebSphere components in the store. WebSphere Application Server, MQe for assured message delivery, DB2 for data management and Tivoli for systems management provide the infrastructure for integrating web-based applications for use by store associates and retail customers.

- A retail-specific extension to the Web application server that enables the integration of multiple customer service applications with multiple customer-service devices throughout the store. This can help applications sense and respond to changing customer demands in real-time to improve the customer experience.

About IBM
IBM provides the Retail Industry with a full range of e-business solutions, including: point-of-sale systems, other hardware and software technology, consulting focused on business transformation, IT strategy and planning, store operations improvement, and supply chain optimization, and with services, such as outsourcing, managed operations, systems integration, and application development and design. IBM has been the leader in retail point-of-sale systems for more than 20 years. For more information on IBM Retail Store Solutions, please visit www.ibm.com/industries/retail/store

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