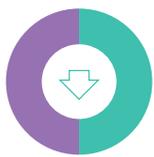


## Retail, revolutionised.

Today's connected shoppers have high expectations. They want authentic, personalised brand experiences, consistently delivered across all channels. So how do you deliver them, while keeping operational costs in check?

### Why IoT?



**50%**

reduction in shrinkage enabled by Internet of Things (IoT) based on an estimate of the three big UK supermarkets<sup>1</sup>



**22%**

potential margin enhancement through supply chain efficiencies and targeted marketing<sup>1</sup>



**\$326 billion**

worldwide retail industry IoT revenue opportunity by 2018<sup>2</sup>

### How Watson IoT can help

Watson IoT allows you to analyse sensor data from your operations in the context of other data such as weather forecasts, transaction histories or social media. We apply advanced and/or cognitive analytics to reveal new insights that can help you to make more informed decisions about your business, focused on three strategic areas:

#### Customer experience

##### IoT value:

- Personalisation
- Automated checkout
- Real-time engagement & promotions
- Guided shopping (Associate or shopper led)
- New fulfillment models
- Customer insights.

##### Cognitive extension:

- Learn from shopper behavior and spend to deliver personalised offers & recommendations
- Video analytics to understand in store behaviour and intercept customers with associate support.



#### Store operations

##### IoT value:

- Layout optimisation
- Queue management
- Energy management
- Asset monitoring & preventive maintenance
- Security & loss prevention
- Crew optimisation.

##### Cognitive extension:

- Video analytics to learn from shoppers movement and optimise store layout
- Natural Language Processing & Personality Insights for in-store guided shopping or concierge
- Video analytics for security & loss prevention.

#### Supply chain & merchandising

##### IoT value:

- Supply chain tracking
- Inventory optimisation
- Real-time demand forecasting
- Dynamic assortments
- Fleet management
- Audit & regulatory compliance.

##### Cognitive extension:

- Video analytics to learn from purchasing patterns & combine with weather data to optimise procurement

## How retailers are using Watson IoT



### Smarter shopping experience

**Targeted offers:** A mid-range chain of department store combined real-time 'heat map' data and customers' profile to offer the relevant promotions and increase transactions.

**Personalization:** A fashion brand launched a loyalty program using insights from shopping behaviours and social interactions to increase customer engagement.



### Smarter operations

**Asset health & preventive maintenance:** A major United States (U.S.) grocery store reduced its USD1.4 billion perishable annual food loss with refrigeration management powered by cognitive IoT.

**Employee management:** A coffeehouse chain used IoT technologies to monitor the crew in real-time and optimise workload performance.



### Smarter merchandising and supply networks

**Inventory management:** A worldwide clothing and accessories retailer used Radio Frequency Identification (RFID) to improve stock management and therefore increase sales and customer satisfaction.

**Supplier tracking and logistics:** To secure food quality and safety, a major U.S. supermarket connected with their vendors to track the product transportation status.

**IBM® has more than 4,000 professionals worldwide dedicated to the retail industry. Contact us to learn more about IBM Watson IoT for retail.**

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<sup>1</sup> Source: The 'IoT' Is Now, Connecting the Real Economy, Morgan Stanley blue paper, April 3, 2014.

<sup>2</sup> Source: Worldwide Internet of Things Spending by Vertical Market 2014–2018 Forecast, IDC, June 2014.<sup>3</sup> IDC FutureScape: Worldwide Big Data and Analytics 2016 Prediction, November 2015, #259835.

