OMNI-CHANNEL MERCHANDISING

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 role-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 pre-season decisions, in-season adjustments and spot buys.

BUSINESS CONTEXT EXAMPLE

Product development

ENTERPRISE PRODUCT INFORMATION

CUSTOMER INSIGHT

SOCIAL TRENDS

Core merchandising

TAILORED ASSORTMENTS

Space, allocation and replenishment

Integrated merchandise visibility and control

OPTIMIZED PRICE AND PROMOTIONS

POTENTIAL BENEFITS

Increased sales

Improved gross margin

Improved inventory turnover

HOW WE DEFINE IT

Product assortment and pricing are central to every retailer’s brand. In a world where merchandise is often indistinguishable, merchants struggle with the challenge of offering a unique set of products, often with shorter lifecycles and constant promotions, across multiple geographies and customer touch points—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, touch points, locations, events and promotions.
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 software 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 WebSphere Commerce software.

IBM SPSS software 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 Cognos TM1® software is designed to enable the creation and management 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 software 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.

SELECTED IBM OFFERINGS

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<th>Software solutions</th>
<th>Process improvement and implementation services</th>
<th>Managed services</th>
<th>Technology platforms</th>
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| • IBM Cognos (Business Intelligence and TM1)  
  • IBM InfoSphere Master Data Management Collaborative Edition  
  • IBM SPSS  
  • IBM Omnichannel Merchandising suite, including Promotion Management, Dynamic Pricing and Markdown Optimization  
  • IBM WebSphere Commerce and integration  
  • Sterling Order Broker  
  • IBM MobileFirst for iOS Merchant Suite  
  • IBM Social Insight  
  • IBM Lift Insight  
  • IBM Demand Insight | • Merchandise operations strategy  
  • Core merchandise management  
  • Master data management (product information management)  
  • Price and revenue strategy  
  • Integrated merchandise planning  
  • Advanced analytics for merchandising  
  • Cross-channel marketplace portal  
  • Price, promotions and assortment optimization  
  • Promotion and trade analytics | • Application management services for Oracle and SAP  
  • Core Merchandising systems on private clouds | • Core merchandising on Power Systems and IBM PureApplication® System  
  • IBM PureData System for Analytics |

Throughout the season you need comprehensive merchandise visibility to control stock levels. IBM Big Data and Analytics capabilities provide exception-based, graphical, multilevel comparisons of plans, forecasts and history so merchants can more clearly understand and efficiently manage performance.

IBM can deliver on the complex integration requirements across these capabilities with our best-in-class integration solutions based on IBM WebSphere integration software.

CASE STUDIES

BUFFALO DAVID BITTON

This fashion retailer implemented an integrated suite of analytics and planning tools using IBM Cognos TM1 to make better style, color and size choices, and ensure the right amount of stock is allocated to the right sales channels.

• Maximizes visibility across on-line, in-store and wholesale channels  
• Enables analysts to focus on informed decision-making, rather than basic information gathering

COOP DANMARK

This European supermarket chain implemented IBM Markdown Optimization to manage the timing and depth of non-food items at the individual store level.

• Identifies variations in customer preference, and optimizes markdowns by individual store  
• Increased gross margin by 10 percent

VAASAN GROUP

This European retail bakery operator implemented an IBM business intelligence solution to discover patterns in consumer purchasing behavior at each retail location.

• Increased by 30 percent their ability to rapidly respond to and fulfill sales orders  
• Achieved an on-time delivery target of 98.5 percent  
• Reduced business risk by aligning raw materials, human resources and production schedules with customer demand

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