Agenda

- Trends in e-Commerce
- Vision for Pharmaceutical
- Key Features of WebSphere Commerce
- Directions
- Summary
The e-Commerce Environment Has Changed

Before: Static, catalog-driven experience

Today: Dynamic, customer-driven experience
The Rise of Collaborative Communities

Craigslist.org Beat Monster.com, Match.com

Graph showing daily reach (per million) of craigslist.org, monster.com, and match.com from 2005 to 2007.

Source: Don Tapscott
New Paradigm Learning Corp. 2007
The Rise of Collaborative Communities

Myspace.com beat MTV.com

Source: Don Tapscott
New Paradigm Learning Corp. 2007
The Rise of Collaborative Communities

Wikipedia.org beats Britannica.com

Source:
Don Tapscott
New Paradigm Learning Corp. 2007
The Rise of Collaborative Communities

Blogger.com beat CNN.com

Source: Don Tapscott
New Paradigm Learning Corp. 2007
The Rise of Collaborative Communities

Epinions.com vs ConsumerReports.org

Daily Reach (per million)

Source:
Don Tapscott
New Paradigm Learning Corp. 2007
The Traditional Shopping Metaphor No Longer Applies in Today’s Online Environment

- Dynamic interactions
- Find the perfect eyeglasses
- Plan a room
- Customer Driven Content
- Productivity Tools
- Virtual 3D
The customer is at the center of the experience
IBM’s Vision Outpaces Current Benchmarks - Not “Me Too”
What’s Wrong With “Me Too”?

Walgreens Home page:

- Very busy and difficult to navigate
- There is no obvious segment target
- Does not build or recognise loyalty
- Not personalized, brand value not recognized
Walgreens Baby Club:

- Long list of stuff
- Difficult to navigate or find any information of value
- Search for ‘weaning’ failed

Will shopper come back? Or tell her friends?
Vision Guiding Principles

Customer...what are they looking for?
- Simple & intuitive
- Easy to find information and services
- To be recognized for who they are and see the brand value

To buy stuff .......
- Selling ..... always linked with context
- Information ..... always linked with context
- Community ..... always linked with context

All this starts with Landing Page....anonymous user
- Great looking, immediately useful, relevant, sticky
  .....able to find what they are looking for... easily
WebSphere Commerce Demo
WebSphere Commerce Solution Architecture

Any or all commerce initiatives built on a single, unified platform

WebSphere Commerce

Configurable Business Processes
- Marketing
- Merchandize & Sell
- Catalog & Content
- Collaboration
- Order Management

Business Context Engine
- Relationships & Agreements
- Personalization
- Globalization
- Analytics

IBM Middleware Platform
- Rational
- DB2
- WebSphere
- Lotus
- Tivoli

Built on a scalable platform designed for cross-channel business integration
Supports All of a Company's Business Models -- Whether B2C, B2B or Both -- on a Single Platform
Ritz Interactive operates a network of 15 e-commerce sites that are uniquely branded and marketed. Ritz Interactive treats each brand as an on-line community by offering domain specific content, reviews, tips, and advice. While each site is independent and individually branded they all operate on same software platform.
Follett hosts hundreds of unique and separately managed storefronts from a centrally administered software instance

*efollett.com powers + 900 individually managed sites, offering books and merchandise specific to campus, while sharing a single checkout process*
IKEA Responds to Regional Customer Needs With Geo-Specific Sites

*Presently IKEA micro-sites are not using E-Sites*
Multi Site Implementation – IBM vs. Competition

IBM WebSphere Commerce

- Full/selective asset sharing
- Centralized administration
- Consistent experience

Competition

- “Development factory” approach leading to costly and error-prone solution
- IT administrative overhead
- Process creep and inconsistency
By leveraging a Single Customer Interaction Platform, Retailers can Deliver an Integrated Cross-channel Experience
One Solution Used in Multiple Channels

Call Center

Web Browser

In Store

Kiosk

Mobile

WebSphere Commerce

Business Logic
Integrated Multi-Channel Retailing Maximizes Revenue and Increases Customer Value

Dual-channel shoppers spend 114% more than single channel shoppers and tri-channel shoppers spent 168% more

Catalogs drive 15% of store purchases; retail stores report a 25%-30% lift in sales when catalogs are mailed

Consumers who shop all three of the retailer’s channels spend 4.5 times more than average single channel customers
Argos multi-channel strategy enables customers to conveniently shop any time, any where

- **Internet**: order products using the website or catalogue numbers and arrange for home delivery, or reserve items to pick up in store
- **Store**: purchase items in store; use quick pay kiosks
- **Telephone**: order products via a catalogue for home delivery, or reserve items for store pickup
- **Mobile phone**: send text message to reserve item at local store and take home

✓ **Considered the top multi-channel retailer in the UK**
✓ **2006 Online Retailer of the Year - Retail Week**
✓ **2006 Customer Services Initiative of the Year - Retail Week**
Some Key E-Commerce Features

Kevin Doyle
World Wide E-Commerce Executive
IBM Toronto Lab
Personalization

- Business rules
- Click stream recommendations
- Targeted segments
- Registered or anonymous shoppers
- Across channels
B2C Marketing

- Content unique to customer
- Automated X-Sell & Up-sell
- Targeted promotions

E-marketing spots
Enhanced Buying Experience

Bundles & Kits

Suggestive Offers

Related Products

Things that work well with this item:
- Bending Branches Arrow Canoe Paddle $55.00
- Crazy Creek Canoe Chair $30.00
- Mad River Removable Kneeling Pad $38.00

Other items like this:
- Mad River Explorer Canoe - Royalex $1,059.99

You might also like...
- Granite Gear Padded Stowaway Canoe Seat Pack $40.00
- MTI Reflex PFD $44.99

Cross-Sell / Up-Sell

Time based offers

Additional capabilities:
- One click purchase
- Product substitutions
- Plus many more…
Marketing Promotions

- **Many promotion models**
  - Order level
  - Product (line item) level
  - Shipping…free or discount
  - Buy X get Y
  - Gift with purchase
  - Ranges … % off and values (fixed $)
  - Coupons… redemption limits
  - Exclusion lists
  - Promotion codes

- **Empowering Business Users**
  - Set promotion redemption limits
  - Extend promotions to email
  - Ads linked to promotions
  - Date specific scheduling
  - Promotion policy model for conflict resolution
Guided Selling

Advanced Search

"Campmor’s customers...don’t just want to find waterproof, down-filled sleeping bags that will keep them warm in extreme temperatures. So we needed to enhance the search and navigation capabilities of the site to make such searches possible." — Jeanette Thomas, Tachyon
Enhanced Search and Navigation
Search Engine Optimization

- Enables search engine “spiders” to index dynamic pages
- Tools enable easier web page indexing and removing inhibitors such as “stop characters”
- Site mapping tool to generate site map with static URLs and spider-optimized page content
- Runtime mapping of static URLs to dynamic pages
Flexible Order Management

- Managed at line item level
- Back orders
- ATP
- Notifications
- Multiple ship to... Requested dates
- Special Instructions
- Requisition lists
- Inventory

Order by SKU

From Previous Order, R-orders, scheduled orders

Multiple Payments
Analytics ..., Coremetrics Strategic Partnership
Marketing Experimentation – A/B Testing

- Allows Business Users to...
- Quickly test alternatives and evaluate customer response
  - Promotions
  - Creative Content
  - Merchandising
  - Pricing
- Run A/B/C… splits tests
- Reports on most successful experiment
- Simple to deploy the most effective approach
- No involvement from IT
Managing the Catalog

Create/manage Products
- Product information, descriptions
- Product images, attributes

Associations
- X-sell, Up-sell, Accessory
- Bundles & Kits

Sales Catalogs
- Targeted filters

Master Data Repository (PIM)
- All external & Internal info
- All product linkages

Multi-Channel / Purpose
- Feed e-commerce site
- Feed stores
- Feeds other channels

Item Synch with Partners

Mass Loader
- Supports many file types (XML, CSV, etc.)
- Bulk or incremental updates

ETL Utilities
- Map to WC schema

Internal and external product info sources
- ERP
- XML
- CSV
- Spreadsheets
- Pricing
- Inventory
- Other

ETL

XML

Web Site

XML

WebSphere Product Carer

XML

Web Site
Managing Site Content

Business Managers:
- Create Workspaces
- Assign & Track Activities
- Preview and Approve Changes
- Schedule Publishing

Includes content, campaigns, promotions, etc....

Set date in future and preview changes

When changes ok...simply schedule ‘live’ date
Web 2.0

Client Centric Retailing
Web 2.0 Store Solution: RIA Product Fast Finder

- Dynamic and interactive shopping experience:
  - Accommodate differences in shoppers’ buying styles, selection criteria, personal motivations and approaches
  - Bring the in-store store experience to online shopping

RIA Product FastFinder:
- Interactive tool for researching large number of items with similar features/attributes
- Allows customer to visually limit selection to desired products
- Provide product detail view while mouse over product thumbnail
- Compare products interactively
- Drag n’ drop items to quick cart
- RIA web analytics on micro activity

A Natural Shopping Experience keeps customers on the path to purchase
Use RIA Shopping Cart to streamline the purchasing experience and keep customers on the Path to Purchase

- High performance processes for the way customers want to do business with you
  - Streamline purchasing to reduce shopping cart abandonment
  - Keep customers on the path to purchase with pervasive cart and compare
  - High performance (utilizes local computing power)

**RIA Shopping Cart**
- Rich interactive shop cart management and checkout on a single page
- No click-wait-reload during checkout
- Drag and Drop add
- Easy edit of shopping cart without going back to the product pages
- Personalized cross-sell and up-sell can be purchased at any time during checkout process
- Optional guest user registration after checkout is completed
WC Web 2.0 Store

- A new WC AJAX based store to with rich interactive interface
  - Leverage Dojo JavaScript Toolkit, an Open Source Ajax Engine

- Capabilities:
  - 'Product Fast Finder'
  - 'Single Page Checkout'
  - Drag n' drop items to the shopping cart or wish list or product comparison

- Web 2.0 Store RIA Widgets
  - Price Slider
  - Product Quick View
  - Scrollable Pane for marketing content
  - Store Accordion for global access of shopping cart, wish list, checkout

- Support IE 5.5+, FireFox 1.04+, Opera 8.5+, and Safari 2+
Establish an interactive dialogue with your customers

- Active participation and community
  - Harness the power of Architectures of Participation and community
  - Leverage new communication methods to interact with customers on their terms
- Customer feedback loops

Architecture of Participation

A recent consumer survey ranked consumer content as the No. 1 aid to a buying decision cited by 91% of survey respondents.

¹JC Williams Group 2006;
Active Participation and Community

**Rankings and Reviews**
Harness the power of customer rankings and reviews, usage photos/videos, review SyndicateVoice for SEO, integrated analytics

**Profiles**
Create public profiles and “MySpace Lite” pages to interact with “a person like me”

**Communities**
Create, find, join, and work with communities who share a common business objective, area of expertise, etc

**myFavorites (dogear)**
Save, organize, and share favorite products and links

**Communication: Wikis, Forums, Blogs, Webfeeds**
Wikis, Forums, Blogs may be leveraged to exchange product advice, create ‘knowledge banks’ for web self service, and learn from the expertise and experience of others. Utilize new communication mediums such as Webfeeds/SMS.
Summary
Summary of Gartner Magic Quadrant

**IBM Continues as the Leader in e-Commerce in GG Quadrant**

The Magic Quadrant is copyrighted 1Q2007 by Gartner, Inc. and is reused with permission. The Magic Quadrant is a graphical representation of a marketplace at and for a specific time period. It depicts Gartner's analysis of how certain vendors measure against criteria for that marketplace, as defined by Gartner. Gartner does not endorse any vendor, product or service depicted in the Magic Quadrant, and does not advise technology users to select only those vendors placed in the "Leaders" quadrant. The Magic Quadrant is intended solely as a research tool, and is not meant to be a specific guide to action. Gartner disclaims all warranties, express or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose.
## Track Record:

### Retail
- Argos/Homebase
- Sears/Kmart
- Williams Sonoma
- Staples
- REI
- LL Bean
- John Lewis Partnership
- Hallmark
- Halfords
- IKEA
- Comet
- Disney
- O2 Ireland
- Hermes
- Abercrombie & Fitch
- Things Remembered
- Scholastic
- Wimbledon
- Stockmann
- Borders

### Multi-channel

#### In-store/ kiosks/ click’n collect
- Argos
- Home Depot
- Ernsting’s Family
- REI
- Major French retailer
- Linen ‘n Things
- ToysRUs (Canada)
- Museum of Modern Art
- Comet

### Life Sciences
- Apria Healthcare
- Bausch & Lomb
- Bristol Meyers Squibb
- Cardinal Health
- CompassCare
- Empire Blue Cross and Blue Shield
- Florida Hospital MIS
- Glaxo Wellcome, Inc.
- Harvard Aparatus
- Henry Schein
- Hill-Rom
- Medco Montvale MQ
- Mayo Foundation
- Chinese Ministry of Health
- Rigshospitalet
- Roche Diagnostics
- Siemens Medical Solutions
- Source Medical
- SourceOne Healthcare Technologies
- Stryker Endoscopy
- Sutter Health
- Wright Health Group

### Multi-channel Call centre
- IBM
- Bellico Health (planned)
- Pentland (planned)
- Gamestation (planned)
- Ernsting’s Family (planned)
Why IBM......

- **Best solution to meet your needs**
  - Consistent leader in B2C & B2B e-commerce
  - Extensive functionality with multi-channel & unique micro-site approach
  - Scalability & performance... Open architecture

- **Ability to Execute**
  - Skills, depth and breadth to ensure your success
  - History and strength is enterprise solutions

- **Committed to e-commerce industry and our solution**
  - > $1 billion/yr invested in WebSphere brand
  - WC is core to IBM’s multi-channel retailing solutions
  - Commitment for sustained innovation .... strong vision
  - We (ibm.com) live this business every day ... >$26 billion

- **Lowest risk, highest probability for success**