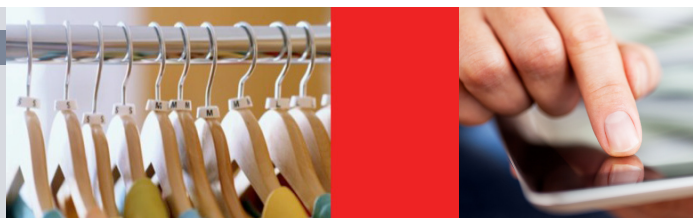


Your Experience Platform: Connected Interactions



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What sets brilliant retailers apart is their ability to align *interacting* business processes that enable a truly differentiated customer experience. They create connected internal and external interactions that put the customer at the center of their decision-making. It doesn't happen by luck or magic, it's achieved via the execution of a comprehensive set of integrated, cross-channel business technology solutions, selected and operated by your retail business and IT teams and deployed in accordance with your processes and strategy.

THE NEED TO CONNECT INTERACTIONS

Consumer shopping habits, retail business practices and manufacturer sales strategies are all in a phase of rapid change. Consider the following:

- By the year 2020, the aggregate dollars spent online will exceed the incremental growth dollars spent in stores, marking a profound transformation in the way consumers interact with retailers.
- Recent research from Forrester indicates that 53% of consumers go online to inform a purchase decision that is ultimately concluded at a brick-and-mortar location. Best Buy reports that among its customer base, that figure has reached over 60% and continues to climb.
- Our own research indicates that 48% of customers are using their mobile devices to access price information either before or after the in-store shopping experience.

Any time, anywhere access to deep product and price information from thousands of sources in the palm of the shopper's hand can be a scary prospect for retailers, and store associates feel the brunt of that fear. If the consumer's knowledge of product, price, terms and conditions exceeds that of your associates, a customer experience disconnect is created that can seriously threaten loyalty to your stores. Shoppers' mobile device and Web usage forces change in the way you interact with customers, calling for new strategies unlike anything you've had to grapple with in the past. The common denominator here is the consumer, a consumer who is engaging many retail and manufacturer brands via several channels simultaneously to shop and transact.

PROVIDE ACTIONABLE INSIGHT AND OPTIMIZE OPERATIONS BY CONNECTING PEOPLE, DEVICES AND CHANNELS

To drive ongoing profitable growth, retailers must provide the superior experiences consumers are demanding — and align them with smarter internal decisions and processes — in order to market, interact and transact consistently across multiple touch points, whether your consumer is online, on the go, or in the store. This is paramount to today's retailer. You need to build an experience platform — tuned to your specific business strategy and growth objectives. To enable your experience platform, we believe there are three goals:

- **Connected Interactions.** Using technology, connect customer and associate interactions seamlessly across channels and touch points.
- **Gain Actionable Insight.** Enable smarter decisions by connecting siloed sources of data and embedding science and business intelligence. This will enable smarter planning, forecasting, merchandising, supply chain management, and marketing decisions. Connected interactions create actionable insight by supporting a cross-channel view of consumer demographics, customer profiles, purchase histories, customer segmentation, inventory, supply chain positioning, and more.



Cross-Channel Creativity Connects Interactions At Urban Outfitters

- **Optimize Operations.** Align every aspect of your business to gain efficiencies and economies. When KPIs are aligned across departments and channels, internal conflict is mitigated and the customer's priorities become your priorities.

When these goals are achieved and executed collaboratively, you will create a world-class experience wherever your brand is touched.

CROSS-CHANNEL INTEGRATION IS KEY

Allowing consumers to share their preferences with you — and having the technology infrastructure to support and process those preferences and profit from them — is where retail is headed. Cross-channel integration is imperative to your ability to market, interact and transact consistently across multiple touch points whether your consumer is online, on the go, or in the store. We're encouraging retailers to extend their concept of the research and purchase process beyond individual, channel-specific transactions, enabling a holistic, enterprise-wide view of shopper behavior, with the customer at the center of the picture. We have the technology to drive this holistic view into both the head office where brand and merchandise strategy is set, and into the hands of store associates, where an information-enabled workforce can take the actions that influence purchase behavior.

From the consumer's perspective, connected interactions result in a seamless brand experience that blurs the lines that traditionally exist between channels. From the retailer's perspective, connected interactions allow transactions to begin in one channel and conclude in another with no loss of perspective on consumer preferences and no redundancy or data disparity across channel-specific systems. In today's Internet and mobile-intensive shopping environment that means enabling:

- the customer experience across channels, providing seamless inventory visibility, allowing shared shopping carts, targeting customers with precision, and inspiring social interactions across all touch points
- the ability for consumers to buy online & pick up in the store, with congruent back-office sales, inventory, and supply chain systems recognizing the transaction
- quick and consistent access to rich media, including product research and pricing information online, in the store, and on the go
- the opportunity to order merchandise that is not in stock, for delivery to the store, home, or another location, and enabling endless aisles
- a seamless, transparent, and consistent pricing strategy across channels
- a single view of the customer, her order history, preferences, and value across any and all channels she chooses to engage your brand
- the convergence of business process and technology across web commerce, store solutions, merchandising, customer relationship management and supply chain.

There's much to be said about the success of Urban Outfitters, the explosive-growth apparel brand that boasted a 72% single-quarter profit increase last year while others in its segment languished in a poor economy.

Recently-departed CEO Glen Senk attributes the company's success in large part to a cross-channel operational philosophy that seamlessly connects its customers' store, catalog, and web experiences. That philosophy was on display last year when Urban Outfitters dedicated resources to a mobile commerce effort that's driven sales in every channel, further strengthening a brand that's recognized as earning some of the highest revenue-per-square-foot in the industry. The mobile rollout began in March 2011 and had reached all 194 Urban Outfitters stores by the holiday peak sales season.

Senk fortified the channel-agnostic philosophy at his company to the point that customer — not channel — centrality is an established element of the culture at Urban Outfitters and its Anthropologie, Free People, BHLN, and Terrain brands. The company embraces the consumer information exchange and transparency afforded by the Web. "As a company that loves its customer and values his and her opinion, we welcome that change enthusiastically," Senk has said. In a recent interview with shop.org, Senk acknowledged the role played by the executive level in executing cross-channel customer centricity. "As the CEO, it's critical to communicate our values and our philosophy so that the information cascades to the individuals within each channel who actively engage in a dialog with the customer," he said.

The flawless execution of cross-channel customer centricity at Urban Outfitters hinged on the company's investment in providing the same unique experience regardless of channel. Using the full Oracle ATG Commerce Suite, Urban Outfitters has significantly increased the sophistication of its commerce site and supplied its online customers with the same experience as the in-store shoppers. In stores, the effort has proven especially fruitful during holidays and peak sales seasons. Building on its Oracle Retail Point-of-Service (POS), Urban Outfitters' mobile POS capabilities have helped the retailer avoid long checkout lines without forcing the addition of cash registers, which would compromise the brand's unique and valuable merchandising space. The solution Urban Outfitters has empowered its associates with is based on Apple iPod Touch hardware similar to that used in Apple stores. Holiday 2011 sales at the company were record-breaking on 11% year-over-year holiday sales growth.

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THE POWER OF CONNECTED INTERACTIONS IN PRACTICE

Let's illustrate how connected interactions work in the real world by presenting a hypothetical, but entirely possible and incredibly powerful cross-channel experience from the consumer's perspective.

Patty goes online to shop for a new tennis racquet by logging on to The Racquet Store's site using her Facebook credentials. Upon log in, Patty's customer profile appears and adds any new, relevant sporting interests from her Facebook profile, and presents her with a promotion if she spends \$200.

The Wilson BLX racquets are all the rage, and its reviews convince her it's the racquet for her. She's reminded of the promotion, which amounts to \$10.00 in savings at 20% off. Unsure which size racquet she'll settle on, she places a 27" racquet and a 27.5" racquet in her cart. Both items are noted as available and in stock at Patty's preferred location. She heads to the store.

On entering the store, Patty uses her smartphone to check in and is greeted by a personalized welcome message on her phone, a reminder of the 10% off promotion, and information on a tennis clinic being held at the store this weekend. She also notes that her cart appears, displaying the racquets she's considering.

Patty proceeds to the Wilson rack and uses her smartphone Racquet Store app to scan shelf-level QR codes to revisit customer reviews. One recommendation states that for her height, the 27" racquet is preferred.

Meanwhile, a Racquet Store associate named Suzy is notified by Patty's check in that a top-tier loyalty program customer is in the store. Using her tablet, Suzy pulls up Patty's profile, which summarizes her purchase history, segment assignment, shopping cart and loyalty status. Suzy consults with Patty, agrees that the 27" racquet fits Patty best, and removes the 27.5" racquet from her cart.

Suzy logs in at the POS using a biometric reader and uses Patty's customer ID to retrieve her cart. Patty uses her smartphone to tap an NFC device that reads her customer number, the offer code for the 10% off promo is applied, her credit card payment information is loaded, and her loyalty points are updated. Upon approval, Patty's receipt is printed and she's sent a digital copy so she can use her smartphone to access it.

In this scenario, Patty never loses touch with the brand, its promotions, or product information, even though she traverses channels to complete the purchase. Likewise, The Racquet Store's associates and retail systems never lose touch with Patty, whether she's online at home, conducting research on her smartphone, or engaged with an associate in the store.





CONCLUSION: CONNECT INTERACTIONS ON YOUR EXPERIENCE PLATFORM

Capturing information in multiple channels, aggregating it into a 360-degree view of the consumer, and painting the full picture of the enterprise operation is a significant undertaking. Technology architectures need to evolve to facilitate the new commerce-anywhere environment, where disparate systems must work together to create connected interactions.

This is a pivotal time for retailers, as the industry is in the midst of a significant “replatforming” effort that will have decisive implications on which brands thrive and which whither away. As retailers replace outdated brick-and-mortar and e-commerce systems, those CIOs who see the opportunity to connect interactions through integrated cross-channel business applications and processes — which deliver commerce services and unified customer, product, and order information to all the applications that need them — will be deemed the winners.

For More Information...

Oracle’s Retail Asset and Community Knowledge Portal (RACK) offers a comprehensive collection of informative resources and discussions around our best-in-class Retail Solutions.



www.oracleretailrack.com