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Commerce in the Cognitive Era

Unleash the power of
Watson Commerce
to deepen customer
engagment, drive brand
loyalty and fuel growth

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Delivering the right customer experience at the right time and place profitably is the new disruptor. Expectations continue to rise as new technologies present innovative ways to engage – brand loyalty is harder to achieve, and no brand can afford to stay on the sidelines. Customers expect a great experience that engages them in the context of their journey.

77%

of consumers have chosen, recommended, or paid more for a brand that provides a personalized service or experience.

Forrester Trends for 2016

47%

of B2B executives say their customers who have migrated to online self-service are more likely to become repeat customers.

Forrester: Digital Customer Experience Trends for 2016

COMMERCE IN
THE COGNITIVE ERA

Brands need to establish customer conversations that are personalized, convenient, and build relationships that drive engagement seamlessly across all channels, at scale. Success depends on delivering relevant and intuitive experiences throughout the entire customer journey, from a first look at a web page to the moment their order arrives. At the online store, hoppers want what they want, where and when they want it.

Omnichannel shoppers spend an average **4%** more every time they are in a

brick-and-morter store, and spend **10%** more when shopping online.

BI Intelligence, Jan.4, 2017

Each and every customer action creates more and more data that offers brands the information they need to deliver outstanding experiences — if they can connect the data points to predict and prescribe a course of action, and do so quickly before the competition can seize the opportunity.

A brand must monitor trends and behaviors — from personal interactions within a store to customer service on the web to social media posts — and take action. When done well, this experience can establish a conversation that builds interest, sales and loyalty; but when done poorly, it can send a brand's best, most long-standing customers and most promising prospects running to their biggest competitors.

By 2020, the customer will manage **85%** of the relationship with an enterprise without interacting with a human.

Gartner Top Predictions for 2016

In a cognitive business, it is possible to quickly make sense of vast amounts of data within the context of the commerce practitioner's daily activities. Merchandisers, content creators, field sales, fulfillment teams and store associates can all easily understand market changes as they occur and optimize actions in real time to deepen customer engagement, drive customer loyalty and increase revenues. Successful brands will find that it is the combination of tapping into trends and behaviors, executing with speed and flexibility and delivering powerful omni-channel customer engagement that will ultimately drive long-term success.

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Enable effective omni-channel customer engagement . Gone are the days of the swivel chair business – going to multiple sources for information, to different teams and waiting days or weeks for analysis and insights, and then using yet another system to take action. To meet the challenges and opportunities of a customer-driven world, practitioners need to leverage cognitive capabilities to gain immediate insight from the exploding amount of data, allowing them to take action that will provide a seamless, personalized and intuitive customer experience.

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LEVERAGE MEANINGFUL INSIGHTS ACROSS FUNCTIONS TO DRIVE INFORMED ACTIONS

It starts with meaningful insights. Practitioners must be armed with true insights — not just heaps of data and reports — to design effective omni-channel customer conversations. Modern tools embedded with cognitive capabilities play the role of a practitioner's assistant by delivering embedded expertise and recommendations to enable better decisions and quick action. Practitioners are alerted to key insights, and can significantly reduce the time they spend compiling and analyzing data from disparate sources, allowing them to focus on the more strategic components of their role.

Individual insight is not enough. Creating a collaborative workplace is essential; linking the operational silos most businesses struggle to connect — from marketing to merchandising to fulfillment, in a store, in the field, or in a call center. No longer working in silos, practitioners across teams can share insights and act collaboratively with visibility across channels. People can execute actions more quickly without the need to solicit input and wait for responses, as teams now share common insights across a single interface in real time.

CASE STUDY

Carhartt

Carhartt uses cognitive capabilities to keep employees focused on strategic imperatives, rather than bogged down in minutia.

"Our planners and web merchants … often find themselves caught up handling day to day operations and sometimes aren't able to react quickly. Now users will be able to see how market factors are affecting customers, sales and inventory on Carhartt.com in real time … [and] quickly visualize and explore potential trends behind the data, so they can initiate an immediate response and capitalize on the opportunity."

Anna Cole, Senior Manager of Operations and Merchandising, Carhartt

DELIVER AN EXCEPTIONAL, PERSONALIZED CUSTOMER EXPERIENCE

Delivering a seamless and consistent omni-channel buying experience — across mobile, social and in store — is now table stakes. Customers expect to be engaged in an immersive brand experience through contextually relevant content, marketing and promotions that extend the brand experience.

Throughout their journey, customers need words that are accurate, complete, and informative; they need images that inspire; and they need videos that demonstrate a company's essence, helping them to fully experience a given brand. B2B buyers want to see only relevant content based on their role, buying preferences and corporate contracts. Combining cognitive capabilities with powerful asset and content management enables commerce and merchandising professionals to deliver these kinds of experiences by analyzing content characteristics and quality and more effectively harnessing the power of their brand assets. They can create strategic and impactful personalized offers that outmaneuver competitors to increase sales while boosting brand value and market share.

CASE STUDY

abof.com

"It is imperative to differentiate ourselves from already established players. We aim to grow our market share by offering a curated range of merchandise that goes beyond conventional boundaries to deliver quality service to our customers. With IBM's global expertise and local experience in eCommerce space, we are optimistic that the company will emerge as the most admired player in online fashion segment."

Prashant Gupta, President & CEO, abof.com

GIVE CUSTOMERS WHAT THEY WANT, WHERE AND WHEN THEY WANT IT

Providing the ever-increasing level of service customers expect is driving up cost, and therefore, eroding margins. When brands can combine historical business metrics with external data, they can leverage a predictive environment where it is possible to forecast more confidently. Teams need to optimize based on cost of shipping, capacity, and inventory, to make better fulfillment decisions and keep costs low. They also need to use external sources, such as weather, global events, economic conditions or breaking news to maximize order fulfillment while reducing shipping costs and increasing profit. Cognitive capabilities are equally powerful in this "last mile," continually learning and honing the decisions made around how to fulfill orders to meet customer delivery expectations in an economically sustainable way.

CASE STUDY

YOOX NET-A-PORTER GROUP

"On the order fulfillment side, we wanted to enhance our omni-channel capabilities and drive greater integration across our distribution network. [Watson Commerce] enables us to make better use of our global distribution centers to ship orders as quickly and cost-efficiently as possible, in a way that meets customers' preferred delivery options."

Alex Alexander, Chief Information Officer, YOOX NET-A-PORTER GROUP

MAKE IT EASIER FOR CUSTOMERS TO BUY FROM YOU

When brands can effectively connect the online and offline world, customers are able to move seamlessly between channels — from the web, to the store, from talking to a sales rep, to the call center — receiving a consistent level of information, service and pricing. The person or system they are interacting with knows not only who they are, but also their likes, dislikes, preferences and where they are in their buying journey.

In retail, brands can enable store associates with information about customer purchase history and personalized promotions to engage shoppers in the store and facilitate checkout using mobile technology or mobile payments. In B2B transactions, sales teams can leverage data to engage clients and simplify the quote-to-invoice process for complex products and services. And when brands can execute pricing strategies that provide consistency across all selling channels — online, in store or in the field — they can better compete to attract and retain loyal customers.

CASE STUDY

Parker Hannifin

"We needed to present a single face to our customers, making it easier for them to find and purchase the products they wanted, regardless of which divisions they were buying from. We now have better visibility into inventory and orders across our global supply network. . . . We have gained a more holistic view of how customers interact with Parker as well as their complete purchase history. Armed with this insight, our marketing teams can develop more targeted campaigns, while our sales reps can seize new opportunities for cross-selling — all of which will help Parker to lift sales and revenues. We are making it easier for customers to do business with us than ever before, and empowering our teams to service those customers more efficiently."

Bob McAdoo, Vice President, Worldwide Business Systems, Parker Hannifin

WATSON COMMERCE PUTS YOU AT THE FOREFRONT OF WHAT'S NEXT — NOW.

Watson Commerce combines business expertise with industry-leading solutions embedded with cognitive capabilities, giving commerce professionals the power to create consistent, precise, personalized experiences that customers want and value. Watson Commerce understands, reasons and learns from the collective knowledge of the organization and business trends. Brands gain immediate insight to customer behavior and business performance and can make timely, informed decisions and measurable actions to capitalize on market opportunities before their competitors do.

Solutions that embed better decision-making in the work you do every day

Deliver seamless and consistent omni-channel buying experiences, including mobile, social and in store. Engage your customers with immersive brand experiences through contextually relevant content, marketing and promotions, while extending your brand across customer touch points.

Deliver the perfect order every time with intelligent fulfillment. By streamlining the order management and fulfillment process, using a single view of orders and inventory across the entire network, customers can order and receive from any channel, get a committed fulfillment promise and track the order status.

Deliver a unique brand experience that makes buying easier and simplifies the selling of products and services from quote to cash. Enable sellers to engage customers with the best experience, order the right products and streamline the checkout or payment process.

Take action faster with self-service, intuitive and customizable tools that recognize and were designed for specific user roles.

Bottom Line — Enable practitioners to establish deeper customer engagement by quickly moving from insight to action:

Online merchandisers:
- Receive alerts of anomalies in customer behavior or store performance that may affect sales, providing faster time to correction.
- See products automatically sequenced to align with business goals, historical metrics and current business data.
- Uncover customer experience pain points by detecting where customers struggle the most in relation to normal and abnormal data patterns.

Content managers: Automatically tag content, and analyze images, videos and documents in order to deliver the right content at the right time, regardless of channel.

Fulfillment professionals: Can achieve profitable omni-channel fulfillment while meeting client delivery expectations.

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Expertise to create and deliver powerful, personalized customer experiences

Co-create inspiring, personalized experiences with IBM's business design practice with expertise in experience strategy, digital reinvention, commerce platforms, mobile and emerging technologies.

Engage a seasoned team of commerce professionals with deep industry and implementation expertise gained from our partnership with clients on over 12,000 commerce sites.

Confidently drive your business through a secure, always-on commerce platform — with easy onboarding and self-service — that scales and proactively adapts as conditions in the market arise.

An open ecosystem to keep you moving at the speed of the marketplace

Connect to, and leverage, data from all sources, soon to include that which is derived from sentiment, behaviors, sensors, images and natural language.

Gain ready access to cultivated, contextual insights from data sources, including The Weather Company, and soon, Twitter and Facebook.

Act in concert across customer engagement solutions from IBM and more than 100 business partners, including content, search, mobile and loyalty solutions.

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Illuminate new possibilities with Watson Commerce

Now is the moment when you can discover and pursue new opportunities, where you can leverage cognitive capabilities to gain insights and take immediate and relevant actions that deepen customer connections and drive business growth.

Start outthinking possibilities for your customers and your organization at ibm.com/watson/commerce.

You'll learn how you can use the power of Watson to drive innovation, strengthen customer relationships and act with greater speed and precision to improve business outcomes.

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