Next Generation e-Commerce

“The Retail Customer Interaction Platform”
E-Commerce is in a state of transition that will fundamentally transform Retail.
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<td>3 Key Trends Driving Transformation</td>
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E-Commerce continues to grow

- China’s online sales represent 5% of total retail transactions
- Australia achieves double-digit growth in 2011 online holiday sales
- UK online holiday sales expected to grow 10% over 2010
- Brazil online sales expected to grow 178% between 2010 and 2016

Source: eMarketer; Channel News Asia, The Business Daily; Forrester Research
Mobile commerce is gaining traction… fast!

Source: Forrester Research
And our #’s indicate that mobile traffic and sales represent a larger % than what has been predicted

Source: IBM Coremetrics
Cross-Channel Shopping with mobility helping bridge the gap between the in-store and out-of-store shopping experience

In-Store Shopping Experience:
- Research & Browse
- Purchase Decision
- Transact & Pay
- Collect & Receive
- Service & Support
- Collect & Receive

Out-of-Store Shopping Experience:
- Research & Browse
- Purchase Decision
- Transact & Pay
- Collect & Receive
- Warranty, call center, order exceptions

**Personalized experience; product information; customer/product reviews; guided sell**

**Customer ID; opt-in; alerts; promotions; loyalty; location**

**Personalized experience and offers; product information; customer/product reviews**

**Availability; x-sell, up-sell, promos, comparisons; fulfillment options**

**Mobile wallet; payment options; e-receipts**

**Store locator; item availability; promotions; comparison;**

**Mobile wallet; payment options; e-receipts**

**WISMO; Item ready for pickup**

**Item pickup; service complete**

**Making retail smarter**

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71% of consumers engage in cross-channel shopping with mobility assisting both shoppers and sales associates

**Consumer Mobility**
- 56% of holiday shoppers planned to check/compare prices via their mobile phone while in the store
- 43% of consumers would like to use mobile apps to create shopping lists and find products in the store
- 38% would like to use a retailer’s store WiFi network to search for product information
- 61% of shoppers believe they were better connected to consumer information, competitive pricing and product availability than store associates
- 41% of shoppers were not satisfied with their ability to receive in-store stock availability

**Store Associate Mobility**
- 75% of store personnel say they provide a better in-store shopper experience when equipped with mobile device
- 67% of shoppers cited a better in-store experience when in-store personnel had mobile devices
- 68% of shoppers would have purchased an out-of-stock item if an associate was able to order the item and deliver it to their home

Source: Deloitte Consulting; Motorola
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Retailers believe the following technologies / capabilities provide the most value in creating an Omni-Channel experience

<table>
<thead>
<tr>
<th>Technology</th>
<th>Percentage</th>
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<tr>
<td>Enterprise-wide customer visibility</td>
<td>88%</td>
</tr>
<tr>
<td>Enterprise-wide inventory visibility</td>
<td>81%</td>
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<tr>
<td>A modern eCommerce platform</td>
<td>74%</td>
</tr>
<tr>
<td>Enterprise-wide customer insights</td>
<td>69%</td>
</tr>
<tr>
<td>Enterprise cross-channel analytics</td>
<td>66%</td>
</tr>
<tr>
<td>Enterprise-wide marketing/promotions platform</td>
<td>59%</td>
</tr>
<tr>
<td>A modern POS platform</td>
<td>56%</td>
</tr>
<tr>
<td>A mobile commerce platform</td>
<td>50%</td>
</tr>
<tr>
<td>Distributed order management</td>
<td>48%</td>
</tr>
<tr>
<td>A single customer interaction platform that crosses channels</td>
<td>47%</td>
</tr>
<tr>
<td>Integration to social network tools and sites</td>
<td>39%</td>
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Source: RSR Research
However, because many of these technologies have been implemented in silos, the customer shopping experience is now fragmented.

Source: RSR Research
Today, most retail channels have separate technologies, processes and data, leading to an inconsistent customer experience.
An enterprise “Customer Interaction Platform” will provide a common set of services and business processes across all touch points.

- Web Site
- Mobile
- Contact Center
- Kiosk
- Point-of-Sale

Customer Interaction Platform

Tools
- Business
- Admin
- Developer

Configurable Business Processes
- Marketing
- Merchandize & Sell
- Catalog & Content
- Collaboration
- Order Management

Business Context Engine
- Relationships & Agreements
- Personalization
- Globalization
- Analytics

IBM Middleware Platform
- Rational
- DB2
- WebSphere
- Lotus
- Tivoli

Making retail smarter

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IBM’s Next Generation “Customer Interaction Platform”

IBM delivers a cross-channel **Customer Interaction Platform**, enabling companies to deliver a consistent, customer-centric experiences across multiple channels and touch points.
IBM helps deliver “One Brand Experience” across Direct as well as new and emerging Extended Channels

Direct channels
- Web
- B2B / Dealers
- Mobile
- Call Center
- Kiosk
- Field Sales
- POS
- Distributors

Extended Channels
- Widgets for products and promotions
- Social Networks
- Partners and Affiliates
- Content Aggregators

Shopping experience, Marketing campaigns and promotions

IBM “Customer Interaction Platform”
IBM’s Customer Interaction Platform: WebSphere Commerce
It starts with effective tools for business users: *Management Center*

- **Management Center** tools empowers business users and increases their productivity and effectiveness.

- Rich and intuitive graphical user interface based on Web 2.0 technology.

- Key tools include:
  - Catalog management
  - Marketing activities
  - Promotions
  - Multi-variate (A/B) Testing
  - Segmentation
  - Store Assets
  - Store Preview
  - Tasks
Management Center provides a consistent, powerful tooling environment.
Personalize the experience with **Precision Marketing**

- Powerful, automated, one-to-one merchandising and marketing based on shopper preference and behavior

- Build an ongoing, event-based dialogue with consumers by processing triggers and responding with actions

- Cross Channel Precision Marketing Engine supports
  - Web, Mobile, Cross Channel
  - Social Participation
  - Integrated with ecosystem
  - B2B “behavioral marketing”
  - Behavioral segmentation
Precision Marketing **targets** can be anything you need them to be.

- **Customer Segment** (demographics, address)
- **Purchase History** (# orders, value, contents)
- **Catalog Browsing Behavior** (viewed category, product)
- **External Site Referral** (site, search term)
- **Social Commerce Participation**
- **Shopping Cart** (value, contents)
- **Current Page** (viewing category, product)
- **Online Behavior** (search, name-value pair)
- **Cookie Contents**
- **Day and Time**

Targets define *which customers* experience your marketing activity.

*Your Target Here*
Precision Marketing Example: Cross Channel Dialog with Registration Only

Customer Registers
Wait until customer registers with the store

Branch
First path for which the customer qualifies

Customer Places Order
Wait until customer places an order

Send Message
Message type: Text message (SMS)
Content: Thank you for your purchase

Wait
Wait for 7 days

Send Message
Message type: E-mail
E-mail template: Follow up after registration
Send at daily scheduled time

Email Offer
Wait one week

Thank you for your registration. We're running a special on ____
WC provides mobile native reference applications for iPhone, iPad, Android, leveraging REST services
  – …in addition to store model support for mobile web browser

Includes all features required for a complete, customer-centric mobile experience:
  – User registration, Login, My Account
  – Product navigation and Search
  – Cross channel inventory and pricing
  – Location based marketing and promotion
  – Buy-Online, Pickup-In-Store or Ship-To Address
  – Quick checkout profile
  – Responsive Layout adjusts number of products based on available resolution and orientation (Portrait vs Landscape)

Supports end-to-end mobile shopping
IBM’s WebSphere Commerce Mobile solution leverages key device-specific features.
Reach your customers on the go with **Location-Based Services**…

1. **User tap-in upon entry to a Store** (RFID, Wi-Fi, Bluetooth - Research)
2. **User detection through Cellular/Satellite** (GPS, …)
3. **Social Networking Sites (customization)**

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**WebSphere Commerce Location Server**

*REST API – User Location*

- **Customers Profiles** (Opt-in, preferences, segmentation, …)
- **Location based marketing triggers**
- **Marketing & Promotion**
  - Online & Store Specials
  - Coupons
- **User Notification**
  - Mobile Applications
  - Email, SMS

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**Making retail smarter**
**Location-Based Services** can help enhance cross-channel shopping

- **“Check-In” Scenario**
  - Shopper launches mobile store application and taps “check-in” button
  - Shopper signs-in if need be, and consents to send location data
  - Current location store is shown/selected (or can be list of stores)
  - User “checks in” to the store and is presented with location-specific promotions/marketing activities and/or rewards

- **“Store Specials” Scenario**
  - Shopper launches mobile store application and selects the “View e-flyer” store special
  - Mobile app requests location data from device, shopper consents to send location data
  - If not GPS-enabled or can’t get location, Store locator by zip or postal code is prompted
  - E-flyer Store special is shown
Encourage active participation with integrated Social Commerce

- Socially-enabled Store Models
  - Effective display with proper location of social content on product pages
- Built-in Social Media Adapters
  - Out of the box, pre-enabled social integration for Ratings / Reviews, Blogs, Photo gallery, user profile services via Bazaarvoice, Pluck, and Lotus Connections
- Precision Marketing support for Social Commerce can reward social participation
- “Social Bridging” capability leverages OpenID / OAuth standard to provide social profile information on WC-powered sites
Social-enabled Store Models promote on-site social interaction…
...and helps encourage social sharing for Shoppers

- Reviews
- Blogs
- Wish lists
Leveraging a Customer’s Social Graph with Social Bridging

Login using Facebook or Twitter ID to create content

See content from friends

Share content with friends
IBM provides full integration to Facebook...

- Enables Facebook Login from storefront
- Additional Facebook plugins (e.g. Friend Activity)

“Like” button on storefront and product pages
…including Precision Marketing support for further personalization

Supports personalization via Precision Marketing to Facebook Users

Allows automated targeting of sites guests who:

- “Like” a site
- “Like” a product on the site

Ex. Put someone who “Liked” 5 electronics products into an electronics influencers segment
Remote Widgets give you control of Extended Channels such as Social Sites and Affiliates

- Remote Widgets capability allows retailers to extend brand experience to social networks and allow shoppers to share wish list
- Integration with social networks and communities supported
- Enhanced RSS feeds for affiliate marketing
Remote Widgets: Shopper-driven Scenarios

- **My Wish List widget/My favorites widget:** Enables shoppers to share their favorite products or recommended products on social networking sites or personal sites such as blogs.

- **Gift Registry widget:** Enables shoppers to post their gift registries on their favorite social networking sites.

- **Promotion & Brand widget/feed:** Enables shoppers to get branded retailer messages, Show the hottest deal (Deal of the day), etc via widget or feed.
Remote Widgets: Retailer-driven Scenarios

- **Promotions & Brand Widget**: Connect WebSphere Commerce eSpots to retailer owned social networking sites, affiliate and partner sites.

- **Centrally manage and control** all remote eSpots from the Management Center.

![Diagram showing remote widgets and management center](image-url)
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Final Thoughts

- The ‘consumerization’ of technology is changing the way consumers interact, obtain information, and purchase items.

- The proliferation of consumer touch-points will continue and increasingly allow consumers to deconstruct the shopping process.

- Consumers are obtaining different value from each touch point they interact; providing a huge opportunity for retailers to engage shoppers across channels.

- This requires retailers to provide a consistent, continuous, and relevant shopping experience as consumers shop across multiple touch-points.

- When developing the optimal shopping experience, retailers should always consider cross-channel customer interactions.

- The path to success will vary from retailer to retailer based on their target customer’s expectations and how they’d like to execute their brand promise.

- Creating a Smarter Shopping Experience is a transformational journey.