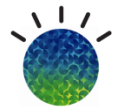




Omni-Channel Order Fulfillment를
위한 차세대 전략 세미나

Evolution from Cross-Channel to Onmi-Channel

- 스마터커머스 미래전략



SmarterCommerce

John Stelzer, IBM WW Industry Lead





Agenda

- I. Catalysts For Change
- II. Retail's Current Evolution
- III. What Consumers Are Experiencing & The Implications For Retailers...
(and, really all companies)



Agenda

- I. **Catalysts For Change**
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Consumers like to share their views with others

91%

Of consumers say they like to share views about their brand experience with other consumers



The social channel has become a channel of consumer influence

81%

Received advice through a social site about an upcoming purchase



74%

Of those found it influential in their buying decision

Whose recommendations do consumers trust?

90%

Trust recommendations from friends & family¹

70%

Trust recommendations from other consumers¹



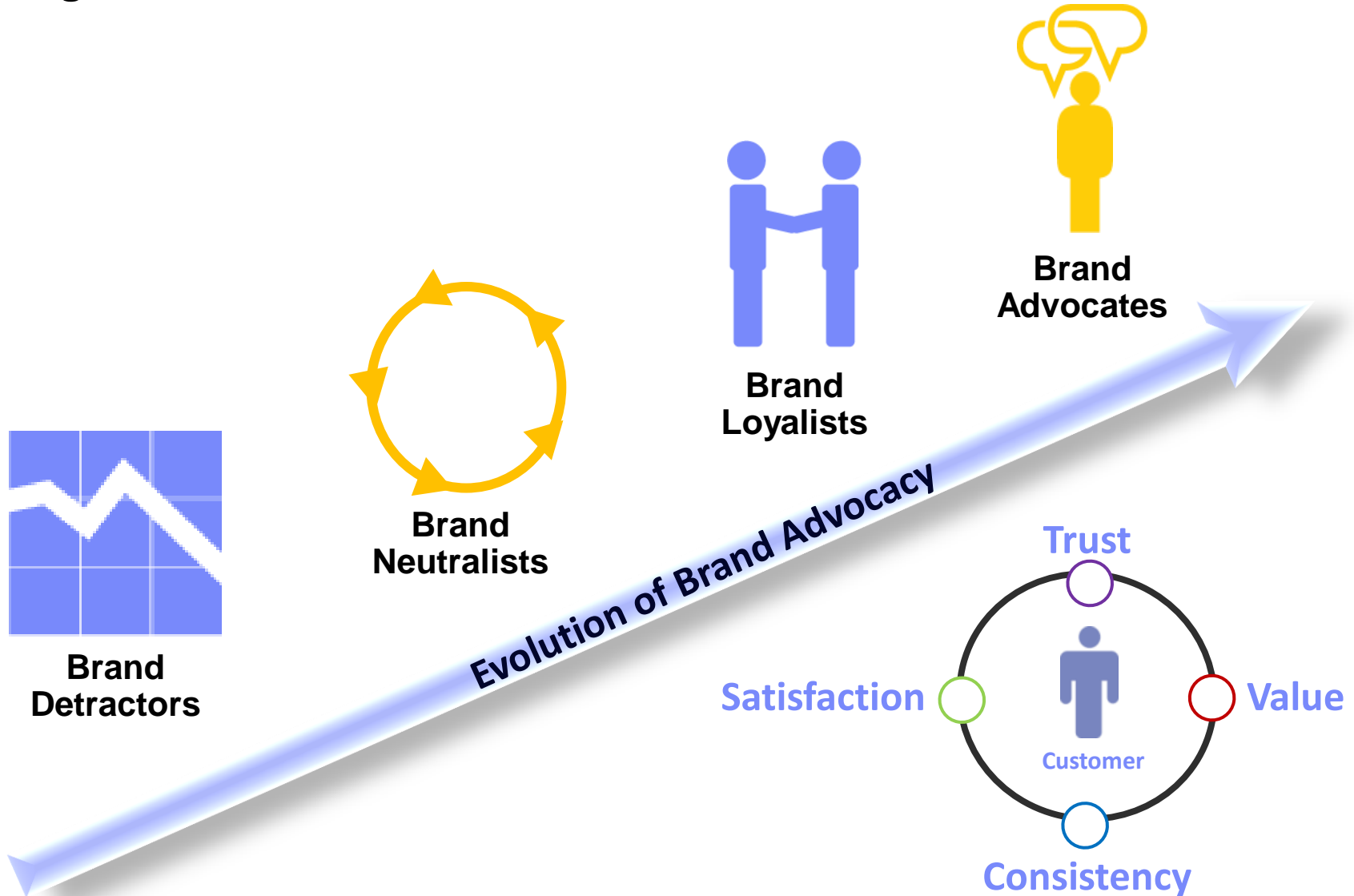
10%

Trust recommendations from retailers²

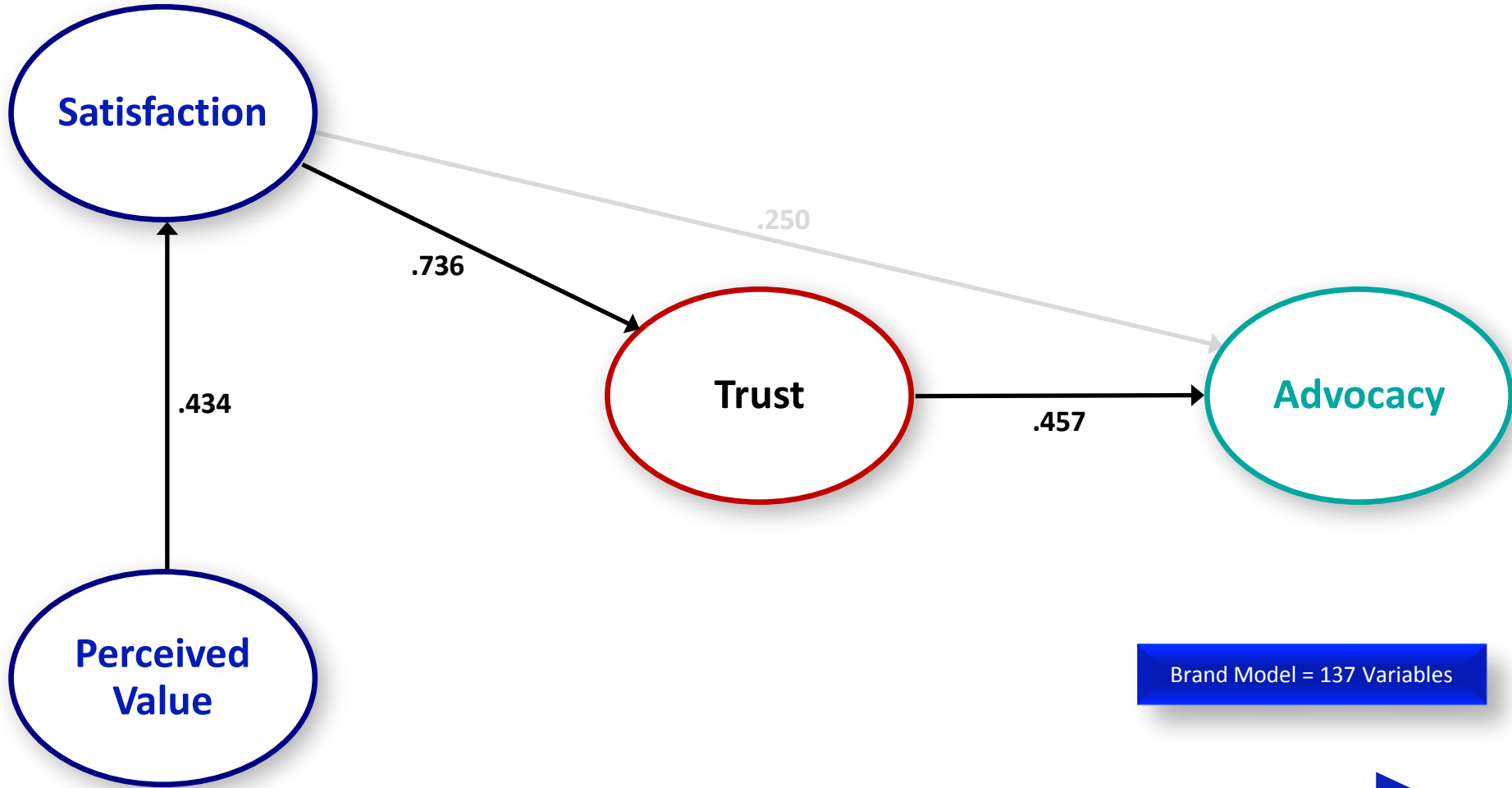
¹ Source: "Global Online Consumer Survey"; Nielsen; July 2009

² Source: "Capitalizing on the smarter consumer"; IBM Institute for Business Value; 2011

Retailers must now leverage brand advocates as the new strategic advantage



The *Castaldo et. al.* trust model highlighted trust as the most significant point of influence driving advocacy

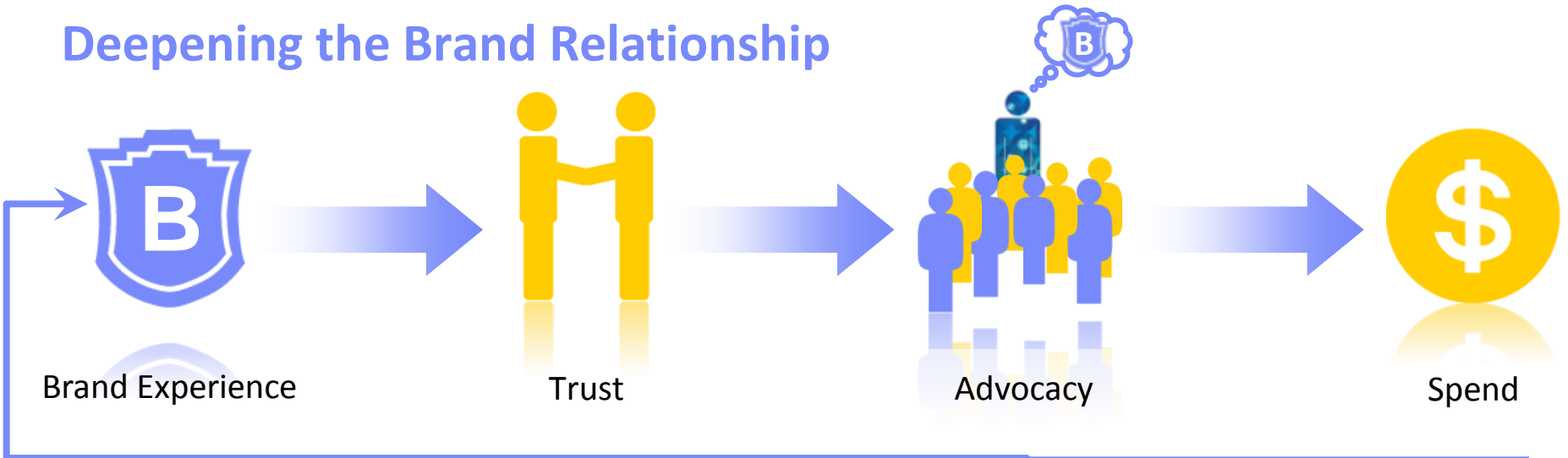


Brand Model = 137 Variables

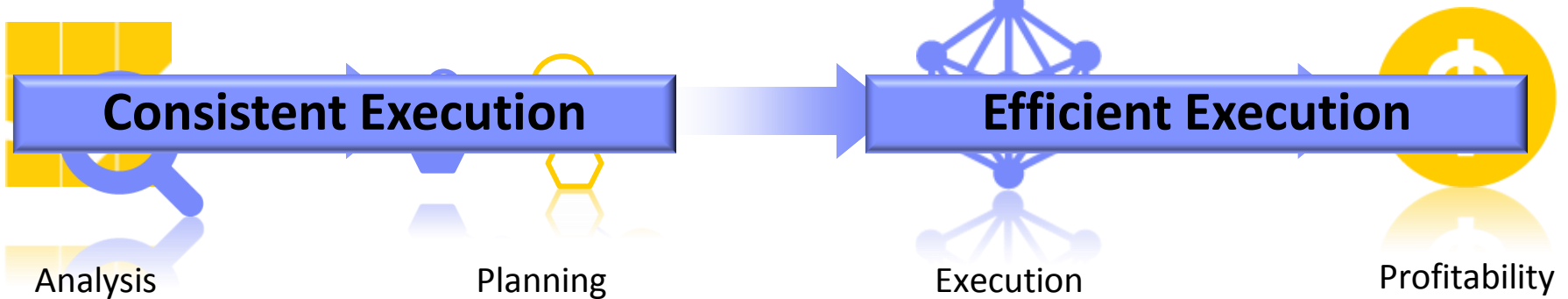


Smarter Commerce fosters brand advocacy by delivering a **consistent brand experience**

Deepening the Brand Relationship



Improving Operational Excellence

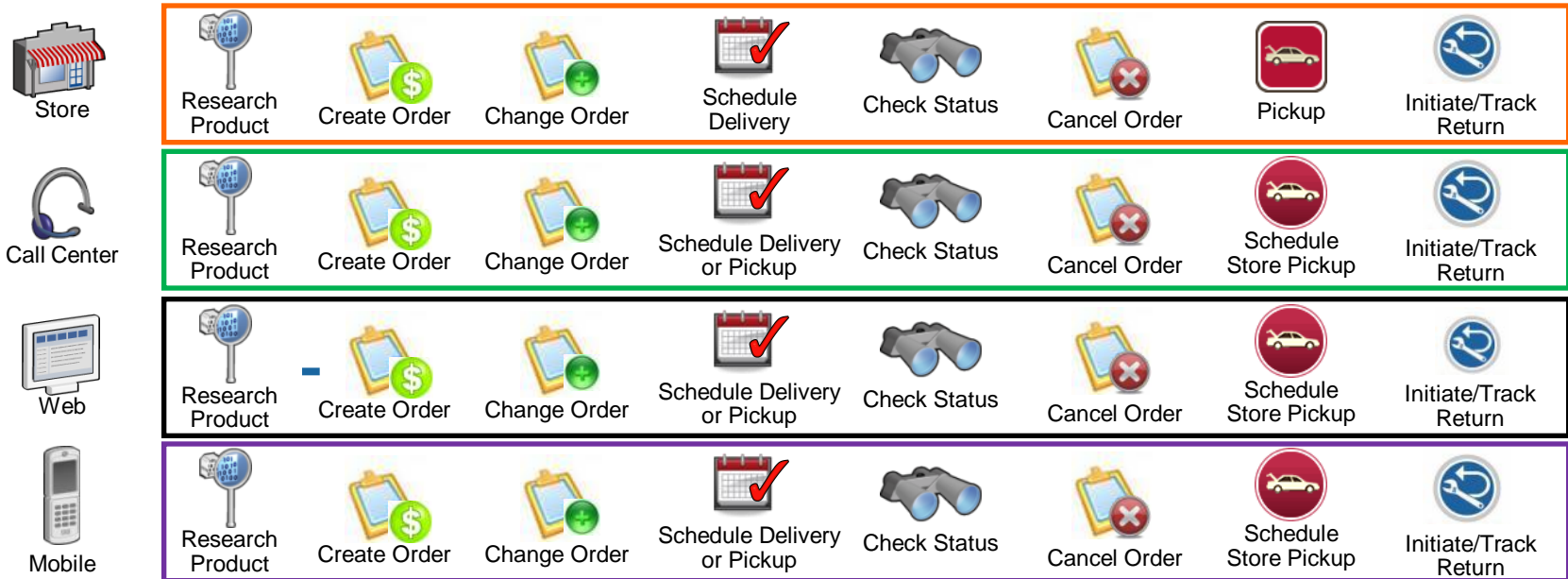




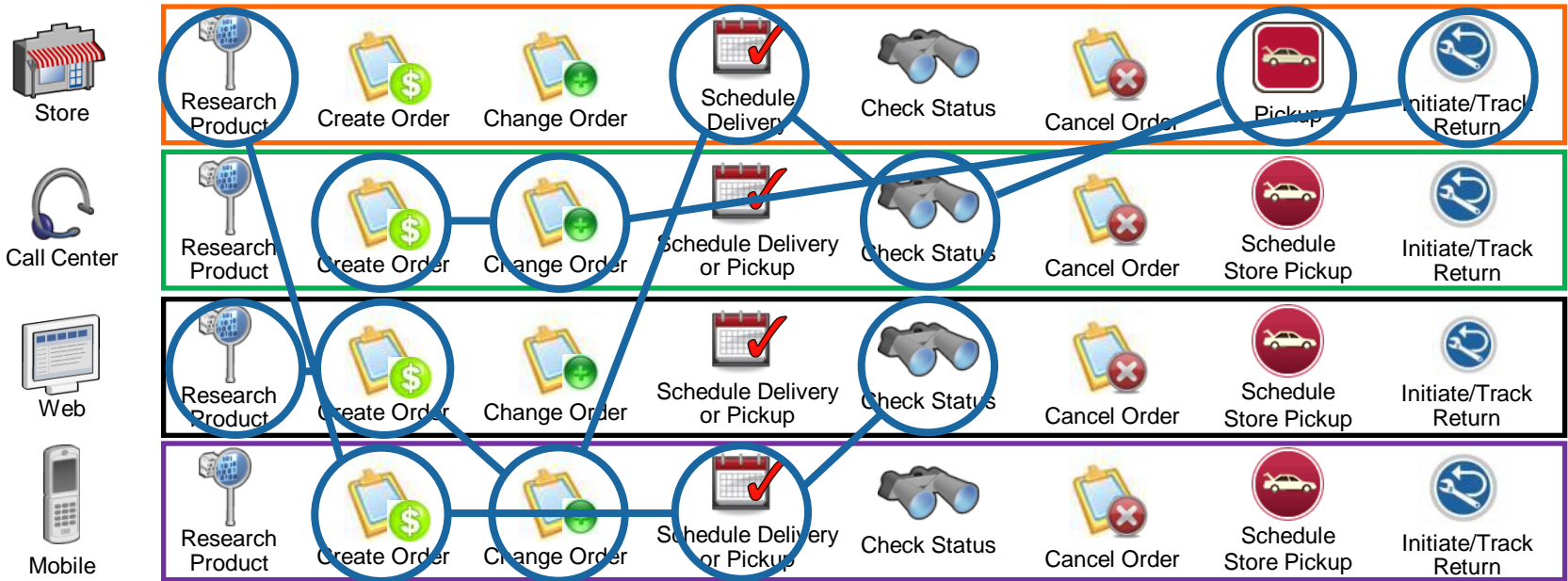
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(and, really all companies)

Multi-Channel = Multiple siloed channels operating independently



Cross-Channel = Start, complete, source, and fulfill an order from any combination of channels



Omni-Channel = Seamless, end-to-end brand experience delivered across all points of brand interaction



Consumers have come to expect seamless omni-channel Retail execution

85%

“Expect a seamless experience across all channels for a retailer”

81%

Important to deliver a “consistent brand experience across all points of interaction”

And, the price of inaction is high

Retailers that fail to put in place effective omni-channel operations will lose out on 15 to 30 percent of their category sales by 2015 and much more in the following years.



Agenda

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It's important to consider the customer's *entire* "brand experience"

The Brand Experience



As opposed to "pre-sale, sale, and post-sale"

The pre-purchase experience

The Brand Experience



Social Interaction

The Brand Experience

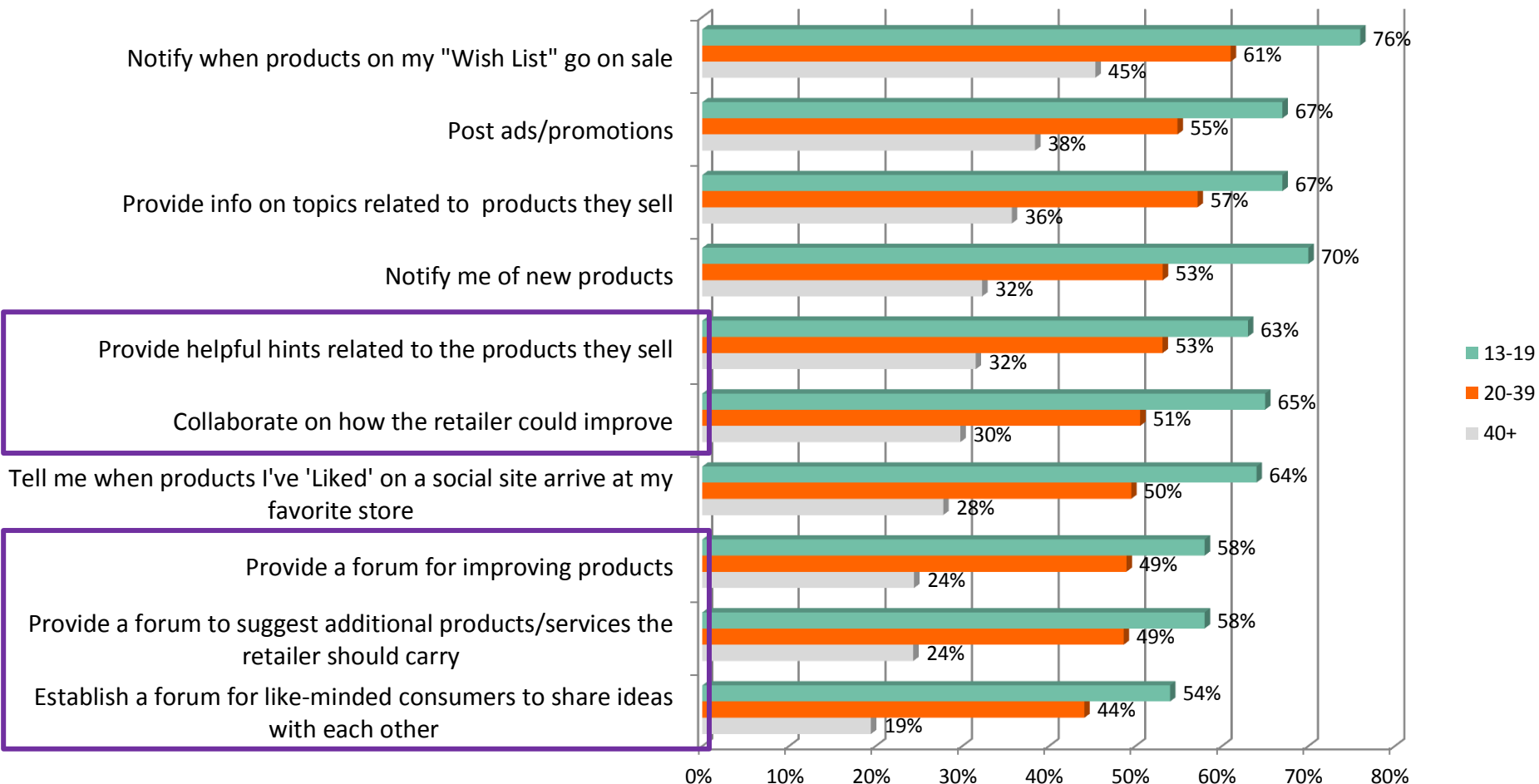


Do your customers expect to engage with you via the social network?



Consumers were specific about how they wanted to engage with their favorite retailers via social networks

- Q: How important is it for your favorite retailers to engage with you on social networks in each of the following ways? [Very Important/Important]



Mobile

The Brand Experience



The importance of having a retailer-specific mobile app varies by age bracket

- Q: How important (for motivating you to promote a retailer to other consumers) is having a retailer app that you can use on your smartphone/tablet?

49%

[Ages 13-29]

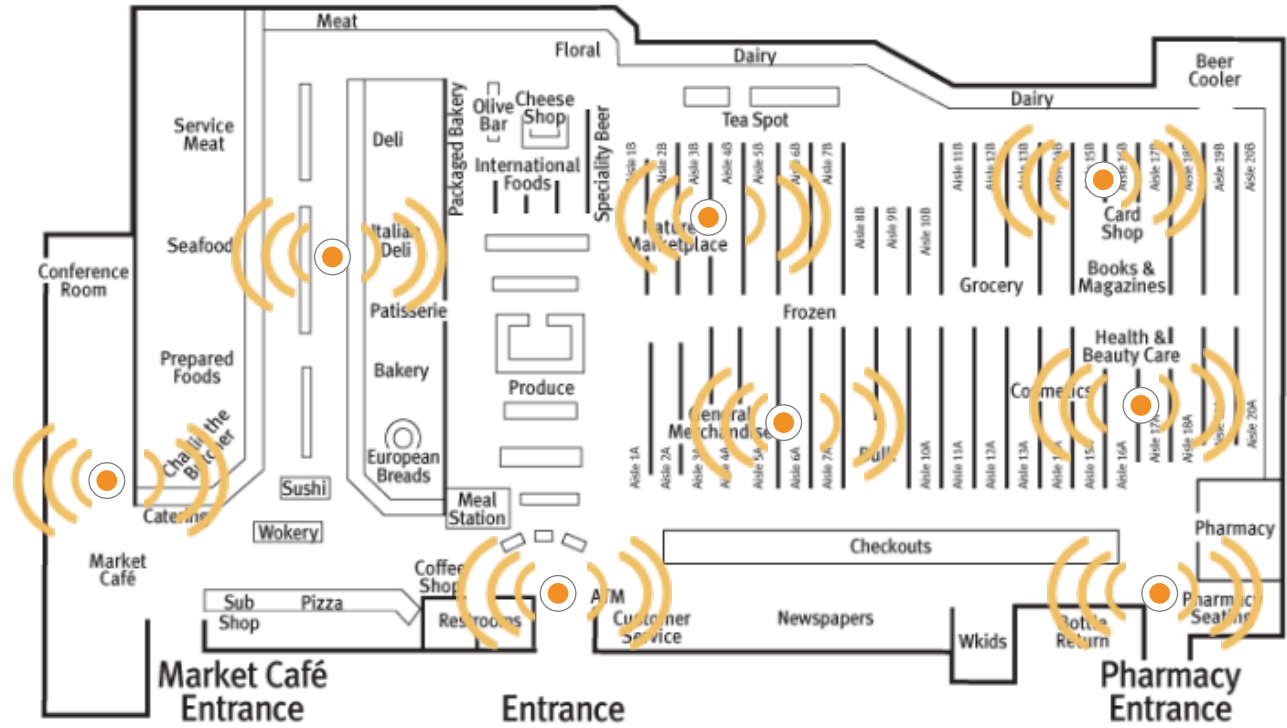
Very Important/Important for a retailer to provide a mobile app

23%

[Ages 30+]

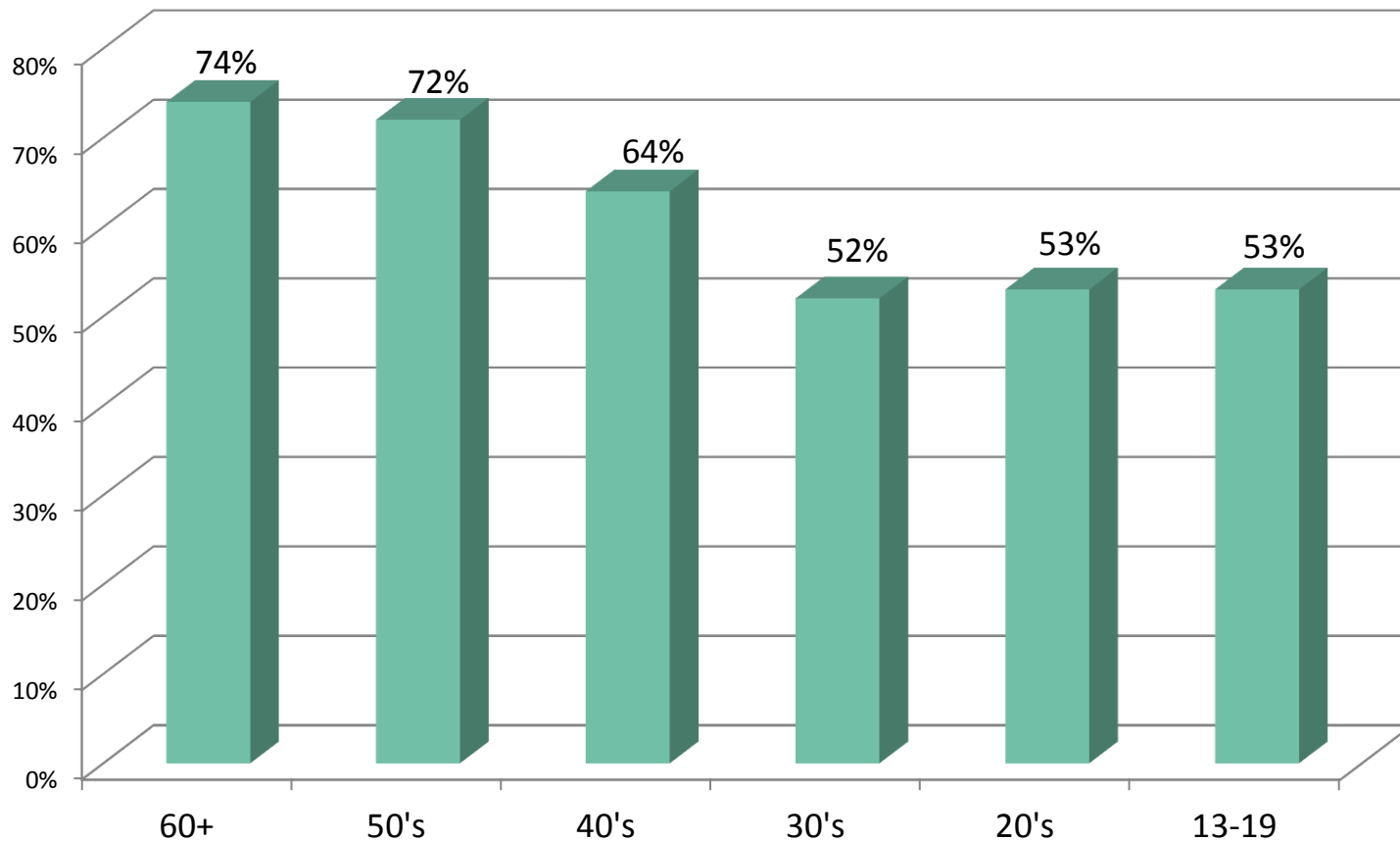
Very Important/Important for a retailer to provide a mobile app

Do “presence zones” or wireless interactions add convenience or annoyances?



A poor mobile experience can undermine the brand relationship

- Q: How likely is it that a negative web or mobile experience with a retailer will negatively affect your overall opinion of that retailer? [Very Likely/Likely]

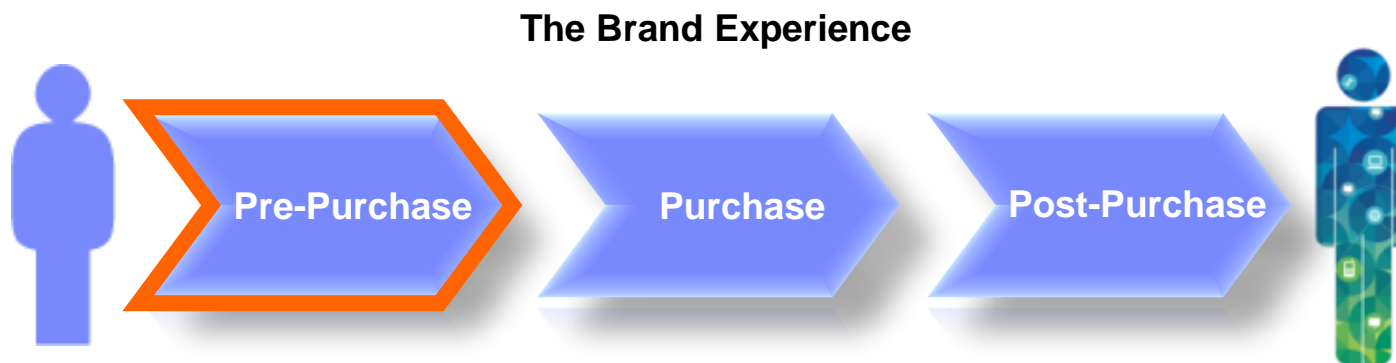


Mobility In The Store



- Store Associate
- Consumer

Personalized Marketing



Consumers expect marketing offers to be personalized

52%

Important to keep **track of all customer purchases** regardless of channel

57%

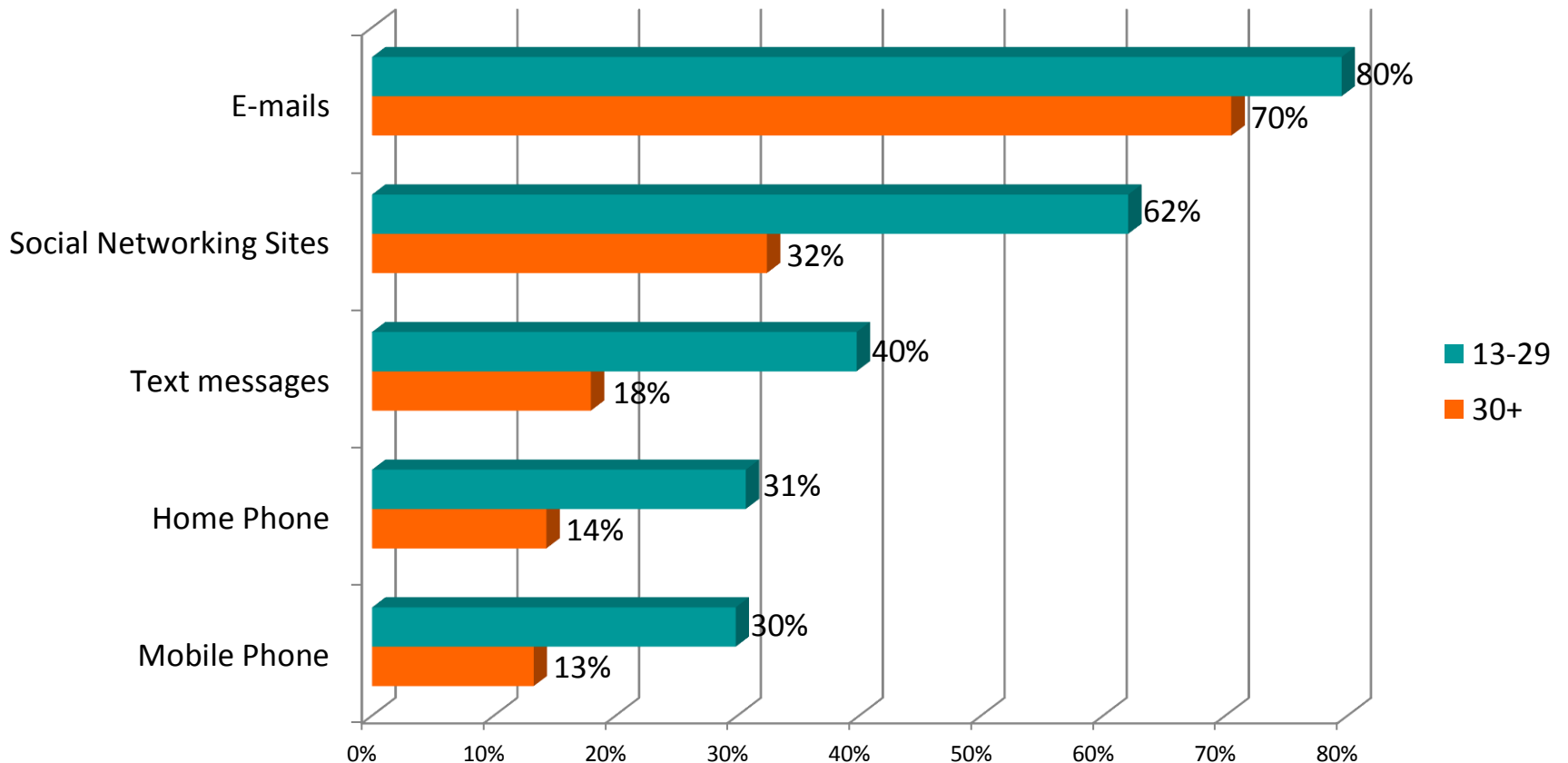
Important to **provide “tailored offers”** that reflect the customer’s interests/needs and that are based on their previous purchases

55%

Important to help **find products that are compatible** with previously purchased items

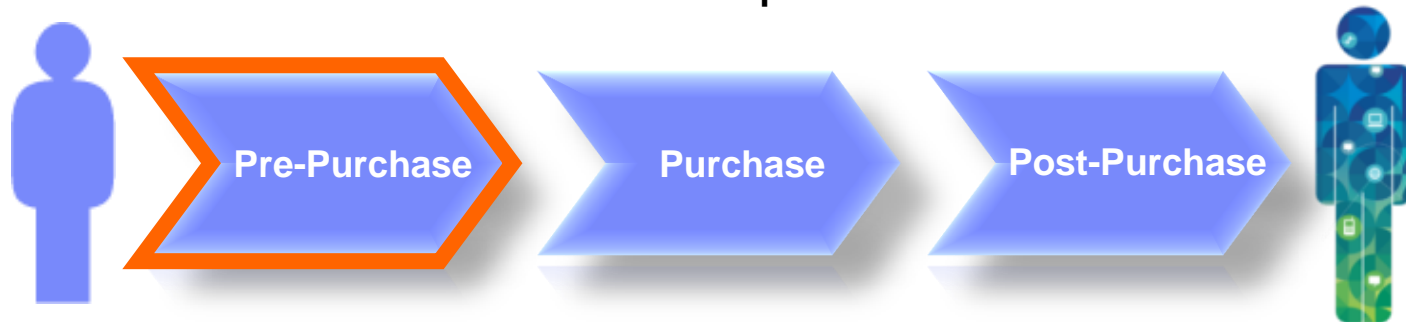
Consumers consider some channels more acceptable than others for marketing offers; opinions vary widely by age

- Q: How comfortable are you with receiving ads and promotions from a retailer by each of the communications types listed below? [Very Comfortable/Comfortable]

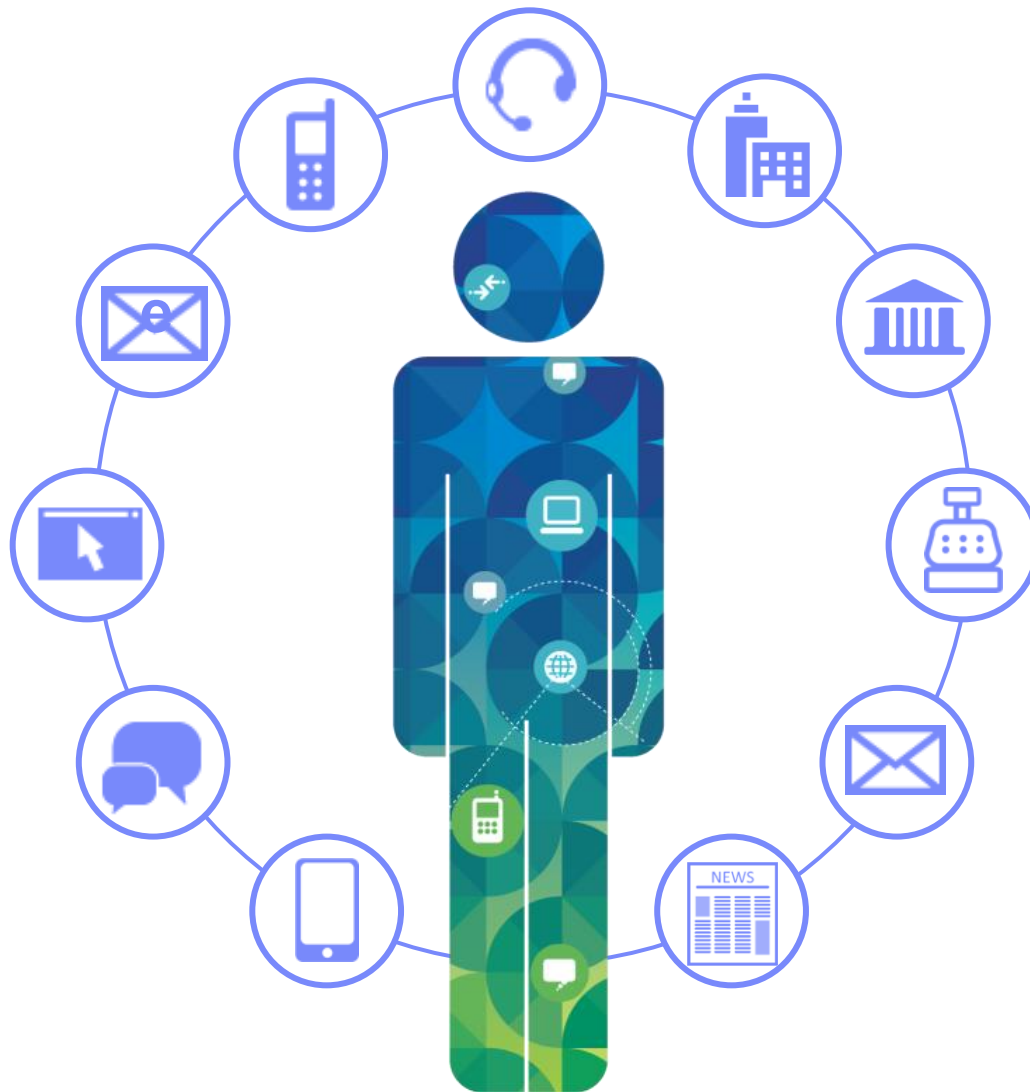


Omni-Channel Shopping

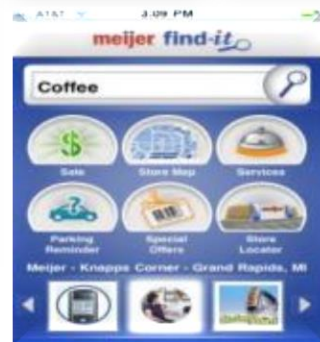
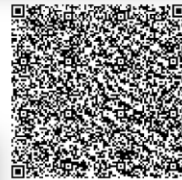
The Brand Experience



Today's Smarter Consumer sees one brand, not multiple channels

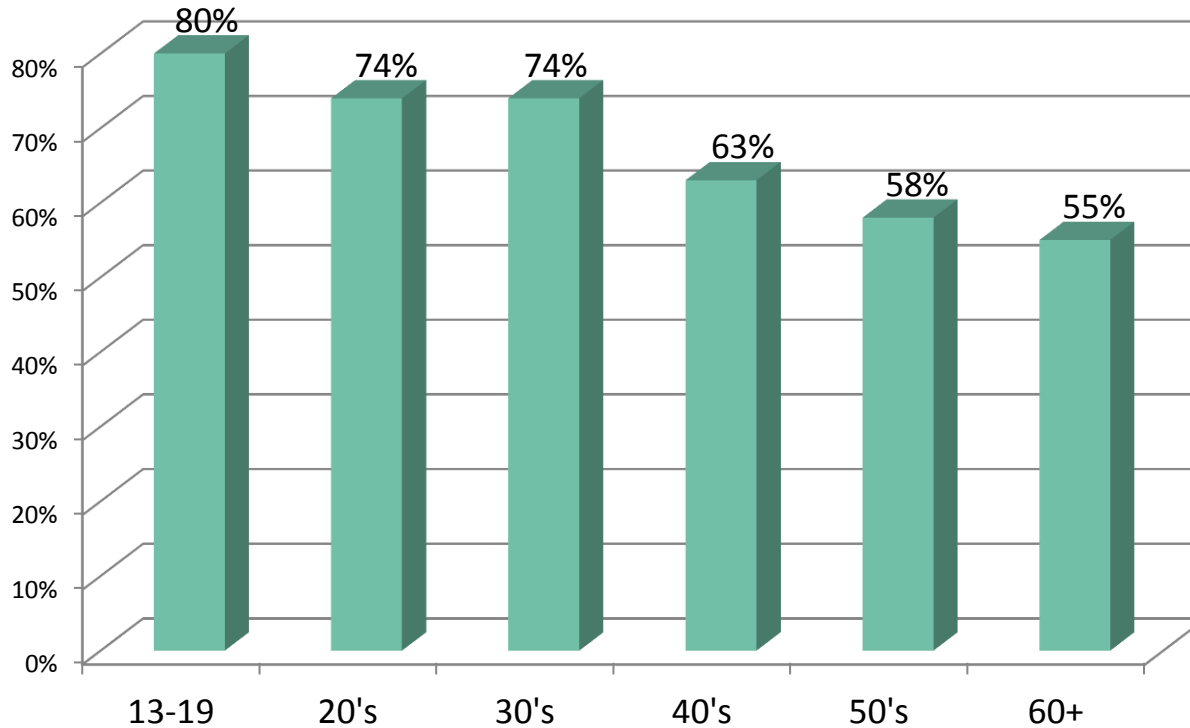


Does your store need to evolve to meet the expectations of the digitally-enabled empowered consumer?



Younger consumers are more interested in having tools that enable them to help themselves

- Q: How important is it for a retailer to give you tools that you can use in their store to serve yourself (e.g., to: check prices, locate products, access additional product information, read user reviews, etc.)? [Very Important/Important]



Does your customer want to access her cart anywhere?



In Stores



**Omni-channel
Cart Access**



Call Center



On Line



Mobile

Is your customer growingly impatient with stock-outs?



Ability for associate to locate an OOS item & have it shipped, held for pickup, or transferred to the store (important to very important)	72%
Would purchase an out-of-stock (OOS) item in the store if an associate could find it at an in-stock location and ship it to the customer	66%
If OOS retailer could secure the item for you, how likely are you to purchase your originally-intended companion items (likely to very likely)	59%

But, there's much more than just the pre-purchase phase in the overall brand experience



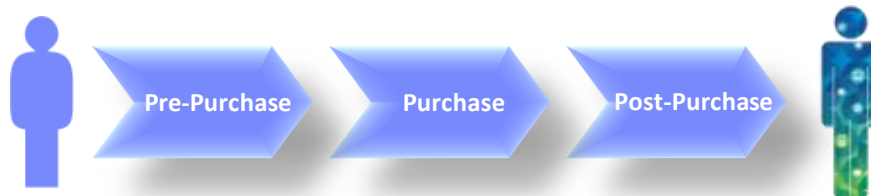
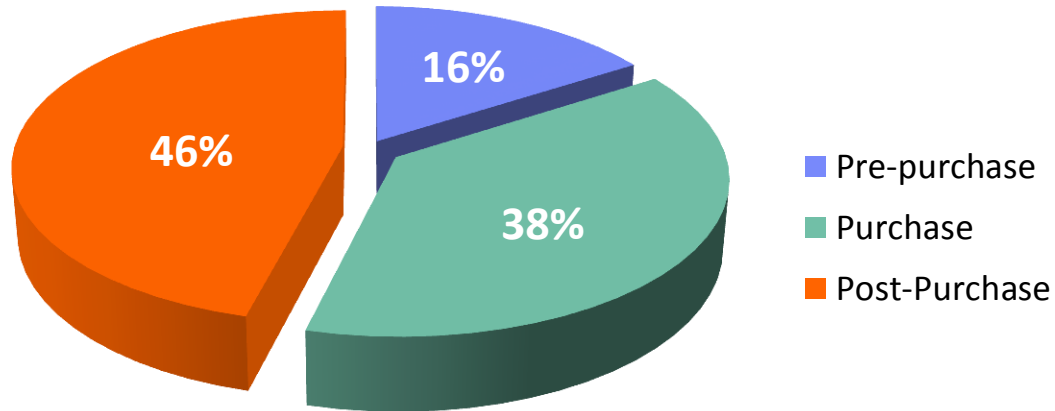
Omni-Channel retailing must also include purchase and post-purchase experiences



The Purchase and Post-Purchase experiences have much greater impact on the relationship with the customer

- Q: Which portion of your overall experience with a retailer has the **greatest potential to damage** your relationship with that retailer?

Potential To Damage



Checkout Experience

The Brand Experience



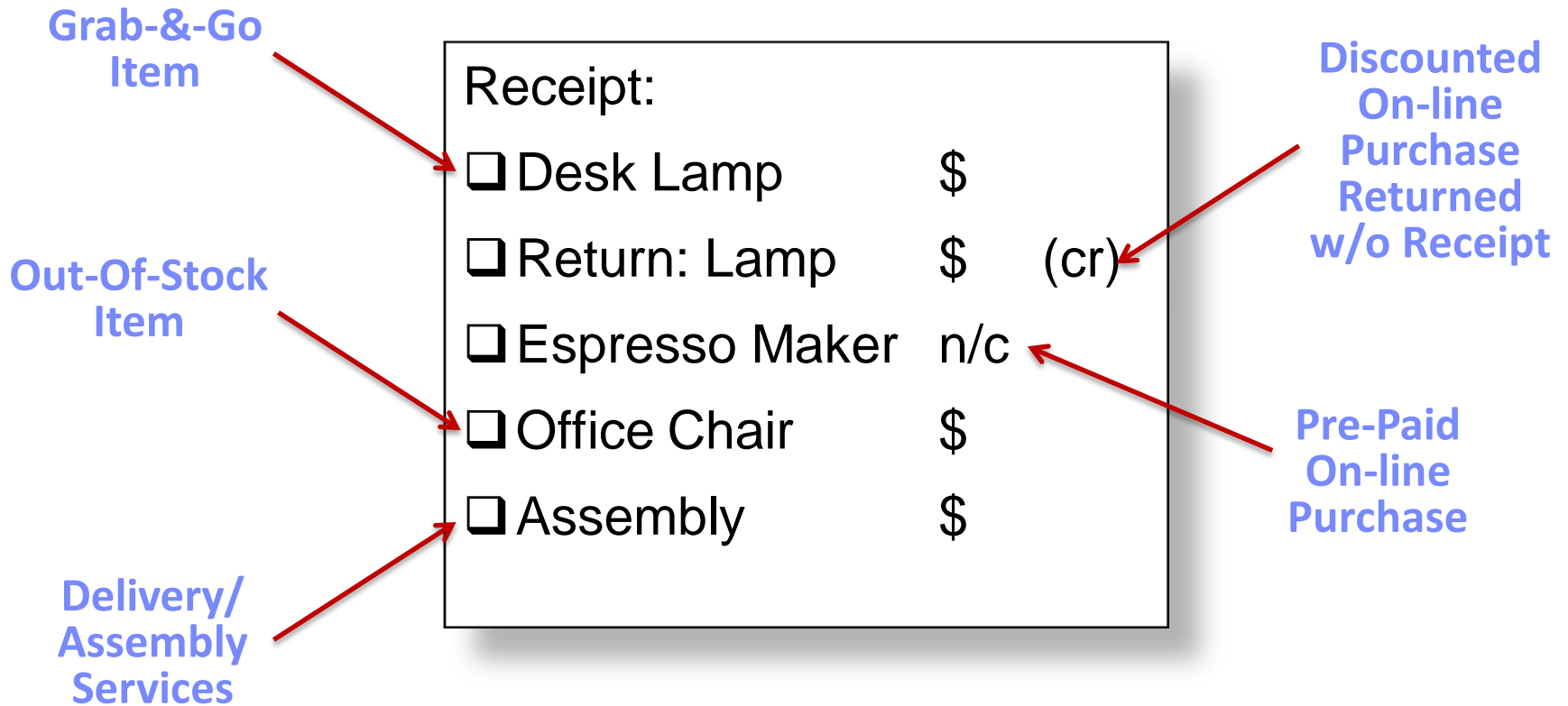
How convenient do your customers expect self-checkout to be?



For example:

- Weight sensing
- Light items
- Bag removal
- Scan rate
- Item lookup
- Automatic discounting

Does your customer expect you to support mixed transaction types?

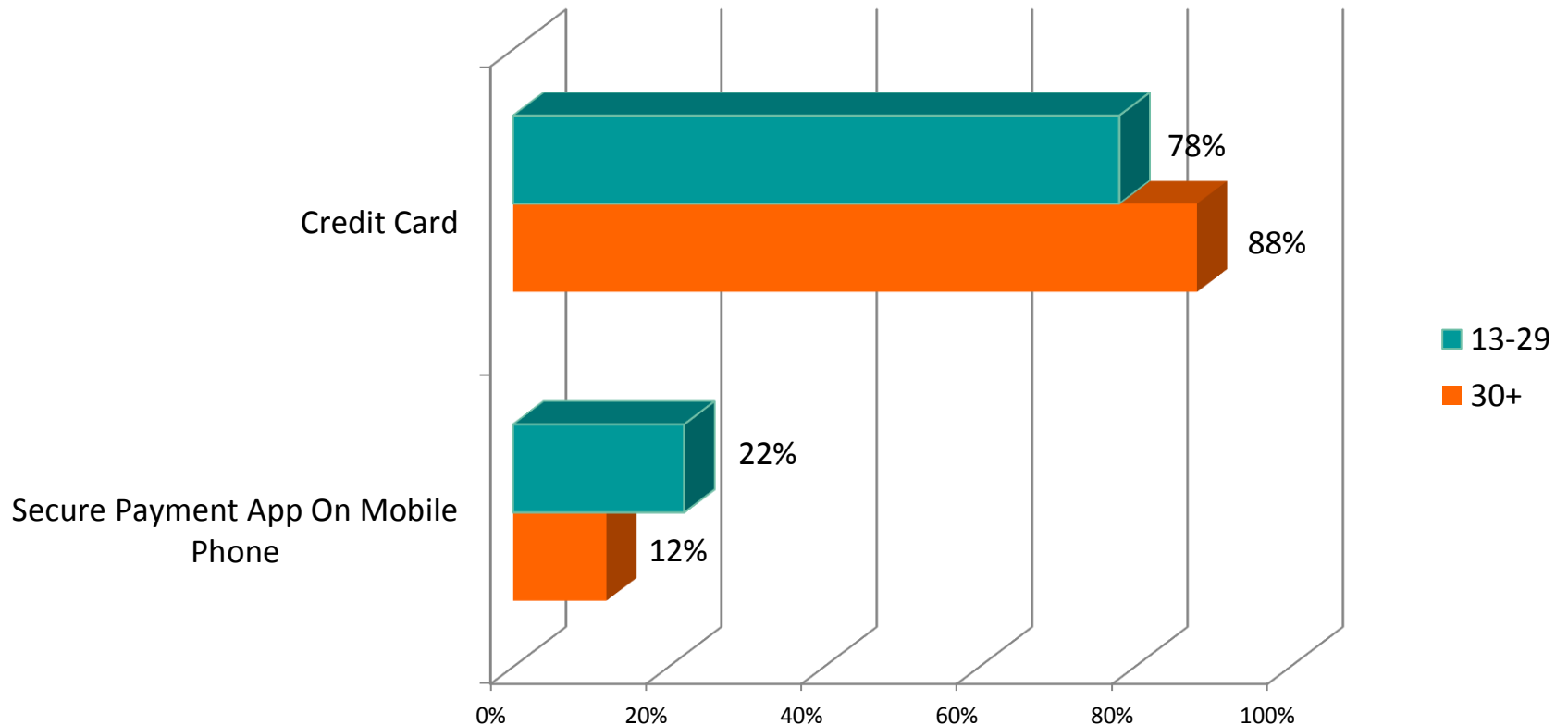


How important are alternative payment methods to your customers?

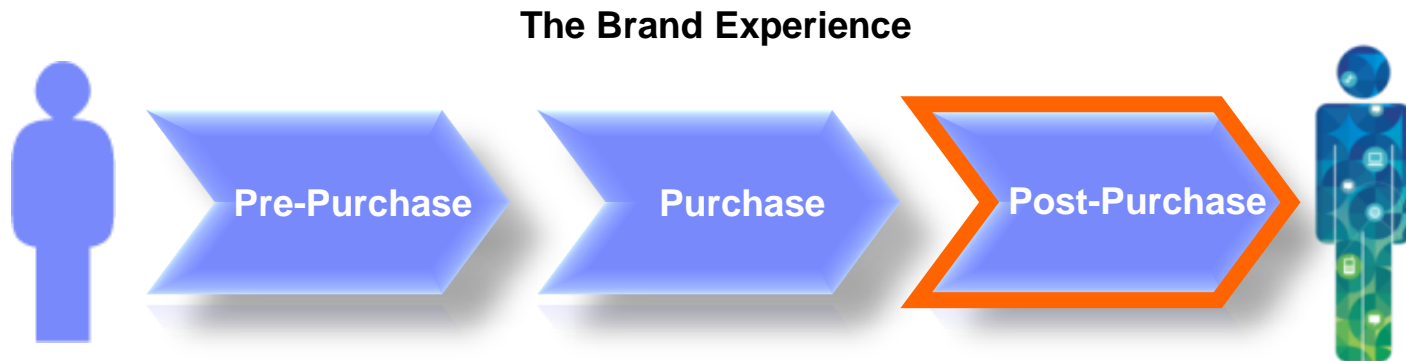


A significant majority prefers a credit card over a mobile payment app for checkout

- Q: If each of the following payment methods was equally secure, which would you prefer to use to pay for goods at checkout in the store?



Channel-Independent Post-Purchase Experience

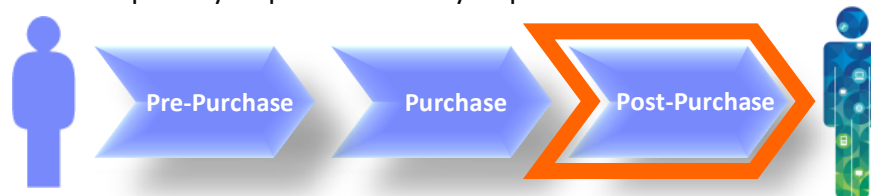


Many of the most important advocacy capabilities in the Post-Purchase phase require omni-channel retailing

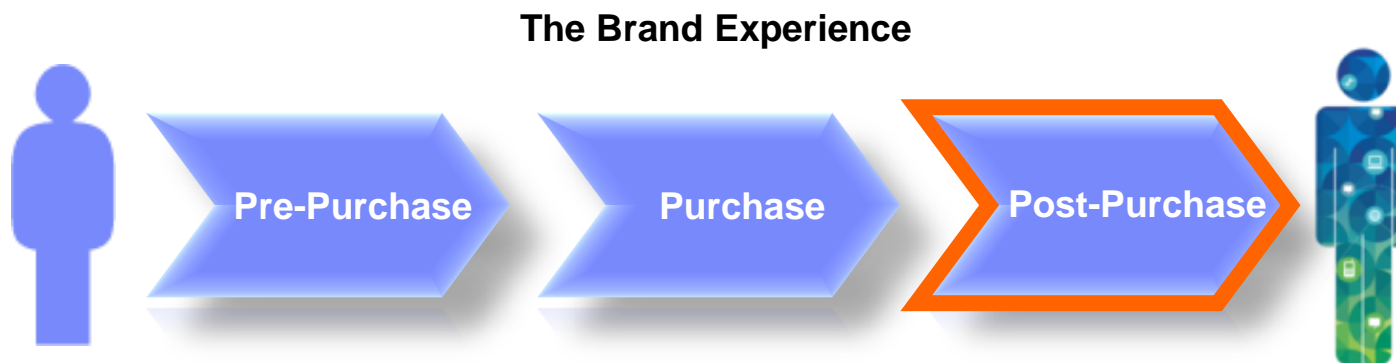
- Q: How important is each of the following capabilities for motivating advocacy?

Consumer Omni-Channel Expectations	
Buy on line, pick up in store	62%
Track an order anywhere	76%
Notify when shipping delays (regardless of channel)	86%
Notify when delivered (regardless of channel)	78%
Notify when item is ready for in-store pickup	77%
Buy on line, return to store	75%

Percent of consumers who ranked the capability Important or Very Important



Multi-Method/Location Fulfillment



Does your customer expect fulfillment flexibility?

MINNEAPOLIS—(BUSINESS WIRE)—Best Buy (NYSE: [BBY](#) - [News](#)) makes holiday shopping even easier this year by offering one of the most comprehensive shipping programs in the retail landscape, Store Pickup Plus.

The Store Pickup Plus program consists of the following capabilities:

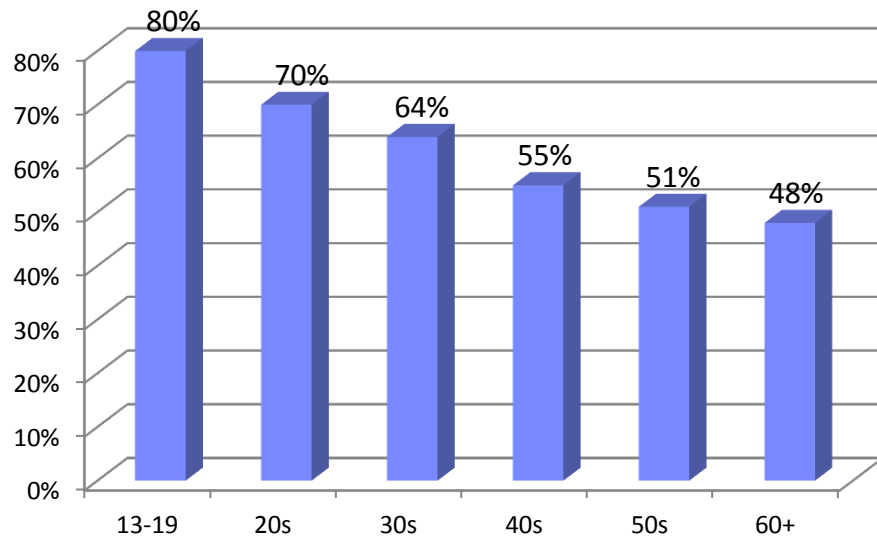
- **Store Pickup:** Buy online, skip the shipping charge and pick up an order in as little as 45 minutes after placing it.
- **Ship-To-Store:** Out-of-stock products that are available online can be shipped to any Best Buy store for customer pickup, without any shipping fees.
- **Friends & Family Pickup:** Place an order online and have someone else pick it up, avoiding an inconvenient trip to the store or giving an out-of-town relative immediate access to a purchase.
- **Warehouse Pickup:** Avoid delivery charges and scheduling conflicts by picking up products directly from a local Best Buy warehouse. This is an expedient option for appliance purchases and same-day pickup.

With each of the program options, customers will be notified via email when their product is ready for pickup, creating an overall expedient and efficient on-site transaction.

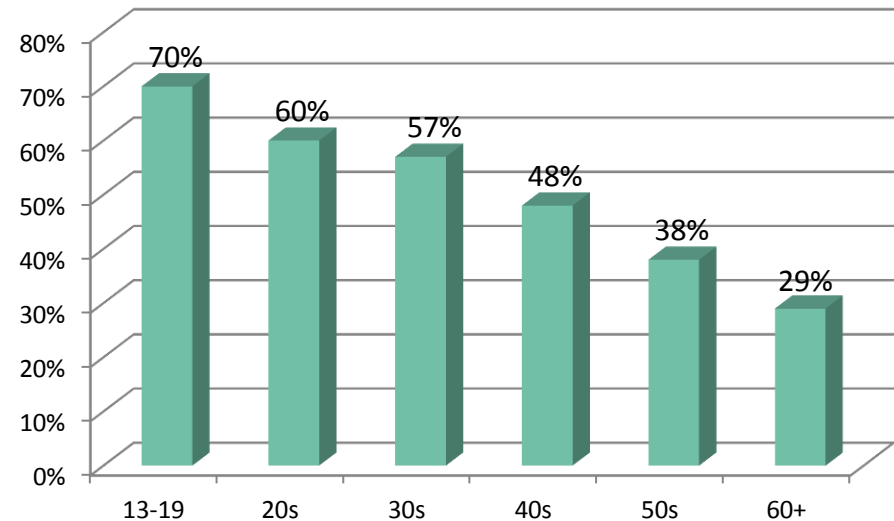
Consumers will take advantage of in-store pickup, and they'll purchase additional products while they're there

- Q: How likely are you to...? [Likely/Very Likely]

Take advantage of in-store pickup of an online/mobile purchase [avg. = 61%]



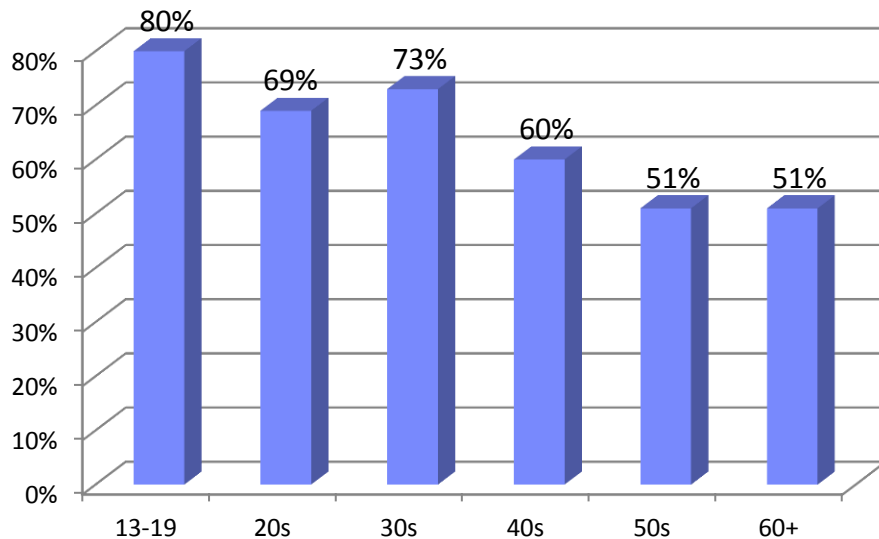
Purchase additional products while in the store picking up an online/mobile purchase [avg. 50%]



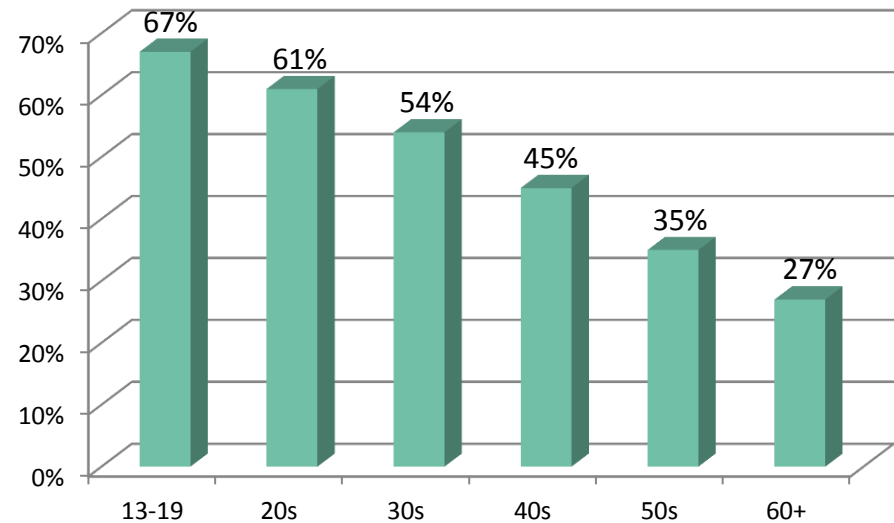
Consumers will take advantage of in-store returns, and they'll purchase additional products while they're there

- Q: How likely are you to...? [Likely/Very Likely]

Take advantage of in-store return of an online/mobile purchase [avg. = 64%]



Purchase additional products while in the store returning an online/mobile purchase [avg. 48%]



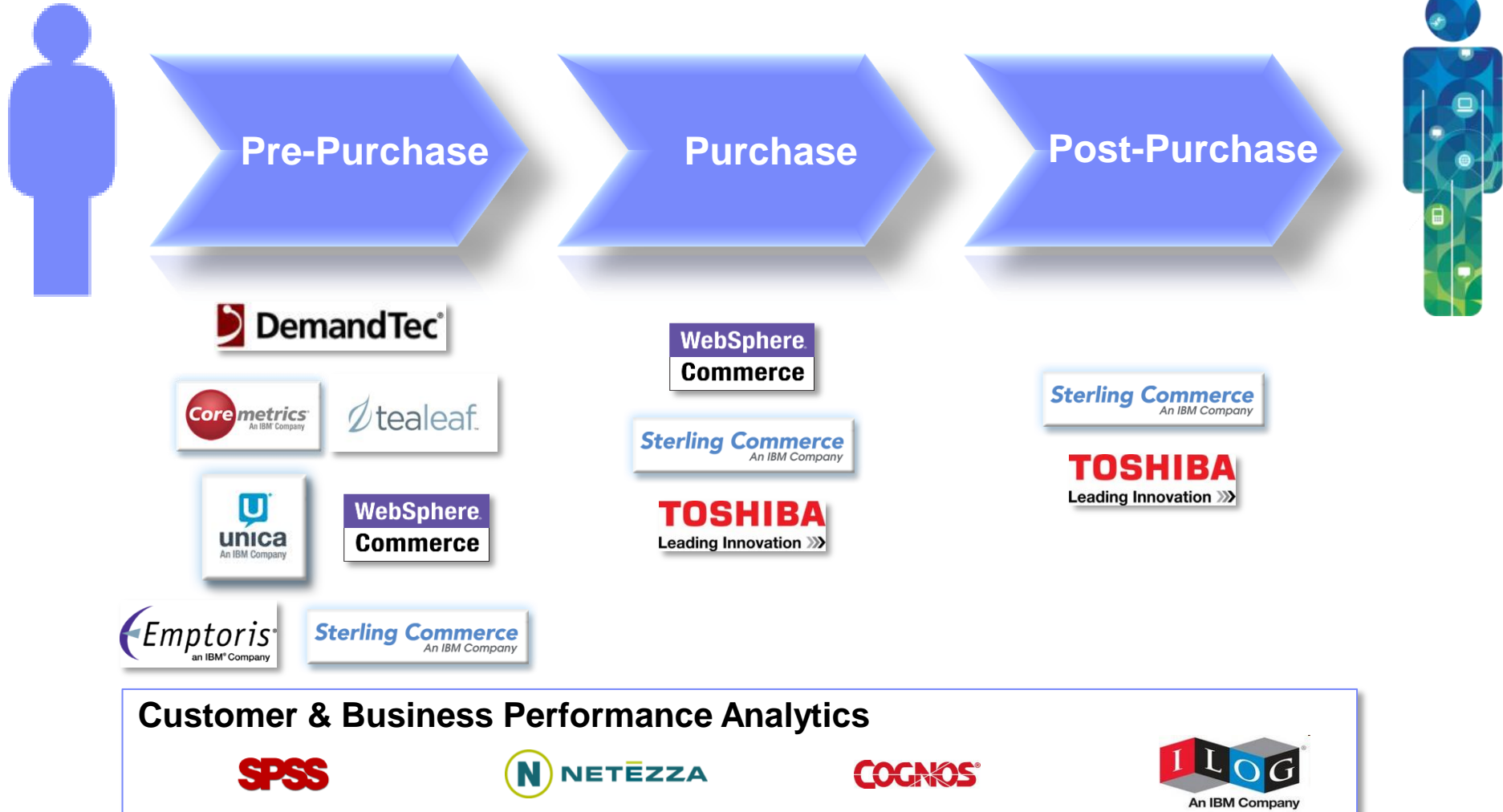
Key Takeaways

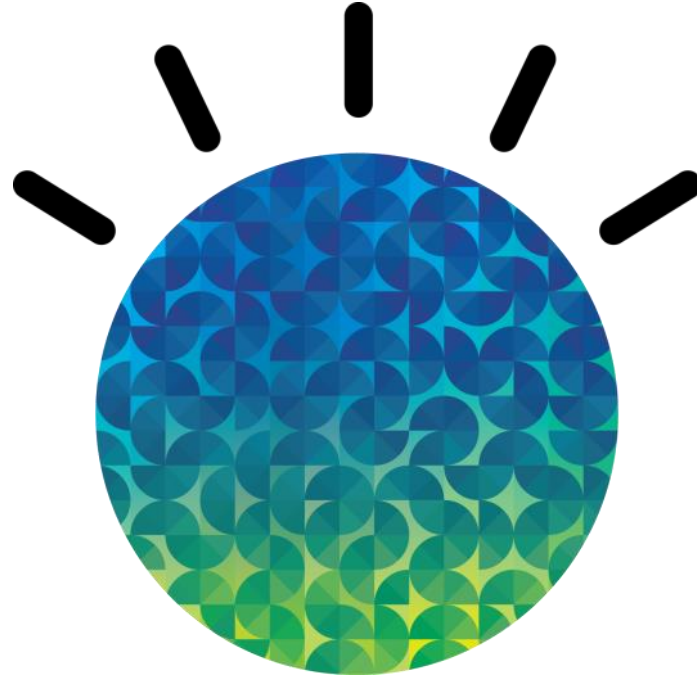
Key Omni-Channel Takeaways

- Consumers are evolving (values, expectations, behavior)
- We are all consumers when we go home from work
- Consumers have increasing influence over other consumers
- Brand advocates can be powerful points of influence
- Brand advocacy is built on trust which is built on a consistent brand experience
- The brand experience spans multiple phases and *all* channels
- Therefore:
 - Ensure consistent execution at critical points of brand interaction
 - Deepen the brand relationship to increase loyalty, advocacy, and profitable growth

IBM solutions elevate the brand experience across all three phases

The Brand Experience





Thank you.