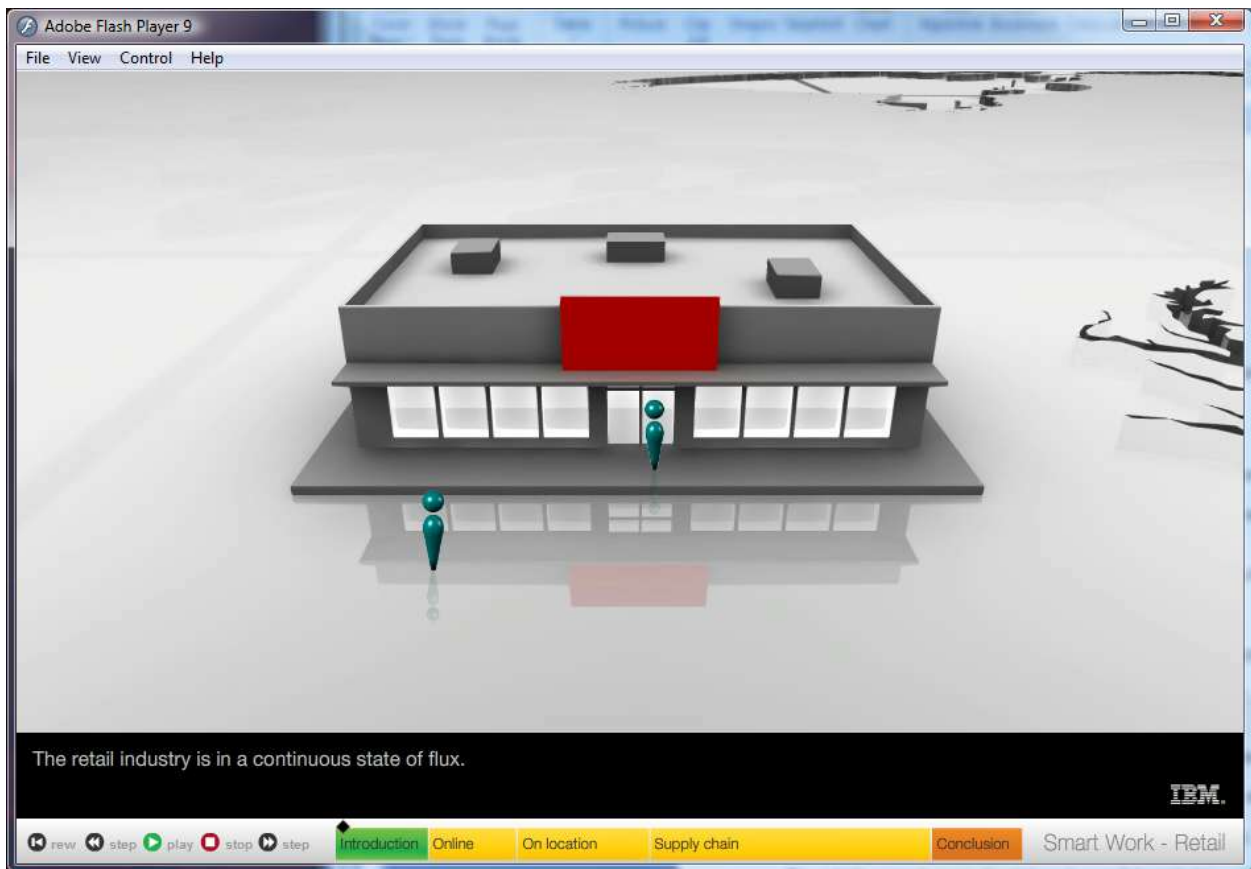Smart Work Retail Demo Transcript



The retail industry is in a continuous state of flux.

With widespread adoption of the internet, entire markets can appear, disappear, or move halfway around the world seemingly overnight.

New competitors encounter little or no barriers to entry.

And customers expect better service and higher quality products at ever-lower prices.
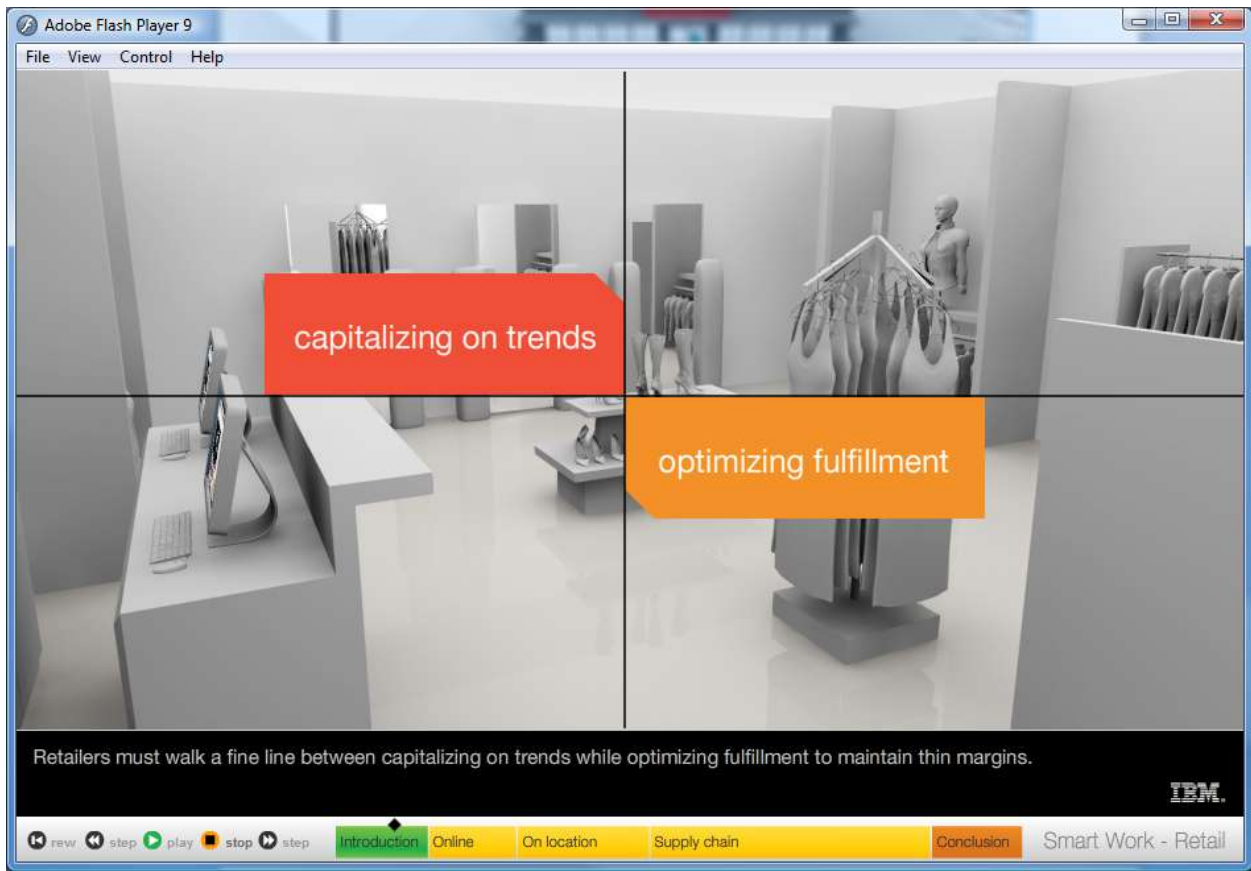
Retailers must walk a fine line between capitalizing on trends while optimizing fulfillment to maintain thin margins.
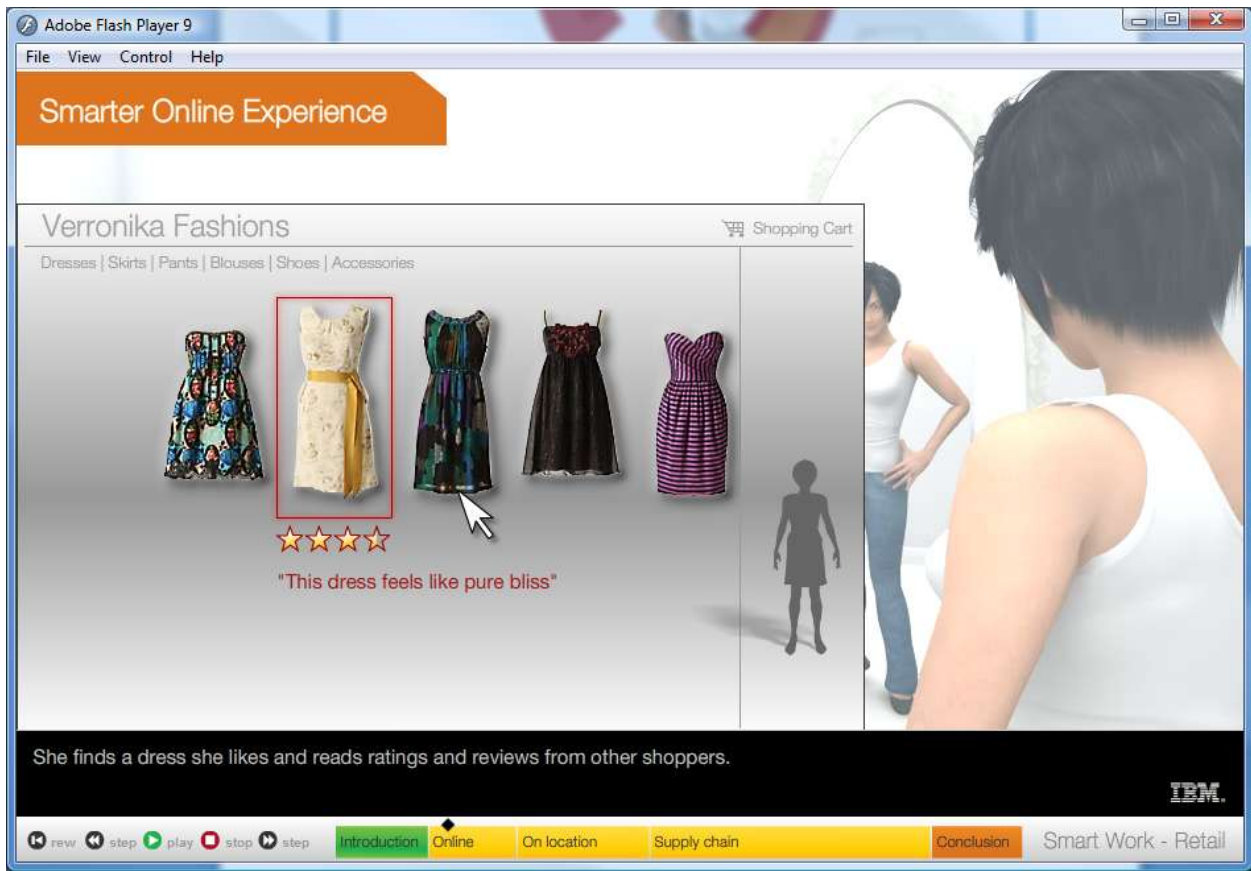
Some of the same technological advances that are forcing so much change upon the business landscape also hold the potential to revolutionize the industry.

What follows is a view of how retailers can thrive in this evolving, networked world...

Rebecca is going out on Friday night and has a few minutes to look for a new outfit.

She finds a dress she likes and reads ratings and reviews from other shoppers.

She has her own avatar profile stored, and uses it to try the dress on.

The website suggests a pair of matching shoes in Rebecca's size -- with a limited-time discount.

Undecided, she sends her avatar dressed in the outfit to her closest friend, Jasmine.

Jasmine really likes how this looks on Rebecca, but isn't sure she could actually get it by Friday.

Rebecca initiates a chat session with a store representative. He confirms she can have it in time, so she proceeds with the purchase right from her smart phone.

Emily is also searching for a new outfit.

As she holds up garments she is considering, her mobile phone transmits a unique code which serves as virtual loyalty card account and gateway to her social networks of close friends. She can see brand and product ratings from her friends and from similar shoppers in her demographic.

RFID tags embedded in the dress she has picked out are linked with tags in matching accessories so Emily sees options to complete her outfit.

The Smart Mirror suggests matching shoes, shows their location, and presents Emily with a time-limited discount on the combination.

Emily completes her transaction through the Smart Mirror and optionally decides to show her new outfit to her network of eager friends.

The pervasive use of smart phones and social media platforms creates an opportunity for advanced loyalty programs that integrate cooperatively with consumer's lives.

This integration allows retailers to be a ubiquitous part of their audiences and obtain insights of where their customers are headed in real-time.
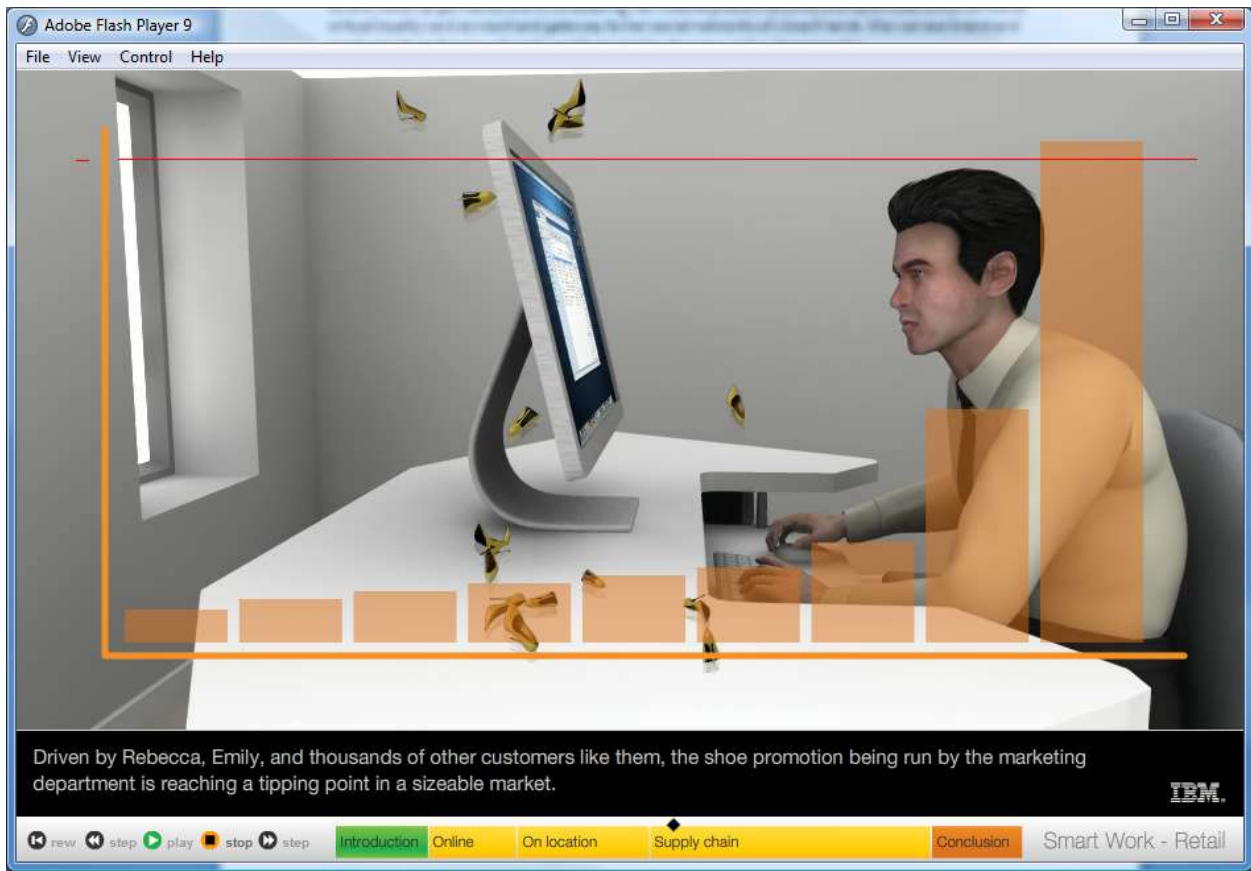
Rob is part of the supply chain management group and has just received an alert on his dashboard.

Driven by Rebecca, Emily, and thousands of other customers like them, the shoe promotions being run by the marketing department is reaching a tipping point in a sizeable market.

The trigger event is a greater than 25% social network referral rate.

Rob initiates a collaboration session with his staff to discuss the alert.

During the session one of the participants shares a YouTube Video of a model wearing the shoes in a popular music video.

The video has over 1.5 million views and he team agrees this product line should be flagged as "viral trend" in the supply chain system.
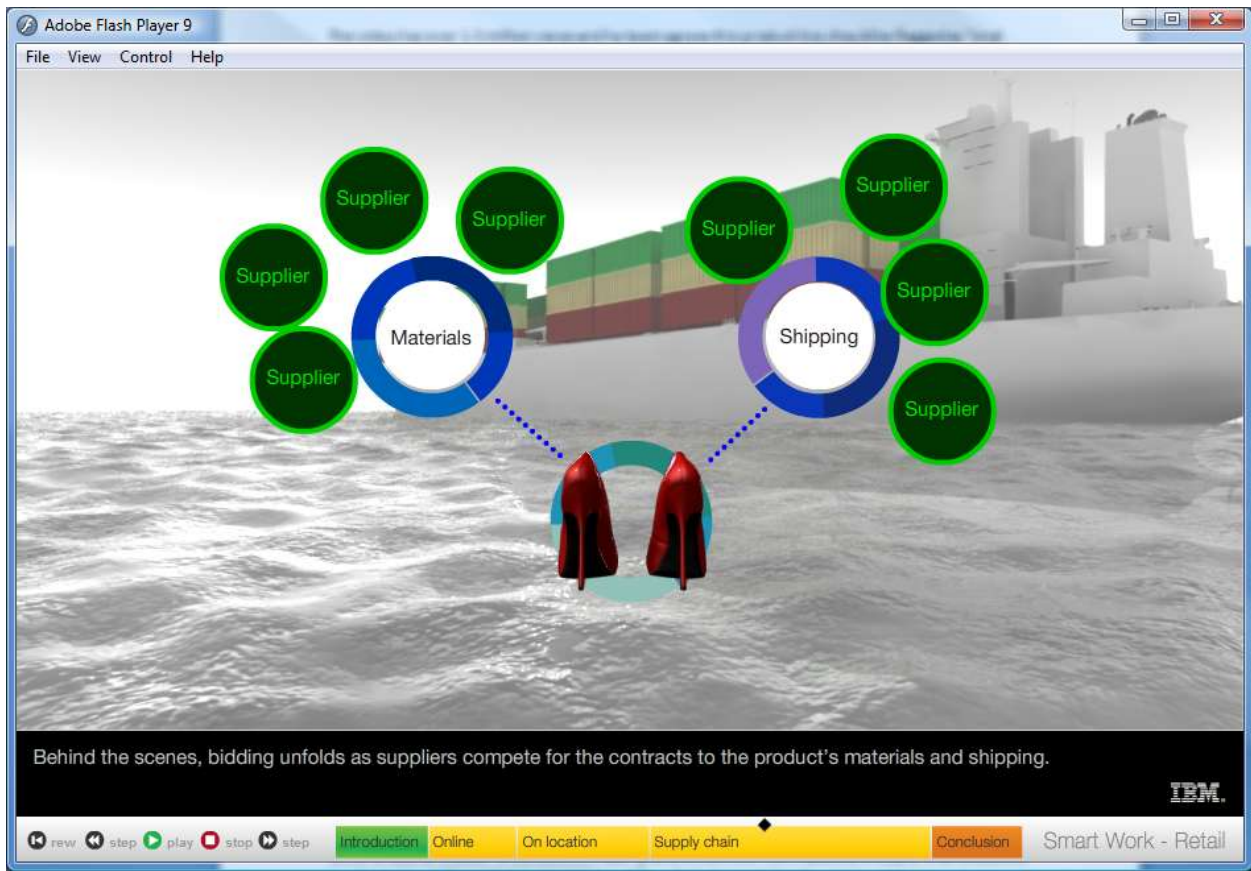
The resulting cascade of events triggered ensure that stores have the right amount of product and that these products are surrounded by tailored promotions.

Behind the scenes, bidding unfolds as suppliers compete for the contracts to the product's materials and shipping.

A group of preferred suppliers is assembled to meet the extra demand anticipated.
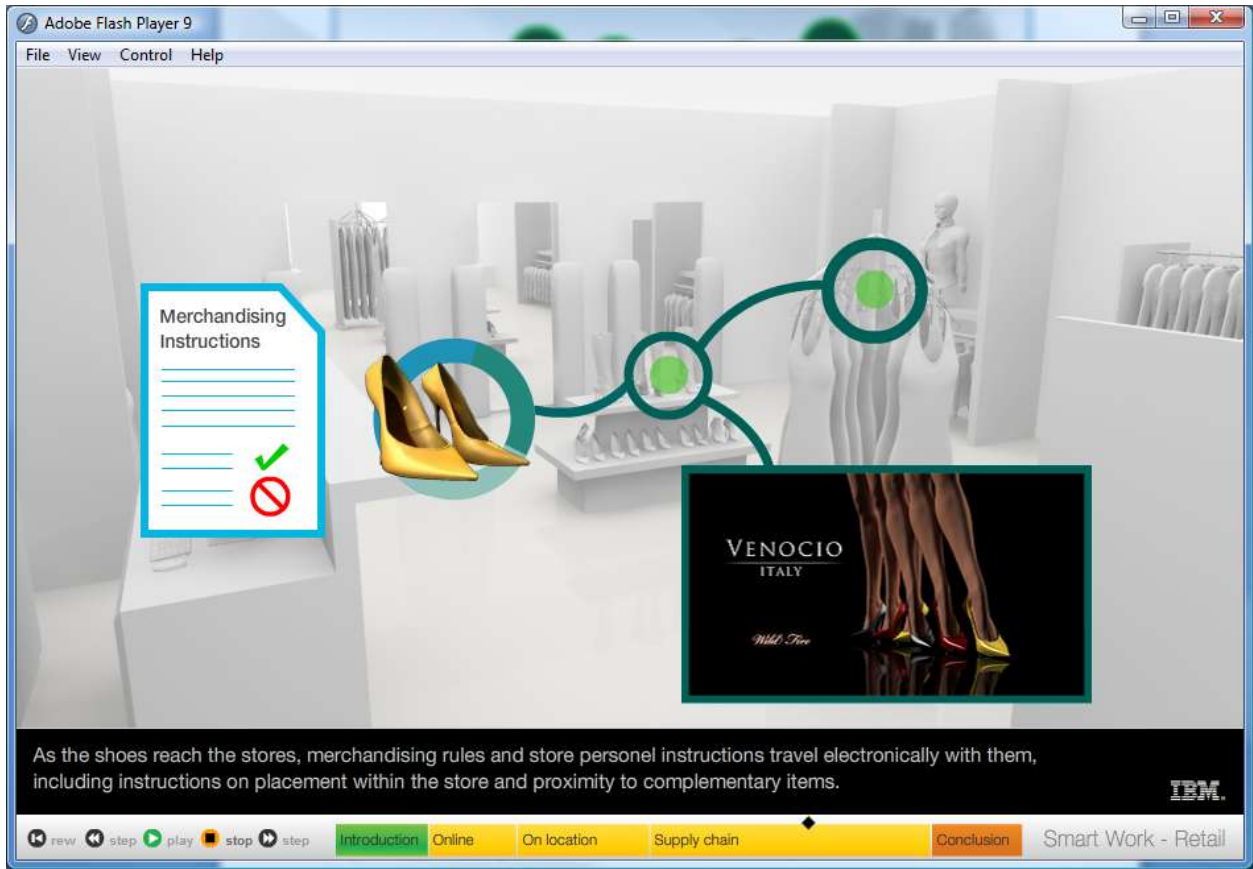
As the shoes reach the stores, merchandising rules travel electronically with them, instructing store personnel on how to handle the shoes, including placement within the store and in proximity to complementary items.

Upon arrival at the store, online ad campaigns are automatically queued to run in markets that have shown the greatest potential.
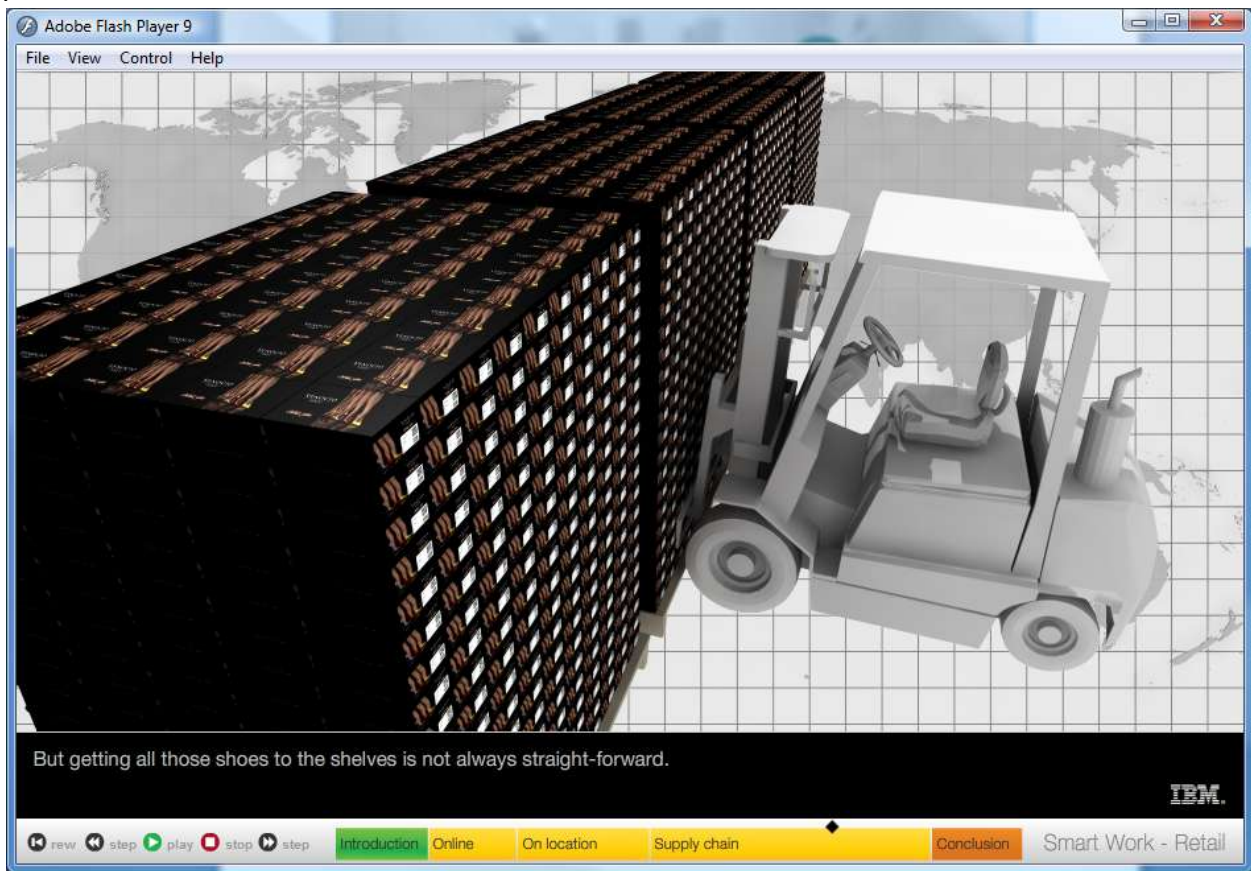
But getting all those shoes to the shelves is not always straight-forward. Contingencies and unexpected events continually test the speed at which supply chains can adapt. Routing around problems is no longer enough. Preparing for the unexpected is one trait that distinguishes retail leaders.

When a natural disaster shuts down a shipping lane, a business rule created by a supply chain executive is activated, quickly evaluating inventories of the articles being delayed.

The business logic analyzes costs and lead times of transferring stock between stores as well as alternate sourcing from a close but expensive supplier.

A mixed tactic that optimizes for both, cost and delivery time, is recommended

Once approved, electronic orders are dispatched for local re-sourcing and distribution, turning a potentially major disruption into a managed event.
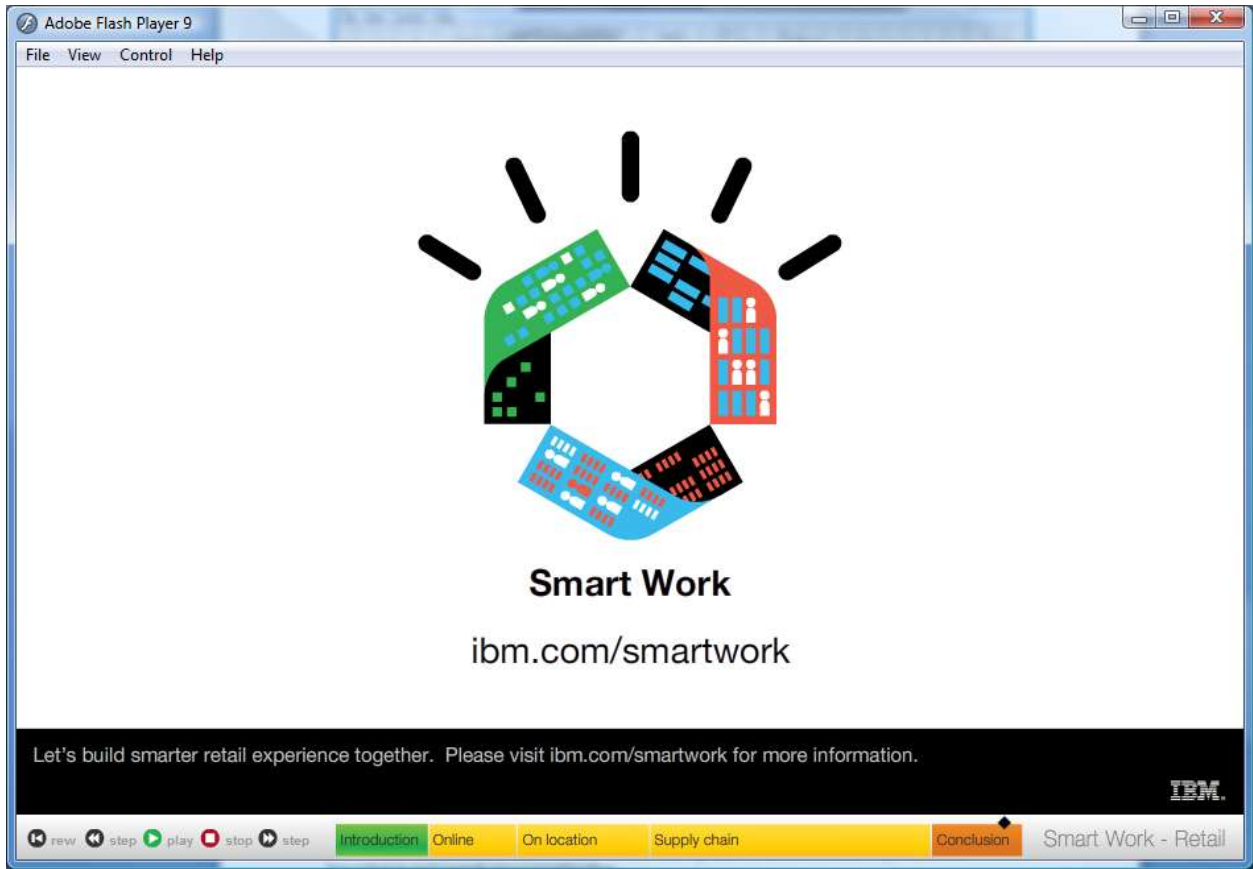
Succeeding in retail today takes more than hard work; it takes SMART work.

•It takes smarter merchandising and supply chains that adapt and respond dynamically, not only reacting to market shifts, but anticipating them

•It takes a smarter, more collaborative shopping experience that crosses organizational boundaries and reveals new opportunities.

•And it takes smarter store operations supported by technology that allows customers and companies a world apart to connect and interact naturally

Let's build smarter retail experience together.  Please visit ibm.com/smartwork for more information.