Retail Redefined at the **Point Of Purchase**

From Channels to Connected Experience
Executive Overview

The point of service is no longer defined by the traditional limitations of fixed cash wraps and kiosks. Consumers are now empowered by mobile devices and transformative in-store technologies that redefine their shopping experiences. Retailers must adapt by deploying service and sales platforms that facilitate the new consumer expectation of convenience, information, and personalized service. Through experience with some of the world’s greatest retailers, Oracle Retail has a proven platform for innovation that optimizes the consumer experience with your brand and creates unprecedented operational efficiencies for your business through a rich and cohesive partner ecosystem.

Introduction

The smartphone has driven advances in the technologies that drive consumer behavior at an astonishing rate. IHL forecasts that more than 50% of U.S. consumers will be smartphone-equipped by December 2011, and with this adoption comes the expectation of mobile apps to support all of retail. With the tools to access a plethora of real-time information to make buying decisions, shoppers have become more discerning and their expectations have grown exponentially. Retailers must focus on differentiating themselves by meeting those expectations while leveraging complementary technologies to increase their operational efficiencies. Fortunately, these two objectives are synergistic and the groundwork for a platform of innovation is laid.

This paper will describe the core elements of the Oracle Retail platform for innovation, enabled by collaboration with best-of-breed, complimentary software solutions and state of the art hardware.

Connect Your Customer Interactions

From vision to reality, let’s walk through a real-world scenario that redesigns the customer experience and reinvigorates growth through optimized performance.

For illustration purposes, we’ll call the customer Sally, the store manager Pete and the store associate Simon. Sally is one of the growing legions of smartphone-enabled shoppers; she’s quickly become savvy to the applications enabled by her iPhone that empower her as a consumer. Sally is delighted when she enters the store, because she has an app for the brand. She launches the app, which leverages the Oracle-enabled Store Gateway. Immediately, the Oracle Universal Offer Engine kicks into gear, powered by Oracle Real-Time Decisions, a high-performance transactional server that combines both rules and predictive analytics to enable real-time intelligence and customer engagement. The Universal Offer Engine automatically determines the best, personalized offer for Sally, based on her purchase history, demographic, psychographic, and behavioral information. The personalized offer is displayed, along with a welcome message, on an in-store digital sign. An associated offer code is stored for later use at the check-out, and Pete the store manager is alerted that Sally has entered the store via the Oracle Mobile Manager iPhone app.

Sally begins to browse the store, using the Oracle-enabled Store Gateway app to scan shelf-level Quick Response (QR) 2-D bar codes for the products in which she’s interested. Those QR codes, printed using Oracle Retail Store Inventory Management (SIM), encode a URL that leads Sally’s iPhone to a mobile device-optimized version of the e-commerce site. There, Sally can get additional product and pricing information on her items of interest. While this is feeding Oracle Real-Time Decisions with additional information on Sally’s preferences, it’s also proactively engaging her, helping to avoid Sally’s propensity to make price and product comparisons on competitors’ Web sites while she shops.
Because the store’s in-stock position is solid, Sally found what she was looking for and she’s ready to check out. Simon the sales associate quickly logs into Oracle Retail Point of Service using a biometric fingerprint reader. Simon then scans Sally’s items using an RFID reader and applies the loyalty coupon from Sally’s smartphone. The RFID reader tracks each of Sally’s purchases in real-time, increasing inventory accuracy and decreasing shrink. As Simon scans her purchases, Sally taps her phone on the Near Field Communication (NFC) reader and her credit card payment information is loaded. Her transaction approved, Sally’s receipt is emailed to her and a copy is sent to QuickReceipts, an online receipt organizer, where she can use her iPhone to access the digital receipt. Sally leaves the store, pleased with both her purchases and the personal experience she had with the brand. Simon happily assists the next customer and appreciates that his transaction speed has increased with the new Oracle Retail Point of Service solution.

Optimize Operations For Efficiency

While customers are engaged in an unprecedented experience on the sales floor, Pete, the store manager, is motivated by applications that increase his productivity and job satisfaction. Pete is working the aisles, engaging customers and using his iPhone to run the Oracle Mobile Manager application. There, he can access real time reports, monitor store employee functions, and receive alerts like remote overrides and customer entrances. As he walks the sales floor, Pete notices that the store is bustling and the lines at the cash wrap are getting long thanks to the weekend promotion. In order to avoid lost sales from anxious customers, Pete leverages the quick app switch on his iPhone and pulls up Mobile POS, allowing him to check out a customer. Pete scans in the items and tenders the transaction with the customer’s credit card. The customer’s receipt is e-mailed to her and a copy is sent to QuickReceipts. Pete facilitated the entire transaction not with a $3,000 register that consumes valuable merchandising space, but with an $800 handheld device as he stood face-to-face with the customer. The mobile POS application increased checkout capacity in the aisle, increased the basket size, and impressed the customer in a single action while Pete maintained his place on the sales floor.

Another happy customer served, Pete hears the buzzer in the back room that lets him know the delivery driver has arrived. Pete walks to the stock room and starts the Direct Store Delivery (DSD) process, using SIM to auto-generate serial numbers for the items in the shipment. He then prints RFID chip-embedded tickets for the items in the DSD.

“Oracle retail applications demonstrate the flexibility, transparency and scalability retailers need to meet and exceed expectations of the 21st-century shopper.”
~Gartner
Each RFID chip is linked to the auto-generated serial number for each item. Pete asks a stock associate to ticket the items as he processes the shipment.

Pete looks at real-time reports on his Mobile Manager app and notices that one of his highest-margin items is a top seller. He performs an RFID stock count to double-check the inventory status on the hot-selling item, and indeed the count indicates that his store is running low. Pete launches the Mobile SIM app on his iPhone and sends a transfer request to a nearby store.

Notice that Pete hasn’t been executing any of these functions from a back-room PC. Pete is where a store manager should be – engaging customers and suppliers throughout the store.

**Conclusion**

Research from IHL indicates that advanced CRM and loyalty remain top POS systems priorities for 60% of North American retailers. CRM, coupon, and loyalty management are also the top considerations for retailers’ next POS upgrades (57%), followed closely by improved inventory visibility (41%). In the specialty segment, these numbers balloon to 67% and 89%, respectively. Findings like these leave no doubt that retailers are searching for innovative platforms that tie together strategic customer centricity, promotions, and inventory management efficiency. The Oracle Retail platform, created in collaboration with an ecosystem of proven innovators, is uniquely positioned to make the scenario depicted above possible. To learn more, please visit oracle.com/industries/retail, or email oneretailvoice_ww@oracle.com to contact an Oracle representative.

---

**About Oracle**

Oracle is the number one provider of innovative and comprehensive industry software solutions for retailers – enabling organizations to serve their customers better by applying insight into daily business decisions for more profitable results. With software that provides supply chain, operations, merchandising, store systems, optimization as well as enterprise applications and infrastructure software, Oracle partners with the world’s leading retail companies, including 20 of the 20 top retailers worldwide, to transform the economics of their businesses.

“For retailers, Oracle is well-positioned to be a strategic partner going forward. Oracle deserves tremendous credit for their skill in assembling a technology portfolio that will keep it relevant in retail for years to come.”

~IDC Retail Insights
“With a suite of retail applications spanning nearly every technology need a company will experience, the company continues to reach for increased innovation and product differentiation. In a world of sameness, Oracle Retail reports success one client at a time, with proven results and quantifiable returns on investment.”

~Gartner/AMR

The Oracle Retail Ecosystem