

IBM Global Retail Industry



# *e-business solutions for Retail Customer Relationship Management*

*A multichannel, customer-focused approach to building loyalty*



Loyalty+

*Your customers want more – and they want it now*

**Demand for quality, personalization and value is surging. New sales formats, channels and products appear daily. Anytime-anywhere service is becoming a basic expectation.**

**To build loyalty in this ultra-competitive market, forward-thinking retailers are taking advantage of a vastly underused resource: existing customer relationships. Successful retailers are realizing that with every question they ask, product they purchase and special offer they redeem, customers tell you what it takes to keep them satisfied – and keep them coming back.**

**You know where to go. We know how to get there.**

As an IT executive, you understand the phenomenal upside of owning and using detailed, customer-specific information. This process – called customer relationship management (CRM) – helps you give customers exactly what they need, right when they want it. It helps your company stand out in a saturated marketplace. It increases traffic and repurchases, and helps you build market share and profitability. Ultimately, it improves customer loyalty.

But you also have questions about the infrastructure. Can it be built quickly – yet cost-effectively? Will it provide a single customer view, yet remain flexible enough to meet end-users' changing demands? Will it be scalable, but also capitalize on your current investment?

IBM understands the challenges in retail, and we are creating the end-to-end solution to meet your needs head-on. Our e-business solution, Retail CRM, combines powerful deep computing with customer loyalty, relationship management and business intelligence. We integrate multichannel options, including e-commerce, physical stores, kiosks, call centers and mail. And we provide the skills and methodology to pull it all together. So, end-users across the entire enterprise can take advantage of the information Retail CRM reveals.

*“I want quality.”*



**In recent industry surveys, improving customer loyalty and customer service were targeted as the two most important strategies for meeting future financial goals.**

### **How can Retail CRM help retailers?**

The IBM e-business solution for Retail CRM delivers an enterprise-wide view of your customers, drawing information from every contact point and sales channel worldwide. It supports one-to-one and targeted promotions. It can measure the effectiveness of any customer communication. And IBM Retail CRM can help you present a consistent image of your retail brand at every customer contact point.

### **Why is the IBM e-business solution for Retail CRM valuable?**

With IBM Retail CRM, you'll see fast, direct results. Using the reference customer data model, predefined reports for analysis and data mining, and the roadmap for implementation, you can deliver business value to your end-users in three to six months. Beyond this, IBM delivers:

- New ways to increase customer loyalty while building on your current investment in architecture and systems infrastructure
- An approach that is grounded in solid IT processes
- Scalable and open solutions
- Phased implementation that minimizes disruption to ongoing operations
- Best-of-breed tools for reporting and analysis, data mining, geographic mapping and campaign management
- A demonstration system that enables you to collect and prioritize requirements quickly, accurately and cost-effectively
- A flexible data model that supports new sales channels – such as the Internet, kiosks and call centers – while ensuring a single customer view.

Like you, IBM understands that the strategic value of customer data extends beyond marketing. That is why our e-business solution for Retail CRM speaks to all the needs throughout your retail enterprise.

*“I want personalization.”*



**According to Bain & Co., a 5% increase in customer retention can produce profit increases as high as 125%.**

#### **Why choose IBM?**

IBM is the only player with an end-to-end e-business solution for Retail CRM that builds on your existing architecture, positions you for short- and long-term growth, and helps you stay in control of customer data, regardless of the source. We also have everything you need to increase customer loyalty across all segments: a well-defined Retail CRM program, the tools and technology to manage vast amounts of data, the methodology to adapt your organization to a new way of doing business, and the people to get you there quickly.

But IBM knows IT executives expect more than this from a world-class solutions provider. That's why we focus on:

- **Expertise.** Building Retail CRM solutions with a long list of retailers has shown us how to maximize your existing architecture and protect your IT investment. We install solutions quickly, with minimal downtime. And we bring best-of-breed hardware, software and services.
- **Experience.** We design and install data warehousing and Retail CRM solutions for many leading global retailers. IBM recently created Macys.Com, an e-business solution that brings more than 250,000 SKUs of apparel and gifts from Macy's department stores to the Web. Working with Boots the Chemists, a UK drugstore chain, IBM designed and implemented Boots' CRM infrastructure. The solution enables Boots to understand the wants and needs of its 10 million loyal customers and differentiate itself effectively from competing supermarkets and niche retailers.
- **Reliability.** As a technology market leader, we bring proven processes and unsurpassed technical skill. We're responsible for some of the most fail-safe computer products ever made, such as the IBM Supermarket Application with Electronic Marketing for retail stores, Net.Commerce for Internet sales, and the MQSeries family of messaging middleware products for sound infrastructure.



*“And I want it now.”*

**U.S. supermarket retailer Bi-Lo, part of the Dutch Ahold group, used a loyalty card program to increase average sales from \$17 to \$24.**

**Working with leading Global retailers, IBM Consulting consistently finds that the top 5% of the retailers' customers contribute 20-25% of sales revenues and 25-45% of profits.**



**IBM: Dedicated to retail**

IBM's presence in retail spans nearly 90 years, beginning at the very inception of the corporation in 1911, when retailers used IBM scales, time clocks and punch-card tabulators to manage their business and service customers. Some 60 years later, IBM revolutionized retail forever with the announcement of the first electronic POS terminal in 1973, the same year that IBM introduced the Universal Product Code (UPC). Never again would retail be the same. As a worldwide leader in retail POS – with over 1.4 million POS systems shipped to over 100 countries across the globe – IBM remains at the forefront of providing technology solutions for retailers.

Today, we are also leading the way in retail e-business, with enterprisewide solutions for e-commerce and business intelligence. With a 30,000-patent portfolio that includes more than 60 retail-specific patents, and an extensive worldwide network of retail professionals and Business Partners, IBM is uniquely qualified to provide the solutions retailers demand to navigate today's complex global marketplace. From improving sales and customer service to reducing operating costs, IBM's retail solutions are tailor-made to meet the demanding requirements of retailers – today and in the future.

*“I want value.”*



**Find out more today.**

**To build customer loyalty in a multichannel retail world, discover the IBM e-business solution for CRM. Contact your local IBM representative for a demonstration or to request a copy of our white paper on CRM in retail. Or call IBM today at 010-64981188.**

© International Business Machines Corporation 1999

Retail and Distribution Solutions  
Department 47J  
5601 Six Forks Road  
Raleigh, NC 27609

Printed in the United States of America  
09-99

All Rights Reserved

References in this publication to IBM products or services do not imply that IBM intends to make them available in all countries in which IBM operates. Copying or downloading the images contained in this document is expressly prohibited without the written consent of IBM.

IBM will continue to enhance products and services as new technologies emerge. Therefore, IBM reserves the right to alter specifications and other product information without prior notice. Please contact your IBM marketing representative or an authorized reseller for information on specific standard configuration and options.

IBM assumes no responsibility of liability for any use of the information contained herein. Nothing in this document shall operate as an express or implied license or indemnity under the intellectual property rights of IBM or third parties. No warranties of any kind including but not limited to the implied warranties of merchantability or fitness for a particular purpose are offered in this document.

IBM and the e-business logo are registered trademarks of International Business Machines Corporation.

All other company or product names are trademarks or registered trademarks of their respective owners.