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New technologies continue to transform how consumers communicate, interact and research—and how they choose and shop for goods and services. Agile innovators have taken advantage of technology to develop new business models, services and offerings that have disrupted the retail landscape and changed consumers’ expectations. Retailers must respond by finding new ways to understand, engage and serve consumers in an always-on world.

The physical and digital worlds are converging, and seamless shopping—true omnichannel retailing—is table stakes for today’s retailers. Mobile and social engagement, together with the Internet of Things (IoT), where machines and wearable technology generate data from connected devices, open up new opportunities to gain competitive advantage through insights and innovation. Added to this, cognitive computing enables a rich dimension by allowing companies to understand new sources of data at scale, provide an improved customer experience and create a more efficient business. In retail, this presents an opportunity to understand things more deeply, faster, to become more relevant to consumers and to run businesses more strategically and more efficiently.

In addition to this, there are certain industry fundamentals that remain as true as ever. For retailers, there are three imperatives that all organizations should focus on:

• Shopping and customer experience: Engage customers personally and seamlessly across all touchpoints
• Merchandising and supply networks: Differentiate through superior offerings, dynamic supply chain and partner collaboration
• Operations: Innovate for agile operations, profitable business models and empowered employees

These imperatives can drive retail success—connecting with consumers, operating efficiently, capturing loyalty to gain market share, and driving profitable growth.
Technology-based enablers help retailers get the three universal imperatives right. Mobile and social engagement technologies allow contextual and relevant connections with consumers, employees and suppliers.

New capabilities such as Blockchain and new hyper-localized datapoints such as weather forecasting can support increased operating efficiencies, transparent processes and agility in retail, to deliver the products and services consumers expect. Big data and analytics decode patterns, preferences and trends that enable better and quicker marketing, merchandise, supply chain and services decisions.

Cloud computing and other innovative approaches provide the new capabilities consumers are demanding more quickly, efficiently and reliably. And enterprise security ensures the company’s most important information—especially customer data—is protected.

IBM offers everything retailers need to transform based on what consumers are demanding: roadmap development, solutions, infrastructure, research sciences, consulting and interactive user experience design. We help retailers deepen customer relationships and offer differentiated assortment while driving operational excellence enterprise-wide to spur profitable growth.

This guide showcases IBM solutions for retail. It provides a quick overview of what retailers need to do within each of these areas, and the IBM solutions that can support those efforts.

Please contact your IBM representative to arrange for a briefing on any of the IBM offerings in this solutions guide.

Sincerely,

Your IBM Global Retail Industry Team
Introduction: The IBM retail imperatives

Every retailer faces a unique business situation and brings a unique set of resources and assets, strengths, and advantages to the marketplace.

But we believe that there are universal imperatives that every retailer must get right to compete—and win.
This guide describes our three imperatives and organizes IBM’s offerings for the retail industry around them to show how we help the world’s leading retailers achieve their business objectives.

On the following pages, we examine these three retail imperatives and IBM’s offerings within each.
Retailers that deliver a more satisfying shopping experience interact with consumers in ways that provide each of them with a timely, relevant and personalized experience.

To compete in a world where consumers expect to be treated as individuals, you must strive to have your customers feel as if you know them personally, understand their lifestyle needs, wants and aspirations, and that you have their current interests, needs and wants in mind. This level of intimacy can ultimately create long-lasting and rewarding relationships for you and your customers.

A satisfying shopping experience must also be beyond the notion of separate “channels”: customers should be able to interact with you in the store, on the web, via mobile devices or through call centers—in an absolutely seamless way—with the flexibility to connect, research, shop, receive and return merchandise as they’d like.

What does it take to deliver these shopping experiences? A complete view of customers across all touchpoints and a single commerce and marketing platform for interaction and engagement.

IBM helps retailers collect, secure and analyze big data generated through mobile, social and the Internet of Things, allowing them to get to know each customer as an individual in context. Using all the information that’s available—from new sources, structured and unstructured, inside and outside the organization—it becomes possible to not only understand an individual’s history, but also perceive each person’s interests and current lifestyle needs and wants.

Do it in real time, and you can determine exactly what information, message or merchandise to deliver to each consumer, right at the moment of awareness. Do so consistently, and you can deepen your relationship and motivate consumers to keep you top-of-mind.
What it takes to deliver a more satisfying shopping experience

First, you need a single, comprehensive picture of individual customers—across all touchpoints.

Then, you have to interact with customers using relevant messages and offers that reflect the fact that you really know them—personally and individually—at any point in time.

And finally, you have to deliver like clockwork—every single time a customer interacts with you.

Turn the page to learn about the portfolio of IBM solutions that enable a better customer experience.
SHOPPING AND CUSTOMER EXPERIENCE

SINGLE VIEW OF CUSTOMER

WHAT YOU NEED

Getting to know your customers as groups, individuals, and through lifestyle changes, and effectively using that information to build solid relationships is a critical competitive issue. But most retailers struggle with the problem of how to make this happen.

The answer is now within reach by uniting the physical and digital worlds and applying the power of prediction to this information. Inside stores, retailers can now observe customer behavior closely, including things like the paths they take, the time they spend in each area of the store, and how often they actually purchase.

Collecting this data and combining it with customer interaction history, online behavior and external data, and applying analytics to reveal the current activities, wants and needs of each consumer at any point in time is what we call a single view of the customer. Converting such insights into action can make you stand out to shoppers in the competitive marketplace.

But this can’t be achieved with just a single system or process. You have to collect as many pieces of available information as you can, from inside and outside your organization, and then use it to drive insight and power into your customer interactions.

HOW WE DEFINE IT

The answer is now within reach by uniting the physical and digital worlds and applying the power of prediction to this information. Inside stores, retailers can now observe customer behavior closely, including things like the paths they take, the time they spend in each area of the store, and how often they actually purchase.

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BUSINESS CONTEXT EXAMPLE

TRANSACTIONAL DATA FROM:
- Stores
- Online
- Mobile
- Call centers
- Kiosks

EXTERNAL DATA:
- Demographics
- Weather
- Census
- The Internet of Things

PERSONAL DATA FROM:
- Customer registration
- Marketing
- Householding

DATA FROM:
- Social media
- Blogs
- Ratings/reviews
- Complaints/comments
- Surveys
- Employee comments
- Location awareness/services
- The Internet of Things

HISTORICAL AND REAL-TIME ANALYTICS AND COGNITIVE COMPUTING PROVIDE GREATER INSIGHT

INFORMATION ON EACH CUSTOMER’S ACTIVITIES AND INTERACTIONS WITH OTHERS—A CUSTOMER ACTIVITY REPOSITORY

INFORMATION ON EACH CUSTOMER’S TRANSACTIONS AND INTERACTIONS WITH YOU AS A RETAILER—A CUSTOMER TRANSACTION REPOSITORY

INSIGHT TO UNDERSTAND EACH OF YOUR CUSTOMERS AS AN INDIVIDUAL—A CUSTOMER MASTER HUB

BIG DATA AND ANALYTICS TO GAIN INSIGHT FROM NEW SOURCES OF INFORMATION

CAPTURE AND SECURE NEW SOURCES OF DATA FROM INSIDE AND OUTSIDE OF THE ORGANIZATION AND APPLY ANALYTICS AND LEVERAGE COGNITIVE COMPUTING TO GAIN INSIGHT INTO BEHAVIORAL DRIVERS, SO YOU CAN FURTHER PERSONALIZE SHOPPING TO SPUR BETTER LOYALTY, SALES AND MARGINS.

POTENTIAL BENEFITS

- Increased sales
- Increased margins
- Improved satisfaction and loyalty
SINGLE VIEW OF THE CUSTOMER

using IBM® InfoSphere® Master Data Management on-premises customer master technology.

via a number of architectures, but it requires a single view of the customer can be achieved.

The set of capabilities we refer to as the information on other customer activities.

The goal here is to transaction repository.

The next piece is an advanced customer transaction repository. The goal here is to pull together available data on sales across channels and then combine this data with information on other customer activities.

By looking at visits to stores, contacts with store associates and call centers, and online shopping and mobile marketing activity, you can establish a comprehensive view of each individual's buying habits and interactions.

For this purpose, IBM Big Insights® solutions provide incredible power to manage and sift through vast quantities of customer transaction data at record speeds, as well as the ability to distribute this information throughout the organization. IBM SPSS® Predictive Analytics brings powerful statistical modeling capabilities to help predict customer behavior with greater accuracy and drive insights. IBM Watson® is the cognitive computing platform, which uses natural language processing to discover new patterns and insights in a matter of seconds. Additionally, Watson uses social sentiment and blogs to create psychological profiles about customers to better understand new patterns or habits, personality insights and shopping preferences.

To complete the picture, we utilize IBM Watson Marketing Insights to harness data across the entire customer journey, continuously learn and grow smarter with each interaction. Watson captures activities with third parties, including blog entries, emails, posts and comments on social media, ratings, reviews, complaints, and website analysis. This customer activity repository can help drive your understanding of customer sentiments, identify influencers, pinpoint customer satisfaction opportunities, and even monitor your brand reputation and trust level with consumers, all of which can help you become essential to your customers.

IBM offers a wide range of platforms to support these functions, as well as a number of prebuilt retail-specific solutions that leverage these platforms.

SELECTED IBM OFFERINGS

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More information on each of these offerings is available on the ibm.com® website. Contact your IBM representative to arrange a briefing.

CASE STUDIES

HONEST CAFÉ

This self-serve coffee shop chain from the UK used IBM Watson Analytics to gain a better understanding of customer behavior, thereby increasing loyalty and drive upsell.

• Enables increased learning about how customers buy from the brand
• Drives smart growth by understanding the unique attributes of each new café
• Identifies the most valuable customers, and target them for loyalty offers

ROSSMAN

This Polish drugstore chain implemented IBM Big Data and Analytics to better understand the shopping habits and expectations of its 600,000+ customers and improve their shopping experience. Using IBM Big Data and Analytics, Rossman has:

• Reduced the time it takes to generate most customer reports by a factor of 60x
• Simplified and optimized performance of data services for applications
• Established relationships between single products and groups of products

LUXOTTICA

This major international eyewear retailer used the IBM PureData Solution for Customer Insight to establish a 360° view of customers and gain actionable customer insight for marketing activities.

• Identified the highest-value customers out of a population of nearly 100 million
• Targeted individual customers based on unique preferences and histories
• Anticipate a 10 percent improvement in marketing effectiveness
SHOPPING AND CUSTOMER EXPERIENCE

MARKETING AND ENGAGEMENT

HOW WE DEFINE IT
To engage in a contextual and relevant manner with each customer, you have to find ways to connect the dots between advertising, marketing and merchandising. Making this happen requires a deep understanding of each individual customer as well as great precision in defining offers and targeting communications at the right point in time via the right medium—digital, push notifications, SMS, email, in-store, or print—to those consumers who will find the offers motivating and worth acting on. All this needs to leverage new forms of hyper-local data, such as pinpoint weather forecasting, traffic info, local news, and the like.

Success here is measured in the ability to understand changing lifestyle needs and influence customer behavior in real-time, drive dramatically higher return on marketing spend, increase sales and improve customer satisfaction.

WHAT YOU NEED

Marketing operations that can help ensure that all campaigns and promotions are executed as planned
Dependable processes to translate marketing strategy into an integrated, coherent marketing plan and to manage plan execution to deliver a consistent brand message in virtually every consumer interaction and communication.

Campaign planning processes that are tightly interconnected with merchandising
There is a critical need to integrate the processes by which retailers select merchandise and appropriate offers with the processes by which they define effective marketing campaigns for this merchandise.

Campaign execution to deliver digital and in store experiences, meaningful interactions and convert prospect to loyal customers
Marketing campaigns must no longer be exercises in broadcasting. They must be carefully targeted to reach individual consumers with personalized offers, based on history, behavioral drivers and current lifestyle needs, to drive shoppers to take the desired action.

Advanced analytics that draw widely from available customer data to develop and grow relationships
Retailers must leverage a vast array of available historical and real-time internal and external data to understand each customer as an individual — and in context — and to determine the best action at any time and place.

BUSINESS CONTEXT EXAMPLE

INTERACTIONS that are timely, relevant and personalized

Advanced analytics
Marketing operations
Campaign planning
Campaign execution

POTENTIAL BENEFITS
Improved conversion rates
Improved customer loyalty
Increased return on marketing investment
HOW WE DELIVER IT

The first puzzle piece here is an advanced marketing automation system based on IBM Watson Marketing, featuring IBM Universal Behavior Exchange and Watson Customer Experience Analytics. This system can act as the central hub to let you use the customer data collected across all touchpoints and turn them into insights through your analytics solutions. Armed with insights, you can define highly effective marketing campaigns and optimize execution by streamlining internal processes to deliver advertising and marketing efforts on time and in sync with real-time customer demand.

The next requirement is omnichannel campaign management based on IBM Watson Campaign Automation and Watson Real-Time Personalization. This enables execution of personalized offers to individual customers and can optimize how you connect with your customers via different touchpoints. Promotions can quickly be turned into emails, for example, and campaigns can be pushed to call center associates to make outbound marketing calls. The increase in mobile shopping means retailers need to take special efforts to connect with consumers to improve online sales, drive in-store traffic and engage shoppers with personalized offers.

For campaign execution, today’s marketplace requires the ability to engage the customer in a continual interactive dialogue. IBM Watson Campaign Automation can allow you to influence the path to purchase via a number of methods, such as display ads that reflect previous browsing history and product recommendations to deliver exceptional experiences across all channels. In addition, the IBM Watson Customer Experience Analytics solution can highlight additional opportunities in your digital channels, such as cart abandonment as a result of issues in the website experience.

Customer experience management solutions from IBM can provide critical visibility, insight and answers to help companies meet online conversion and customer retention objectives. In an integrated marketing management environment, this feedback can loop back from campaign execution to campaign planning to harvest learning and intelligence.

The linchpin that ties all this together is advanced analytics with IBM Watson Marketing Insights. This is designed to harvest the latest insights into customer likes, interests and preferences, based on their responses to your current offers, to allow you to connect in real time to deliver the most relevant and timely offers to individual shoppers. Analytics software can also allow you to close the loop on the marketing process cycle by providing the data for optimizing your marketing budget, with visibility to planned and in-progress marketing activities.

To stand out in marketing today, relevance and personalization are key. IBM offers a comprehensive spectrum of capabilities that can bring this to life.

SELECTED IBM OFFERINGS

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<td>IBM Watson Customer Experience Analytics</td>
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<td>IBM Mobile at Scale</td>
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<td>IBM Cloud, formerly IBM Bluemix</td>
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More information on each of these offerings is available on the ibm.com website. Contact your IBM representative to arrange a briefing.

CASE STUDIES

MACY’S

This US retailer built a cognitive mobile shopping solution based on IBM technology, to give in-store customers many of the key benefits of online shopping.

• Deeper customer insights, enabling personalized recommendations
• Deeper in-store customer engagement, leading to more repeat business
• Increased revenue per store, due to fewer customers leaving in frustration

With a new sales assist app that uses IBM Bluemix to integrate data from internal systems, this health and beauty retailer can now empower in-store employees to offer a new level of customer assistance and engagement.

• More up-to-date product and promotion information
• Provide customers with the latest product information, ratings and reviews
• Encourage more sales through quicker service and personalized recommendations

This Chinese cosmetics retailer used IBM Tealeaf to better understand customer behavior online, including which roadblocks frequently lead to cart abandonment.

• Tracking campaigns across channels to know what works and what doesn’t
• Increased sales up to 3.5 percent by making the online shopping experience easier
• Set the stage for a new cognitive recommendations engine
HOW WE DEFINE IT

Commerce is the broad term for the set of capabilities that enables interaction with your customers seamlessly across any touchpoint by uniting the physical and digital worlds for a single view of customers and merchandise. Develop a new storefront using the rich capabilities of mobile, social, cloud and security to execute transactions and flexibly source and fulfill customer orders. Doing so enables your customers to research, buy, track, receive and return purchases wherever, whenever and however they please.

At the same time, commerce solutions from IBM can leverage improved inventory visibility and rich analytics capabilities to help maximize retail operational efficiencies: each customer order can be automatically executed via the most efficient location, sources and fulfillment paths, based on costs and conditions, to help make every sale as profitable as possible for you while meeting customer expectations.

WHAT YOU NEED

A single digital engine for commerce capabilities to handle all customer interactions with world-class efficiency and flexibility

Your customers must feel that their shopping experiences are seamless, simple, engaging and confidence inspiring—a single storefront regardless of where they shop. As they move among channels and touchpoints, and as they go from awareness, browsing and research to purchase and then to support interactions, they must sense at every moment that they can count on you to be consistent, competent and trustworthy in every interaction—and their history and interactions go with them regardless of where or when they connect with you.

Order management processes that help fulfill each customer order via the most efficient and cost-effective path

The complexity of modern supply chains can mask potential cost savings and opportunities for faster fulfillment. Your order management process must take advantage of new insights and capabilities to drive fast, cost-efficient execution that can increase customer satisfaction—and your profitability.

Advanced digital analytics to ceaselessly monitor your customers’ changing activities and responses to enable quick learning and identify the next paths to success

The key here is to enable a learning cycle that keeps you a step ahead of your competition in identifying trends and spotting emerging opportunities, resolving on-line struggles, crafting timely new offers, and delivering them efficiently, especially to increasingly powerful mobile devices. The secret to driving profitable growth is making your customers feel like you know them and understand them far better than any other retailer does.

BUSINESS CONTEXT EXAMPLE

CAPABILITIES to enable smooth interaction with customers across touchpoints while improving operational efficiencies

- Dynamic personalization
- Search and navigation
- A/B testing
- Rule-based associations
- Internationalization and global commerce
- Mobile
- Digital payments
- Point of sale
- Visibility into the actual customer experience
- Quickly diagnose and resolve site obstacles

Digital analytics

- Search engine optimization
- Impression attribution
- Benchmarking
- Product recommendations
- Display advertising
- Session replay

Customer experience management

- Inventory sourcing, flexible fulfillment and value-added services regardless of order channel or changes
- Universal inventory visibility, including store associates

Distributed order management

Potentials

- Reduced customer acquisition cost
- Improved order accuracy
- Improved customer satisfaction
Commerce is about having universal visibility into inventory and customers, across all touchpoints. IBM's approach to omnichannel commerce is balanced so as to deliver a seamless end-to-end customer experience from the digital storefront to order management and fulfillment.

Starting the omnichannel commerce journey requires a digital commerce platform, which can provide consumers the flexibility to shop whenever and wherever they want, on any device. IBM's scalable digital engine for e-commerce and mobile capabilities is based on IBM Digital Commerce on Cloud software. Our solution is distinctive in that it can support business-to-consumer (B2C) and business-to-business (B2B) models equally well. IBM Digital Commerce on Cloud software can be customized to support global retailers with multibrand, multicountry requirements, where the look and feel of the digital storefront is personalized and is responsive to meet customer expectations and device requirements.

Whether it’s on a desktop or mobile device, consumers need to be able to effectively and efficiently search for and discover products online. Each consumer is different, and each has unique reasons for visiting a digital storefront, so it's critical to tailor the experience to meet each person's needs. Watson Real-time Personalization helps align content like offers and recommendations to each consumer, based on their known preferences and real-time interactions. And for consumers who have clear intent and know what they want, IBM Search Insights leverages natural-language understanding and user feedback to improve conversion through search, while IBM Expert Personal Shopper leverages advanced analytics and Watson Conversation to recommend products to consumers seeking advice. Reaching a new level of brand value online requires knowing not only what consumers buy, but visibility into their behaviors and struggles, which can be achieved with Watson Customer Experience Analytics.

Another key area is site merchandising. Consumers interact with content and products, but with Watson Commerce Insights, merchants gain visibility into sales trends, overperforming and underperforming products, and anomalies, while receiving recommendations for actions that will optimize sales. With Watson Content Hub, updates to online content can be quick and easy, with cognitive image tagging and recommendations.

The last critical element to omnichannel commerce is world-class order management and fulfillment. IBM Order Management utilizes a cross-channel order orchestration platform to drive greater integration across a dynamic distribution network, and fulfill orders across every location in the supply chain. It is designed to enable continuous global visibility into orders and order changes that may take place, regardless of channel. New cognitive technologies, including Watson Supply Chain Insights and Watson Order Optimizer, allow retailers to further predict, assess and mitigate supply chain disruptions, while optimizing sourcing and fulfillment plans in realtime to maximize network capacity across all channels.

IBM technologies are designed to work seamlessly together to deliver a truly superior shopping experience that can drive customer loyalty and help you outperform the competition.

**SELECTED IBM OFFERINGS**

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**CASE STUDIES**

**STAPLES**

Through IBM Cognitive Business Solutions, this US office supplies retailer is now able to better serve customers by making it quick and easy to reorder supplies.
- Growing revenue per customer, due to smoother transactions
- Increasing customer base, due to the draw of extreme convenience
- Increasing satisfaction and loyalty through more personalized, efficient transactions

**PERFORMANCE BICYCLE**

This US bicycle retailer used IBM Web-Sphere Commerce to deliver a seamless shopping experience, regardless of channel.
- Connects both online and in-store customers with highly knowledgeable employees
- Increasing sales and profits with ship from store and buy online, pick up in store
- Simplified customer experience that leads to long-term loyalty

**MARKS AND SPENCER**

This UK retailer implemented an IBM customer experience management solution, allowing them to offer a better online experience to customers.
- Increased sales conversions through the online channel
- Increased loyalty and repeat business
- Faster problem remediation—as soon as 5 minutes after an issue is identified
While merchandising is often viewed as an art, new technologies—and Cognitive capabilities—can add science to these processes. By quickly identifying shifting trends, consumer sentiments and selling opportunities, buyers can make the best choices so as to maximize their return on inventory and avoid markdowns.

Traditionally, success in retail was determined by placing the right merchandise in the right store locations at the right time at the right prices. Even with all the changes and complications in today’s world, this vital role of bringing together products and consumers remains as critical as ever.

What’s new is augmenting the core merchandising system with effective preseason assortment planning and in-season management, and adding in the customer dimension. Taking into account targeted consumers, you can develop tailored and differentiated assortments—by location or channel—that achieve the highest sales, margin and customer satisfaction.

With regard to products, the key is to approach this with a view to the full offering you define: where you offer specific items and what quantity, placement, information and context you provide around each product in alignment with the perennial factors of price and timing.

At the same time, the processes that carry merchandise from suppliers to stores and customers must take advantage of the latest supply chain optimization and customer fulfillment tools to drive the highest-possible efficiency, transparency and accountability.

And, the management of products must be continuously informed by a real-time awareness of the consumer dimension—what consumers are saying to each other, how their behavior is changing every day—using the leading technologies that leverage social media, mobile, big data analytics and cloud.
What it takes to build better merchandising and supply networks

First, you need to be able to accurately anticipate customer needs and align a compelling offering of products, prices and promotions. This requires accurate enterprise product information and the latest intelligence on consumer sentiment and behavior, to define the optimal pricing and promotional strategies across channels.

Real-time universal inventory visibility is necessary for optimizing your planning and fulfillment processes, so as to create a supply network that can provide dependable delivery against changing demand, while also maximizing inventory productivity and profitability.

Turn the page to learn about the portfolio of IBM solutions that enable better merchandising and supply networks.
Product assortment and pricing are central to every retailer’s brand. In a world where merchandise is often undistinguishable, merchants struggle with the challenge of offering a unique set of products, often with shorter lifecycles and constant promotions, across multiple geographies and customer touchpoints—all to appeal to an increasingly empowered and discriminating consumer.

But today’s consumer-insight-based planning and analytical solutions are enhancing core merchandising systems, making it possible to blend art—experience, taste and judgment—with science. Advanced analytics can drive a deeper understanding of buying propensity and the drivers of demand, so that you can determine the most desirable and profitable products, touchpoints, locations, events and promotions. Cognitive capabilities can make systems much more intelligent, driving deeper understanding and finding hidden patterns. And new kinds of hyper-local data, such as weather, traffic, news, events, and even localized social buzz, can now be leveraged in an efficient way to align assortments and inventories with pinpoint demand fluctuations.

**WHAT YOU NEED**

**Enterprise product information leveraged to drive competitive advantage**

Is enabled by cross-functional workflows to manage a single, comprehensive view of product, supplier and location attributes

• Incorporates validated external and internal data sources for accuracy and speed
• Provides seamless integration of attribute data to analytical, operational and customer-facing applications

**Tailored assortments that match the right products with the right locations, to provide what customers want to buy**

Flexible planning and analytic tools help create demand forecasts that are based on insights into the key drivers of buying behavior for targeted customers, channels, locations and product categories. You can align product lifecycles and balance the mix of private-label and branded products to drive better category performance, margins and assortment to achieve space and financial objectives.

**Optimized price and promotions aligned to brand messaging and financial goals**

Coordinate merchandising strategies with personalized marketing offers, including competitor positioning, to achieve visibility into the operational effect of price changes across the category, channel and enterprise.

**Integrated merchandise visibility and control, focused to improve accuracy and speed of merchandising decisions and actions**

You need transparency to the drivers of current performance, future consumer demand and your business objectives, including trends as they emerge through social media. Analytic techniques like roles-based graphics, exception alerts and what-if scenarios help you understand performance and take action to drive increased productivity. Integrating planning and decision support analytics with execution systems gives merchants better tools to make better and quicker preseason decisions, in-season adjustments and spot buys.

**BUSINESS CONTEXT EXAMPLE**

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HOW WE DELIVER IT

Each retailer’s journey to enabling new merchandising capabilities will be unique, depending on starting point, goals and resources. Strategy and implementation services from IBM are a key to our offerings here. The goal is to help ensure the successful implementation of IBM solutions as well as solutions from third-party providers such as Oracle, SAP and JDA Software.

It all starts with accurate enterprise product attribute information. IBM InfoSphere Master Data Management Collaborative Edition allows for the gradual rollout of channel-to-enterprise product attributes with a supplier portal, cross-functional workflow, and integration into core merchandising and customer-facing systems such as IBM WebSphere® Commerce software.

IBM SPSS Predictive Analytics provides advanced customer analytics to identify the factors beyond point-of-sale (POS) data that drive buying behavior and that predict future behavior at the SKU, category, cluster and location levels so you can tailor assortments. IBM Planning Analytics is designed to enable the creation, management and analysis of top-down and bottom-up financial and assortment plans across channels, at all levels, from corporate-wide to individual SKUs, locations and time periods. IBM Omnichannel Merchandising is designed to develop effective pricing strategies and manage the price lifecycle across all channels, coordinate promotional events and personalized marketing offers. Optimal product prices and markdowns are determined based on user-defined objectives, and while closely monitoring the pricing of key competitors, with business users being able to schedule and manage the number and type of price and promotion changes.

Throughout the season, you need comprehensive merchandise visibility to control stock levels. IBM can deliver on the complex integration requirements across these capabilities with our best-in-class integration solutions and software.

SELECTED IBM OFFERINGS

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CASE STUDIES

AZBUKA VKUSA LLP

This Russian supermarket chain teamed with IBM to build a cloud-based merchandising solution, to optimize their pricing strategy and increase profits.
- Tracks sales data, competitive pricing, and region-specific consumer demand
- Sets business rules to automatically assign prices that will lead to the ideal outcome
- Increased profits by up to 3 percent

NEIMAN MARCUS

With a suite of IBM solutions based on IBM InfoSphere Master Data Management, this US luxury retailer will implement unique product identifiers and better manage inventory across its retail divisions.
- Allow divisions to coordinate using a single consolidated merchandising system
- Save millions of dollars by reducing total inventory 7 – 10 percent
- Increase revenue by reducing the need to mark down merchandise

COMERCIAL DPORTE NIS S.A. DE C.V.

This Mexican sporting apparel retailer deployed a comprehensive reporting and predictive demand-planning solution based on IBM technology, to make smarter, faster decisions about merchandising and demand
- Achieved 100 percent ROI in six months by reducing lost sales due to stockouts
- Reduced the time to create store-level performance reports by 90 percent
- Significantly reduced losses through data-driven risk assessment
With consumers now expecting to have complete flexibility in how and when they buy, receive, change and return merchandise, traditional channel-specific warehouse, allocation and replenishment processes may no longer fulfill demand efficiently. In today’s omnichannel environment, supply chain managers can no longer rely on a standard set of simple order-flow methods for moving products from source to consumer. Front-office and back-office processes must be connected to enable true “anytime, anywhere” commerce.

To fulfill on demand, leading retailers are driving agility across the supply chain ecosystem by investing in a number of improvements that can drive significant value for the retailer and the consumer. From the expanding Internet of Things—the world of connected vehicles, appliances and devices—to the realm of hyper-local data, including real-time weather, traffic, news and social buzz, supply chains can become more on-point and efficient than ever before. And, with new tools like Blockchain, which can establish a single, reliable view of all interactions by various counterparties, many sources of error, misunderstanding and conflict can be eliminated.

Sourcing and supplier collaboration
Retailers must manage the global integration of bid sourcing and international inbound logistics, automate the flow of information with suppliers and with other supply network partners and manage contracts and performance agreements to optimize their supply network.

Business Context Example

Optimized inventory planning
New demand forecasting capabilities based on insight into the drivers of buying behavior for each channel, location and product category, driving higher turns and margins. Advanced algorithms provide multiobjective, multiechelon scenario modeling that can help you optimize supply and distribution networks, transportation routing, product flow, service, and safety-stock levels.

Near-real-time inventory visibility
Visibility to inventory, purchase and customer order status, and available-to-promise across channels is now table stakes for omnichannel retailers. This enables the timely matching of supply to demand, with a near-real-time view of planned, actual and forecast consumer demand and inventory levels.

Omnichannel distribution and fulfillment
Fulfilling on the promise of omnichannel retailing is the next competitive battleground. To streamline the coordination of customer order, fulfillment and return processes, retailers need efficient, dual-purpose store and customer-order distribution facilities and the ability to manage inbound and outbound logistics operations networks.

Sourcing and supplier collaboration
Retailers must manage the global integration of bid sourcing and international inbound logistics, automate the flow of information with suppliers and with other supply network partners and manage contracts and performance agreements to optimize their supply network.

Potential Benefits
- Reduced operating costs
- Faster delivery times
- Improved product availability
HOW WE DELIVER IT

As with merchandising capabilities, each retailer’s journey to enabling new supply chain capabilities will be unique and will depend on starting point, goals and resources. Strategy and implementation services from IBM are key to our offerings here. The goal remains to help ensure the successful implementation of IBM solutions as well as solutions from third-party providers such as SAP, JDA, Oracle and Manhattan Associates.

To optimize inventory planning you need to detect what factors beyond POS data drive buying behavior and predict future behavior at the SKU-location level. IBM Metro Pulse provides this advanced customer analytics. And IBM ILOG CPLEX Optimization Studio uses multiple variables, user-defined weightings, scenario modeling and optimization analytics to provide new insight into distribution networks, sourcing strategies, transportation routing, inventory levels and source-to-consumer flow activities. These insights help drive performance improvements that align with changing demand patterns.

IBM Supply Chain Insights provides a comprehensive view of your inbound supply and outbound fulfillment activity across your supply network by providing and leveraging “anywhere, anytime” connectivity to your trading partners and enterprise applications. Coordinating the customer order fulfillment processes across your enterprise and network of suppliers is the key to offering true omnichannel distribution and fulfillment for customers. IBM Order Management is designed to enable rules-based inventory sourcing, flexible fulfillment paths and continuous global visibility to all orders, regardless of what channels they are flowing through or what order changes may take place. IBM Watson Order Optimizer is designed to optimize the use of stores as fulfillment nodes for online orders, including the routing of individual customer orders.

The final core competency is sourcing and supplier collaboration. IBM B2B software is designed to provide visibility into the data and automate the complete “buy-sell-ship-pay” business process that involves a range of documents shared with trading partners, such as suppliers, banks and third-party logistics companies.

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CASE STUDIES

ELIE TA'HARI

This US-based fashion brand implemented a predictive analytics platform based on a suite of IBM solutions, to make accurate forecasts about demand for their products several months in advance.

• Predicts product demand with better than 97 percent accuracy
• Reduced supply chain costs up to 30 percent by optimizing production to meet demand
• Increased sales and profits by ensuring popular products are available in stores

DUSKIN CO., LTD.

This Japanese food service retailer will use a predictive analytics solution based on IBM technology to make more informed merchandising decisions.

• Reduce costs by storing 50 percent less inventory
• Improve sales of existing products by reducing out-of-stock situations
• Support new product launches by better targeting customer preferences

LA PERLA

This designer and retailer of luxury apparel implemented IBM Decision Optimization to reconcile, synchronize and optimize its logistics and shipping operations.

• Established transparency to inventory availability and use
• Significantly increased compliance with customer shipping requirements
• Improved the efficiency of log
Operations encompasses a range of improvements that are designed to streamline back-office processes; take advantage of reduced-cost delivery models; optimize people, process and system capabilities at the store and enterprise level; protect the business in the face of fast-evolving threats; and establish much better visibility into organizational performance.

A host of new options are now available to retailers that need to consider ways to improve efficiency and reduce the cost of many back-office processes, including security, finance, administration, HR, recruitment, non-merchandise procurement and real estate management. By leveraging global delivery models and the high-quality execution available through managed services, the cost savings can be startling.

IT is another area in which recent advances have opened the door to efficiencies that were previously out of reach. New technology platforms such as cloud and mobile offer ways to deploy new applications and functionalities far more quickly and cost-effectively to employees, stores and partners, while advanced analytics can dramatically improve the efficiency of application portfolio management. In fact, cloud-based approaches can be a vital differentiator to help retailers cut IT costs, make IT much more flexible and robust, and quickly enable a wide range of critical business innovations that would otherwise be impractical.

Given the dangers of today’s environment, retail executives must address the challenge of digital security in a long-term, strategic way, using a multi-layered approach. It’s very important to anticipate security threats and put in place in-depth defenses to minimize the likelihood of a successful attack, use advanced, automated detection mechanisms to detect patterns and intrusions quickly, and establish a culture of informed vigilance that is prepared to react swiftly to attacks.

Likewise, the latest offerings in performance measurement and reporting can drive critical advances in the establishment of transparency across functions, timeliness of reporting, and the ability to align metrics and incentives to drive cross-organizational coordination, planning measurement, accountability and performance.
What it takes to drive innovation in operations

First, you should reconsider how each of your support functions is performed, taking advantage of the state-of-the-art options now available to leverage lower-cost, higher-productivity tools and resources.

Then, you must ensure that you are using the highest-quality, lowest-cost infrastructure to support your business processes, leveraging cloud computing, supporting mobile and other interactive capabilities for your stores, and ensuring security and privacy for your organization and for your customers.

Finally, you must establish leading-edge planning, analytics and reporting to give you an edge in serving customers and to uncover new ways to drive value from investments and operations.
HOW WE DEFINE IT

Retailers are always under pressure to improve operational efficiency, reduce costs and increase productivity at the store and enterprise levels. Back-office processes can be one of the most fruitful areas to look for savings.

Our vision for back-office transformation leverages advances in cloud, social and mobile technologies to streamline and transform back-office operational capabilities, helping retailers manage their relationships with customers, employees and suppliers more effectively while also improving visibility into organizational performance across the enterprise.

WHAT YOU NEED

A strategic approach to determining which processes to consider for out-tasking

Look for processes that are critical to operations but offer little opportunity for competitive differentiation. Finance and accounting and nontrade procurement are just two of many examples in the retail sector.

A business partner that can leverage global scale and resources to deliver reliably, securely and with quality

Broad global capacity is needed to take advantage of the best talent-to-value choices, as are state-of-the-art quality and controls, including attention to the escalating importance of data security and privacy. Make sure retail’s distinctive needs, such as offering HR services across a geographically dispersed population of store employees, are provided for.

A well-developed methodology to tailor your managed services for your specific business requirements and circumstances

Proven methodology to institute quality control and consistency across processes, along with the ability to incorporate learnings into processes to make them more efficient and drive incremental productivity are core competencies for managed services providers.

BUSINESS CONTEXT EXAMPLE

Provider through managed services

Merchandising
Supply chain
Sales
Finance
Human resources
Marketing
Operations

Continuous process improvement

Finance and administration

Human resources

Supply chain management

Recruitment process outsource

Enterprise security

POTENTIAL BENEFITS

Reduced general and administrative costs

Improved performance management through transparency of key performance metrics and dashboards

Lower risk of data theft and unauthorized release of private customer data

Reduced operating costs

SHOPPING AND CUSTOMER EXPERIENCE
HOW WE DELIVER IT

Retailers typically consider managed services for operationally critical yet competitively non-differentiating capabilities. Managed services from IBM are focused on several of these, including:

Call centers: The call center of today is challenged by changing customer expectations, higher volumes, and complex omnichannel operations. IBM’s approach to call center transformation focuses on building a more digital, automated, scalable, and simplified experience by embracing virtual agents, robotic process automation and analytics. This transformation allows the call center to operate at a lower cost. Watson Virtual Agent can offer self-service chat, while IBM Voice Gateway with Watson can both replace and help assist live agents.

Finance and administration: Managed procure-to-pay services from IBM not only help organize spend management and improve visibility into spend but also drive enterprise-wide process and data standards for enhanced business insight, stronger compliance control and improved financial performance.

IBM manages more than USD 50 billion in revenue for clients as part of our order-to-cash processes.

IBM also provides facility and real estate management software solutions that help retailers manage capital investments in stores, warehouses, distribution centers and other property.

Supply chain management: IBM helps increase the value of retailer spend by leveraging our substantial buying power. This is particularly advantageous to retailers looking to reduce nonmerchandise procurement costs, mitigate risk, improve compliance and directly impact financial performance.

IBM manages annual aggregate spend in excess of USD 48 billion. Clients typically achieve payback within 12 months, with a 5-10x ROI on procurement outsourcing fees.

Human resources: IBM integrates our experienced HR, recruiting and learning specialists with proven technology and a focus on core strategic HR and talent initiatives. IBM Watson Insights applies its understanding of HR language to guide workforce analysis and generate fact-based answers without requiring technical expertise, while IBM Watson Recruitment scores ranks, and recommends the most qualified candidates with the highest level of success.

Cloud-based software and recruiting process outsourcing (RPO) integrate people and processes, providing solutions to engage a smarter, more effective workforce across critical business functions. IBM supports 8,900 clients across a variety of industries, such as financial services, pharmaceuticals, retail and consumer packaged goods.

With more than 50 delivery centers on five continents using standardized processes, IBM can distribute work efficiently, execute consistently and transfer work between sites as required to help ensure business resiliency. All of this is backed by IBM’s considerable technology investments.

SELECTED IBM OFFERINGS

Managed services through IBM Global Process Services
- Call center operations
- Finance and administration
- HR and payroll administration
- Nonmerchandise (indirect) procurement and supply chain management
- Recruitment
- Global payments
- Managed security services

Software and cloud solutions leveraged in managed services from IBM
- IBM Maximo enterprise asset management
- IBM Blockchain
- IBM TRIRIGA facilities and real estate management
- IBM Watson Talent and IBM Kenexa suite for HR management
- IBM Virtual Agent
- IBM Voice Gateway
- IBM Watson Work and Collaboration suite
- SAP Ariba for sourcing and procurement contract management

Process improvement and implementation services
- IBM Cognitive Care services
- Finance and administration services
- Supply chain management and analytics
- Indirect procurement
- Marketing operations and analytics
- Talent and engagement consulting services

Technology platforms
- IBM Cloud
- IBM POWER7+™, IBM PureFlex™ System

More information on each of these offerings is available on the ibm.com website. Contact your IBM representative to arrange a briefing.

CASE STUDIES

BON TON
This large US department-store chain uses IBM PowerLinux servers running IBM WebSphere Commerce to support significant customer growth and large seasonal e-commerce volume spikes, while also controlling the cost of software licensing.
- Achieved 2.5x greater throughput without increasing software licensing costs.
- Bon Ton is now able to deliver a consistently rich e-commerce experience, to more customers than ever before, even during periods of peak demand.

YEALANDS
This New Zealand-based winery implemented IBM Kenexa to enhance processes around employee innovation.
- Employee feedback processes as established with Kenexa increased employee engagement dramatically, and raised participation rates to 100 percent.
- As a result, Yealands is now ranked among the highest-scoring organizations by its employees, in terms of valuing their input and feedback.

IKEA
This global home furnishings retailer implemented an IBM asset and facilities management solution to monitor its assets, automate preventive management and track equipment usage and repair trends.
- Helped improve energy efficiency and promote renewable energy usage.
- Improved the customer experience by helping ensure that stores are inviting and in the best working order.
- Anticipate savings of 5 percent of global FM spending over six years.
HOW WE DEFINE IT

To keep meeting customer expectations, stores need to become more intelligent, more dynamic—and more fun. And to be profitable, they need to be more efficient and more effective. In many retail segments, stores will need to shift from being places mainly for product purchase to also being places for inspiration, entertainment, and customer engagement. All this implies that stores will need to be more flexible and adaptable, and store associates will need better tools and better information to assist them in customer interactions.

To achieve this, retailers will need to leverage all kinds of new technologies: hybrid cloud architectures, high-bandwidth networks, conversational mobile applications, Internet of Things (IoT), blockchain, augmented / virtual reality, and artificial intelligence (AI). To cite just one example, IoT will generate all kinds of new data that, when combined with AI, will provide new insights into customers, operations and markets that can drive value through role-based applications, and integrate with operational systems.

Without question, data security, especially around customer information and touchpoints, will continue to be a top priority. Implementing stronger defenses, rethinking process controls, and utilizing the most advanced threat detection and response capabilities will be critical components of digital security strategy.

WHAT YOU NEED

Innovative and personalized in-store experiences
Deliver in-store customer and associate content and advice through interactive digital displays, IoT solutions, and conversational mobile applications that facilitate a convenient and unified brand experience across the shopping journey.

Connected store operations
Utilize integrated real estate and asset management applications to maintain detailed, accurate information on each individual store, while leveraging IoT data to improve operations, increase efficiency, and drive greater profitability.

Secure, agile and efficient store technology management
Implement cloud, mobile, IoT, AR/VR, blockchain, and AI to support more dynamic business requirements and customer engagement expectations. Refresh store technologies to simplify and reduce up-time cost management. Upgrade security processes and defenses to anticipate and react to threats.

Real-time contextual data, insights, and actions
Utilize many new kinds of data on customers and their activities across all points of engagement, as well as data on external market conditions and your enterprise operations. Employ advanced analytics and artificial intelligence to help improve your interactions with customers, and to drive improvements in operational efficiency.

BUSINESS CONTEXT EXAMPLE

In-store experiences
Customer
Products and services
Content
Associates
Physical environment
Real-time contextual data, insights and action
Intelligent Store technology
Agile and innovative business operating model

POTENTIAL BENEFITS

Increased sales
Reduced cost of store technologies
Lower probability of security breaches
IBM can support many aspects of your store transformation. Our Digital Reinvention™ services can help you define your brand's differentiated customer experience, connecting the store to all other touchpoints in the shopping journey. Retail industry experts from our Cognitive Process Transformation team will work with your teams to define and implement a new agile cross-functional business operating model. And our Cognitive Garage leverages design thinking principles with sprint development cycles to jump start an innovation-oriented culture while creating new store solutions.

Store and regional managers can access real-time contextual insights and take proactive action on customers, associates, inventory, and assets via role-based mobile applications with the Watson IoT Solution-as-a-Service Customer, Asset, and Building Advisors. IBM Watson Commerce Store Engagement extends access and control of store operations to store associates through intuitive mobile applications that enable omnichannel offerings like buy online, pick up in store and ship from store, as well as managing returns across channels. IBM Store Engagement provides real-time access to customer and product information, the ability to view inventory levels at multiple store locations, quickly locate an order, check its status, make any necessary changes, manage returns and efficiently perform all fulfillment tasks in the store.

**IBM Watson Talent Insights** helps you manage store workforces by providing insights to support better, more fact-based choices across many employee hiring and retention processes.

IBM Global Technology Services® applies AR and Watson simply and cost-effectively manage store devices (such as IoT devices, POS, printers and peripherals) and systems with multiple manufacturers, warranties and lifecycle stages. We provide the hardware, software and services to migrate to new in-store transaction systems that support the varied transaction methods of today's customer.

### HOW WE DELIVER IT

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<td>Secure the store</td>
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<tr>
<td>IBM MobileFirst for iOS apps</td>
<td>In-store Transaction System (POS, software, hardware and services</td>
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<td>IBM Watson IoT solutions</td>
<td>IT security services for strategy, cloud, security intelligence and operations, applications, data, incident response, identity and access management, infrastructure and endpoints</td>
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| IBM TRIRIGA | Network and security services for multi-network 
| IBM Maximo | Secure Application Development Services |
| IBM QRadar® Security Intelligence Platform | Mobile device as a service |
| IBM Security Key Lifecycle | Application Development Support Services |
| IBM Guardium® Database Activity Monitoring and Encryption Expert | Application testing and management |
| IBM BigFix® | Secure Application Development training services |
| IBM Security AppScan® | Store-as-a-service |
| IBM X-Force® Malware Analysis on Cloud | Risk and fraud analytics |
| IBM Cloud Identity Solutions | Enterprise architecture assessment |
| IBM Resilient® Incident Response Platform | Security strategy and best practices consulting services |
| | GDPR readiness assessment and GDPR security framework |

More information on each of these offerings is available on the ibm.com website. Contact your IBM representative to arrange a briefing.

### CASE STUDIES

**HOME SHOPPING NETWORK, INC.**

This US-based multichannel retailer implemented a security risk management solution based on IBM API Management, allowing them to better monetize customer data without putting that data at risk.

- Reduced costs of security audits up to 50 percent by using fewer servers
- Opened new revenue streams by making it easier for developers to use customer data
- Reduced the risk of data breach

**GAMESTOP**

This gaming retailer deployed a cloud integration and development environment based on IBM technology. This allowed them to develop apps that improve customer interactions.

- Employees stay highly knowledgeable, allowing them to serve customers better
- Customers get a compelling experience, encouraging them to return
- The company is well-positioned to adapt in a rapidly changing industry

**AN INT’L RETAILING GROUP**

This international retailing group upgraded its security access management environment to protect user access and improve efficiency.

- Reduced cost 30-40% annually
- Implemented protection against new security threats
- Increased flexibility
HOW WE DEFINE IT

To drive growth and profits across complex organizations, everyone must consistently be working toward a single, coherent and visual set of shared information, business plans, financial goals and objectives. But the fact is that at most retailers, key functions still operate largely in separate silos, with a lack of alignment between operations, channels, marketing, merchandising and supply chain. There is often a disconnect between the financial measurements that drive how people make decisions and individuals’ actual performance. This problem is exacerbated by the lack of effective ways to spot trends and issues early so as to quickly move to react to them.

The answer is to implement the set of capabilities we call performance insights and planning, and then leverage this to drive visibility into performance and the alignment of incentives for performance across the organization. There also needs to be alignment of corporate strategy to operational execution. Retailers that excel in this area put themselves one step ahead of their competitors in understanding what to do next—and that intelligence can be key to driving significant incremental profit.

PERFORMANCE INSIGHTS AND PLANNING

Enterprise-wide financial planning, forecasting and reporting to define metrics and goals for each role in the organization in alignment with the overall business strategy

Developing consistent metrics across departments is key to the alignment of top-down and bottom-up plans and to ensure that everyone is working toward common objectives and projects. What-if analysis and scenario modeling can help you determine the financial impact of business decisions and take the best course of action. Reporting and analytics provide timely identification of execution issues through alerts and trend tracking, while flexible planning tools allow you to re-plan quickly as business conditions change.

Sales performance management to increase visibility into expenses and enable varied types of compensation plans

Automating the process of calculating and reporting variable-based pay provides more visibility and accountability into one of the organization’s largest variable expenses—staffing. Powerful tools allow you to use new kinds of compensation plans that can drive desired sales behavior, reduce commission cycle times and eliminate errors in overpayments.

Advanced analytics to identify root causes and emergent performance gaps and to anticipate changes in marketplace demands

The goal is to be the first to understand root causes; anticipate performance gaps; and identify changes to consumer demand, competitors, suppliers and the economy. Predictive analytics enables rapid reforecasting to adjust to changes and assess alternative courses of action.

Cognitive computing to dive deeper into subjects and insights where perhaps no one has thought to look before

The new era of cognitive technology processes information more like a human than a computer—by understanding natural language, generating hypotheses based on evidence, and accelerating the research and discovery by unlocking patterns across all types of data to answer questions with accuracy and precision.

WHAT YOU NEED

BETWEEN CONTEXT EXAMPLE

Business goals

- Key performance indicators
- Financial statements
- Scenarios
- What-if modeling
- Advanced analytics
- Cognitive computing

Performance data

Top-down Strategic Plan

- Store plans
- E-commerce plans
- Merchandise plans
- Marketing plans
- Supply plans

POTENTIAL BENEFITS

- Improved organizational alignment
- Improved collaboration
- Improved overall profitability
HOW WE DELIVER IT

The key with performance planning, reporting and analysis is to achieve a tight integration of people, processes and systems to coordinate planning and measurement across the enterprise. The first element, enabling an effective enterprise-wide financial planning, budgeting and forecasting process, is delivered with IBM Planning Analytics enterprise planning software.

Using performance data and assumptions, Planning Analytics software allows you to conduct what-if analysis and to model the effect of business decisions. Building on that, it empowers you to create a company-wide financial plan to establish and govern operational goals and planning for each functional area. This is the way to help ensure that the metrics and incentives as defined for each buyer, merchandise planner, supply chain specialist, marketer or promotion planner, store associate, store manager, and HR professional are directly tied to overall corporate goals. All members of the organization are able to act in concert to drive growth and profits.

Sales Performance Management helps align associate sales performance with corporate strategy. Through automation and new plans, you can increase accuracy, reduce costs and drive desired actions and sales performance through appropriate incentives, delivering measurable improvements for your organization.

The next component, a comprehensive performance measurement and reporting system, is delivered with Cognos Analytics software. Cognos Analytics software can produce reports, provide dashboards, and deliver scorecarding and analysis to track key metrics so managers and executives can track and understand operational and financial performance.

IBM SPSS Predictive Analytics helps you understand the root cause, anticipate performance gaps and assess alternative paths of actions so you can predict with confidence what will happen next, allowing you to make smarter decisions, solve problems and improve outcomes. In addition to the insight drawn from internal data, leveraging external data sources, both structured and unstructured, from social media sources, news outlets, local events, weather and more, gives retail executives better visibility and insight for decision-making.

Cognitive computing is the final, highly intriguing element here. IBM Watson, a cognitive technology, processes information more like a human than a computer by understanding natural language, representing a major shift in an organization’s ability to quickly analyze, understand and respond to changes in the business. Watson’s ability to answer complex questions with speed, accuracy and confidence is transforming decision-making across a variety of industries, including answering some of the most important and complex problems in retail.

SELECTED IBM OFFERINGS

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CASE STUDIES

DFS

This UK furniture retailer deployed an analytics platform based on IBM business analytics software and running on a SoftLayer cloud infrastructure, to accelerate reporting and analysis.
- Increased productivity and resource allocation by accelerating reporting by 99 percent
- Support strategic growth initiatives by returning data-based insights in seconds
- Reduced capital expenses dramatically with a scalable cloud hosting platform

YOUNGOR GROUP CO., LTD.

This Chinese clothing and textile manufacturer implemented a new business analytics platform based on IBM software, to gaining a significantly improved understanding of their business
- Make informed decisions quicker by cutting reporting time by 86 percent
- Ensure seamless visibility by integrating data from 10 different divisions
- Pursue new business opportunities proactively, based on 193 KPIs

DESTINATION XL GROUP, INC.

By developing a sophisticated cloud-based compensation modeling solution with IBM Sales Performance Management, DXL sales associates now focus on customers’ preferences and style, not body type or size. Sales Performance Management at DXL has resulted in:
- Increased customer loyalty due to improved experience and service
- Greater visibility to performance metrics for sales associates
- Reliability in a solution that reduces HR workloads, audits and compliance challenges
IBM’s commitment to the retail industry

IBM has more than 4,000 professionals focused on the retail industry around the world as well as one of the largest global networks serving retail, with almost 2,000 IBM Business Partners.

IBM's preeminence in the development of leading industry solutions is the direct result of our strong commitment to research and development. We invest more than USD 5 billion annually in R&D, and for 24 consecutive years have been the leading patent-earning organization in the United States. IBM earned 8,088 patents in 2016 alone—the first time any organization has been awarded more than 8,000 patents in a single year.

IBM ANALYTICS
IBM Analytics enables anyone to engage with data to answer the toughest business questions, uncover patterns and pursue breakthrough ideas. Manufacturer-specific advanced analytics solutions help consumer products organizations transform insight into action.

IBM WATSON
IBM Watson, a cognitive system that enables a new partnership between people and computers that enhances, scales and accelerates human expertise. IBM Watson Analytics brings intuitive visualization and predictive analytics to every business user. IBM Watson Ecosystem developers and partners can embed cognitive computing APIs (application program interfaces) into their cloud-based applications to deliver innovative Watson-powered consumer products industry solutions.

WATSON MARKETING
Tap into new insights from inside and outside the organization, revealed by customer behaviors, patterns and sentiment to fuel new business opportunities.

WATSON SUPPLY CHAIN
Solve problems proactively with an embedded expert at your side giving you recommendations and helping the entire team get ahead of problems before they arise.

WATSON COMMERCE
Better understand customer preferences, behaviors and market influences to capitalize on opportunities and trends and deliver personalized customer experiences.

IBM MOBILEFIRST
Combine the power of enterprise data and analytics with an elegant user experience to redefine how you empower your consumer products organization to interact, learn, connect, and perform.

IBM SECURITY
Our security software and services help clients protect against advanced threats, fraud protection, identity and access management, and leading application, data and infrastructure security capabilities.

IBM CLOUD
IBM cloud solutions includes infrastructure as a service, software as a service and platform as a service offered through public, private and hybrid cloud delivery models. By leveraging the power of agile cloud development, organizations can make faster and better business decisions with total visibility and control.
FOR MORE INFORMATION
For more information on any of the solutions described in this solution guide, contact your local IBM representative or visit ibm.com/retail.

NOTES: