



## **IBM and DemandTec Team to Deliver Consumer Demand Management Service**

### **First Customer Is Leading European Retailer**

**ARMONK, NY and SAN CARLOS, CA -- Mar 23, 2004** -- B&Q plc, Europe's leading do-it-yourself home improvement retailer, plans to use a new Web-based service from IBM and DemandTec, Inc., to more effectively manage its product pricing strategy, IBM and DemandTec announced today.

Called IBM Consumer Demand Management Service with DemandTec, the service can help B&Q quickly understand how customers react to price changes to best manage its investment in low prices. The new service is hosted and managed by IBM, and is the first on demand solution for the retail and consumer products industries. IBM and DemandTec have signed an agreement to deliver the service to customers worldwide.

"Access to the highest quality technology on demand helps us compete in an increasingly dynamic and competitive market place," said Howard Langer, B&Q plc. "The service we will receive from IBM and DemandTec will allow us to more effectively carry out our pricing strategy of delivering lower prices to our customers."

DemandTec software provides retailers with data at every point of the merchandising lifecycle, from understanding how customers initially react to prices and promotions, to predicting the impact of price changes on sales and profit, to executing strategies that consistently deliver the right prices and promotions, to responding to market indicators, and finally to measuring the impact of price and promotion decisions. DemandTec was selected as a key partner to deliver its application for managing critical price and promotion activities using IBM's e-business hosting and application management services.

"DemandTec helps retailers and manufacturers of every size unlock the business potential of customer demand for the purpose of making merchandising decisions," said Dan Fishback, DemandTec's CEO. "This alliance with IBM allows DemandTec to better serve our customers with proven, scalable, turn-key Consumer Demand Management solutions. Our joint service represents the next stage in merchandising technology, in which software and services are delivered 'on demand' anywhere in the world."

IBM Consumer Demand Management Service with DemandTec is based on a scaleable computing architecture, allowing customers anywhere to quickly increase or decrease usage. Customers pay for the hosting service based on the number of stores, number of store keeping units (SKUs) and total amount of data processed.

"B&Q is in the forefront with this new on demand service from IBM and DemandTec," said Jim Corgel, general manager, IBM e-business Hosting Services. "Today's announcement reinforces our commitment to providing retailers and consumer products companies around the world with services and technology to help them differentiate their businesses, maximize revenue and improve market share."

The Consumer Demand Management offering is the newest on demand service from IBM Global Services. On demand services from IBM help businesses and organizations create open infrastructures that allow information to flow across independent business operations, such as

those for managing customer relationships or the supply chain. This type of integration can help a company become an on demand e-business -- capable of responding quickly, intelligently and flexibly to customer demands and changing market conditions.

The IBM Consumer Demand Management Service with DemandTec uses IBM WebSphere, DB2 and Tivoli Security Management software on IBM eServer pSeries systems in a hosted environment to provide around-the-clock infrastructure support for the requirements of both large and small retailers and consumer products companies. Customers subscribing to the service will receive all required installation, operations, systems administration, maintenance and support, as well as robust security, supplier registration and document management. A host of secure connectivity options and integration services for legacy systems are also available.

#### **About IBM Global Services**

IBM Global Services is the world's largest information technology services and consulting provider, generating record revenue and signings in 2003 of \$42.6 billion and \$55.5 billion, respectively. Some 180,000 professionals in more than 160 countries help clients integrate information technology with business value -- from the business transformation and industry expertise of IBM Business Consulting Services to hosting, infrastructure, technology design and training services. Leveraging IBM's unequalled scope and scale, IBM Global Services delivers integrated, flexible and resilient processes -- across companies and through business partners -- that enable clients to benefit from the on demand business model by saving money and transforming their businesses to be more competitive. For more information, visit [www.ibm.com/services](http://www.ibm.com/services).

#### **About DemandTec**

DemandTec is driving the new economics of merchandising by delivering Consumer Demand Management software for retail merchandising optimization. The company's patented applications offer a powerful way for retailers and manufacturers to accurately forecast consumer demand on hundreds of thousands of items simultaneously and to execute strategies that meet quarterly and annual business goals for sales, profit, and price image. DemandTec products include DemandTec Price(TM), DemandTec Promotion(TM), DemandTec Markdown(TM) and the extensible DemandTec science platform. DemandTec customers include RadioShack, H-E-B Grocery Co., Longs Drugs, Duane Reade and B&Q plc. For more information, please visit [www.demandtec.com](http://www.demandtec.com).

#### **About B&Q plc**

B&Q is the largest DIY and garden centre retailer in the UK and Europe (14.4% share of the market), employing 35,000 people in the UK alone. Across the UK, B&Q has over 320 stores, including 102 B&Q Warehouses. B&Q also has over 50 stores in overseas markets including China, Taiwan, and Turkey and most recently, the Republic of Ireland. For more information, visit B&Q's website [www.diy.com](http://www.diy.com)

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