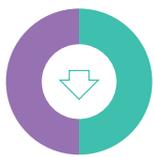


Retail, revolutionized.

Today's connected shoppers have high expectations. They want authentic, personalized 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 IoT based on an estimate of the big three UK supermarkets¹



22%

potential margin enhancement through supply chain efficiencies and targeted marketing¹



\$326 billion

worldwide retail industry IoT revenue opportunity by 2018²

How Watson IoT can help

Watson IoT allows you to analyze 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:

- Personalization
- 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 personalized offers & recommendations
- Video analytics to understand in store behavior and intercept customers with associate support
- Natural Language Processing & Personality Insights for in-store guided shopping or concierge



Store operations

IoT value:

- Layout optimization
- Queue management
- Energy reduction
- Predictive insights and extended asset life-cycle
- Security & loss prevention
- Crew optimization

Cognitive extension:

- Video analytics to learn from shoppers movement and optimize store layout
- Machine Learning to detect and provide actionable insights on store health
- Video analytics for security & loss prevention

Supply chain & merchandizing

IoT value:

- Supply chain tracking
- Inventory optimization
- 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 optimize 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 behaviors and social interactions to increase customer engagement.



Smarter operations

Asset health & preventive maintenance: A major U.S. grocery store reduced its \$1.4 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 optimize workload performance.



Smarter merchandising and supply networks

Inventory management: A worldwide clothing and accessories retailer used 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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¹ Source: The ‘Internet of Things’ Is Now, Connecting the Real Economy, Morgan Stanley blue paper, April 3, 2014.

² Source: Worldwide Internet of Things Spending by Vertical Market 2014–2018 Forecast, IDC, June 2014.³ IDC FutureScape: Worldwide Big Data and Analytics 2016 Prediction, November 2015, #259835.

