

# RIT BULLETIN

Retail Information Technology Bulletin

OCTOBER/NOVEMBER/DECEMBER 2008

## ◆ AGREEMENTS ◆



A number of agreements were announced during the period, including:

- Brookshire Grocery Company selected SAP Business Suite
- RadioShack selected Fujitsu's GlobalStore, StoreCENTER and ReturnCENTER software
- Petco selected SuccessFactors Performance and Talent Management suite
- Hallmark Canada selected Retail.net from Tomax
- Loblaw Companies selected Manhattan Associates' Warehouse Management System
- Tommy Bahama selected Acxiom's direct marketing services and analytics for its inaugural best guest loyalty program

RIT Bulletin contains a sampling of Retail Technology news gathered from leading IT news sources and is a publication of RIT Experts.

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## TECHNOLOGY AGREEMENTS CHUG ALONG THROUGH ECONOMIC UNCERTAINTY

Despite the continued economic downturn, high profile bankruptcies, and sharp drops in consumer confidence and sales, retailers continued to invest in technology in Q4 2008. Several agreements were announced as retailers progressed with their plans to reduce expenses and build revenues and loyalty with help from technology.

Innovation in Q4 was limited, conceivably with vendors waiting to launch new products at the National Retail Federation's Big Show in January. There were, however, several announcements regarding the emerging use of social networks and cell phones to connect with customers, as well as activity in store and payment systems. And RFID at the item level gained momentum and has started to prove its value.

## ◆ SOCIAL NETWORKS & MOBILE APPS ◆

Social networking is emerging as a new approach to connect with customers and potential employees, and retailers are embracing this channel. The innovation is in the varying applications.

Wal-Mart launched a marketing campaign integrating the Internet, mobile marketing, and an in-store TV network; Cloudveil loads "prewards" onto a reloadable MasterCard prepaid card; Buy.com sends daily deal messages on Twitter, a popular blogging site; Grand & Toy launched an online social network for small businesses.; and Zappos employs social networks in its hiring process.

Mobile applications gained traction with prominent retailers such as Wal-Mart, Sears, Amazon.com, Target, and The Gap sending text message alerts and/or enabling customers to make online purchases from their iPhones.

## ◆ POS & PAYMENT SYSTEMS ◆

A few new products and programs were launched this quarter, mostly upgrades with some innovation.

Equifax partnered with Parity Communication in the production of the I-card, designed to let consumers identify themselves with a single click at multiple websites, and ultimately simplify shopping online.

HP pushed forward its penetration of the retail sector with a "Point-of-Sale Solution Ready Program" to identify solutions that have been vendor-tested for compatibility and smooth integration.

And NCR launched two new products: its latest POS workstation, the NCR RealPOS™ 70XRT, with reduced energy consumption for a greener store, as well as its newest point-of-decision kiosk, the Self-Serv™ 60.

## ◆ RFID ◆

Last quarter, RFID seemed poised for a major comeback, with retailers moving beyond case and pallet to item level tags. Progress was rather limited this quarter; however, the UK's John Lewis Partnership announced that, after a year of testing, it is rolling out RFID for item-level cycle counting and store replenishment, based on significant productivity enhancements.

Additionally, American Apparel's Zander Livingston claims that with RFID on individual garments, the retailer has achieved 99% plus accuracy and is expanding the program into several of its stores.

## E-COMMERCE, SOCIAL NETWORKS, AND MOBILE APPLICATIONS

### RETAILERS RE-CONNECT WITH CELL PHONES

Retailers are expanding their digital efforts to reach customers on their cellphones.



eBliss.us

Wal-Mart is sending weekly text message alerts on sales and Buy.com is sending daily deal messages on Twitter.

Sears launched a new mobile Web site, Sears2Go, for customers to make credit card purchases from their iPhones. And Amazon.com, Target, and The Gap each released free iPhone applications for holiday shoppers. — *The Wall Street Journal*

### SECURE CHECKOUT ATTRACTS PROSPECTIVE WEBSITE SHOPPERS

Secure checkout, product quality, and an easy-to-use website were rated as key factors in attracting online shoppers to a website, according to a new survey by Harris Interactive on behalf of Volusion Inc., an e-commerce systems provider.

In the survey of 2,462 U.S. online shoppers 18 years and older, 79% indicated that a secure checkout is very important in initially attracting them to a website, with 59% citing product quality and 48% calling easy-to-use website features as important.

The survey also found that social networking could play a greater role for online shoppers. 50% of those surveyed said that special sales and exclusive products would encourage them to shop online via a social networking site. — *Internet Retailer*

### GRAND & TOY EMPOWERS SMALL BUSINESSES WITH ONLINE RESOURCE

Grand & Toy has launched Grand & Toy Empower, an online social networking resource aimed at Canada's small business community.

The Empower website, which is free to join, offers a library of articles, videos and podcast presentations, online seminars, and a job board.

Small business owners will be provided with a portal where they can network, share best practices, and gain new business at their own leisure. Businesses can also advertise their services and source new suppliers,

For Grand & Toy, the goal of launching the portal is to begin to better understand the needs of small businesses. — *IT Business*

### ZAPPOS USES SOCIAL NETWORKING TO STREAMLINE HIRING PROCESS

Zappos.com has selected Jobvite to streamline the company's hiring process, including promoting the company's culture and using social recruitment techniques.

The Zappos.com staffing team reaches out to candidates through social networking sites such as Facebook, LinkedIn, MySpace and Twitter, and will use Jobvite to channel the resulting candidate applications.

Jobvite will integrate the results of these social recruitment efforts and help Zappos.com build an organized stream of strong candidates to fill positions promptly. — *Internet Retailer*



cool-is-dirty.com

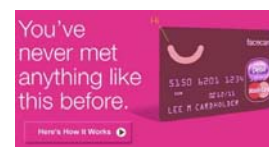
### "PREWARDS" PROGRAM ON THE MONEY IN TIMES OF UNCERTAINTY

Cloudveil, an outdoor apparel retailer, has launched a promotional campaign which loads \$5, \$10, and \$15 in "prewards", good for Cloudveil purchases, onto a shopper's "facecard", a reloadable, MasterCard-branded prepaid card. Cardholders are notified of these prewards by e-mail or text.

The campaign targets teenagers and young adults, and card holders can monitor their accounts via social networking sites.

Cloudveil is using edo Interactive, a company that leverages existing payment networks for digital marketing purposes, for the promotion. According to edo, the platform can target offers to individual cardholders by location, age, and other factors.

According to the vendor, early test campaigns using the marketing platform generated 15% to 17% redemption rates. Edo Interactive charges their clients based on how many customers redeem the rewards. — *Internet Retailer*



bernardmoon.blogspot.com

### WAL-MART MARKETS NEW MEDIA IN MARKETING CAMPAIGN

In a permission-based marketing campaign, Wal-Mart Inc. is implementing a sophisticated new media strategy integrating the Internet, mobile marketing, and an in-store TV network to target its core shopper: the female head-of-the-household.

This target demographic is using social networking tools such as Facebook, YouTube, and Twitter, and Wal-Mart has been embracing these popular mediums to increase loyalty, gain understanding of its shoppers, reduce marketing costs, and reinforce its brand. — *NWAnews*

## POS AND PAYMENT SYSTEMS/RFID

### NEW ID CARD MAKES SALES MORE SIMPLE AND SECURE

Equifax, a credit information services company, and Parity Communications, a supplier of identity management software, have partnered in production of the I-Card, letting consumers identify themselves with a single click at multiple websites.

The pilot project to test the I-Card is being set up on 12 websites, including retailers who will be charged a fee to access the personal records of each I-Card holder. By clicking on the I-Card icon on participating websites, the I-Card user sends a message to an Equifax web server that engages the Parity software to confirm the accuracy of the identification information.

The I-Card was designed with the dual purpose of making it easier for online consumers to store personal identification information in a single place (becoming encrypted on the consumer's computer), and removing the need for website operators to store such information and run the risk of having it stolen by criminals. — *Internet Retailer*

### NCR SEES SUCCESS IN SPEEDIER SELF SERVICE SOLUTIONS

NCR has launched its newest point-of-decision kiosk, SelfServ™ 60, designed to enrich the consumer self-service experience and help companies transform their business with faster self-service solutions.

According to the 2008 NCR Self-Service Consumer Survey, 86 percent of U.S. and Canadian consumers surveyed say they are more likely to do business with a company that offers flexibility to interact using self-service. And 66 percent of consumers surveyed say the availability of self-service technologies creates a more positive perception of the deployer's brand. — *NCR*

### COFFEE CHAIN GOES CONTACTLESS AND BRINGS IN CUSTOMERS

The British coffeehouse Coffee Republic has gone contactless, employing a loyalty card system from sQuid.

The sQuid payment and loyalty card holds a customer's personal identification information, which is loaded onto the sQuid database and linked to the card's unique ID number. The customer can load money onto the card both in-store and online.

The card is linked to the customer loyalty program so that each time a cardholder makes a purchase, the system makes an alert about a redeemable reward.

At a maximum 1.5 percent fee for each transaction, the system costs about the same price that a merchant would pay for a credit card transaction fee. — *RFID Journal*

### HP HELPS RETAILERS CHOOSE TRIED AND TESTED POS SYSTEM SOLUTIONS

HP has announced its 'Point-of-Sale (POS) Solution Ready Program', helping retailers purchase POS solutions that have been previously tested by HP.

Each vendor is listed on the HP website and marked with HP's POS Solution Ready insignia, making it easy for retailers to identify compatible vendor-tested solutions. — *RIS News*

### NCR LAUNCHES POWER SAVING POS

NCR has announced its latest point-of-sale (POS) workstation, the NCR RealPOS™ 70XRT, with high-resolution interactive touch capabilities, a consumer-facing display system, and a low-power processor and high-efficiency power supply that can reduce energy consumption by up to 50 percent over previous generations. — *NCR*

### UK COMPANY SEES RFID AS FUTURE FOR RETAIL

The U.K.'s John Lewis Partnership is pushing out deployment of RFID for item-level cycle counting and store replenishment.

By tagging men's suits with RFID, the staff performed cycle counting 20 times faster than by using existing bar-code processes.

The company views RFID as part of a forward-thinking approach to retail and believes that RFID applications help retailers address two key issues: shelf availability and the underlying problem of inaccurate perpetual inventory. — *STORES*

### AMERICAN APPAREL INTEGRATES RFID

American Apparel (AA) is integrating RFID across its rapidly expanding business, tagging individual garments to achieve item-level visibility within several of its stores.



flickr.com/photos/ritzphotos

Zander Livingston, AA's RFID technology director, declares that "over time, we were able to achieve 99-plus percent inventory accuracy at our RFID-enabled stores."

Inventory accuracy means being able to keep the retailer's sales floors stocked which translates to increased sales.

The pilot stores have also been able to reduce labor by up to 60 hours per week since installing the system as it negates the need for taking manual inventory.

AA utilizes RFID interrogates manufactured by Motorola, as well as Vue Technology's Intellipad reader antenna. — *RFID Journal*

## AGREEMENTS AND IMPLEMENTATIONS

### BROOKSHIRE GROCERY SELECTS SAP BUSINESS SUITE

Brookshire Grocery Company, a grocery chain with 156 American-based stores, has selected the SAP Business Suite family of business applications to unify its software systems, consolidate data management, enable better reporting, and allow employees to contribute to value-added activities. — *RIS News*

### RADIOSHACK CHOOSES FUJITSU FOR OPERATIONS AND MANAGEMENT SOFTWARE

RadioShack has chosen Fujitsu's Global-STORE, StoreCENTER, and ReturnCENTER software to automate its POS operations and create a centralized store management and returns management system.

The software will be deployed in 4,500 RadioShack locations across the United States starting in 2009. — *RIS News*

### HALLMARK IMPLEMENTS TOMAX

Hallmark Canada has implemented Retail.net from Tomax for core merchandising, store operations, and customer management including point-of-sale.



Scarboroughtowncentre.com

The software will be available through the company's network of corporate stores and to its independent retailer community.

Tomax will provide hosting services for the Retail.net solutions, providing managed application and IT services for the combined organization. — *RIS News*

### PETCO FINDS SUCCESS WITH SUCCESSFACTORS



nasdaq.com

Petco has selected the SuccessFactors Performance and Talent Management suite to engage associates, recognize high performers, and drive a pay-for-performance culture.

"Engaged high-performing associates make for engaged, loyal customers...Success Factors solution will provide greater visibility into the key metrics we use to drive performance across our business," notes Charlie Piscitello, Petco senior vice president and chief people officer. — *RIS News*

### LOBLAWS FINDS WINNER WITH WMS

Loblaws grocery chain has selected Manhattan Associates' Warehouse Management Solution (WMS) for its Distribution Management solution suite.

WMS will help Loblaws utilize space, people, inventory, and equipment in order to conserve labor, fill orders more promptly and accurately, save space, and reduce overall inventory. — *RIS News*

### TOMMY BAHAMA LOYAL TO ACXIOM

Tommy Bahama has selected Acxiom's direct marketing services and analytics for its inaugural best guest loyalty program.

The Acxiom best customer model combines transactions, store behavior, and customer touch points with the variables in InfoBase-X to deliver a tool that is predictive in identifying customer opportunities. — *RIS News*

## ABOUT RIT EXPERTS

RIT Experts is an international consulting firm that specializes in retail technology strategies, best practice research, and sourcing the right solutions.

Our services are concentrated in the following areas:

- Retail (Financial) Performance Improvement
- Best Practice Research, and Presentations and Workshops
- Retail Technology Advisor, Strategic Planning and Audit
- Business Model and Process Optimization
- Retail Technology System and Technology Search
- Project Management and Implementation

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Click [here](#) for more information.

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