

## IBM Showcases New AI Innovations at NRF 2019 to Help Retail Industry Accelerate Customer Experience

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### IBM and NRF study finds 85 percent of global retail industry preparing for intelligent automation within three years to improve worker and business performance

NEW YORK, Jan. 15, 2019 /PRNewswire/ -- NRF 2019, NYC -- Today at the [National Retail Federation's](#) 2019 Big Show, IBM (NYSE: [IBM](#)) announced the latest findings of a study into the Retail & Consumer Industry and launched new AI-powered innovations to help the retail industry accelerate customer experience by providing tools designed to optimize worker and business performance. At the heart of this is retail's growing adoption of intelligent automation, defined as the convergence of people, processes, automation, and AI.

This represents a watershed moment for the industry as human capabilities can be augmented to help reduce errors, while enabling a culture of digital operations and customer experience innovations. Spearheading this transformation is IBM Order Management with Watson Order Optimizer, and IBM MetroPulse, which help retailers improve omni-channel profitability and customer satisfaction.

As the next generation of customers expects brands to provide unmatched experiential design and functionality across multiple interfaces, retaining customer loyalty requires retailers and manufacturers to implement cognitive, automated services while still remaining transparent and secure.

Developed with the National Retail Federation, IBM's Institute for Business Value released the findings of its latest report, ["The coming AI revolution in retail and consumer products."](#) which surveyed 1,900 Retail and Consumer Products leaders across 23 countries. The survey reveals:

- 85 percent of retail and 79 percent of consumer products companies surveyed plan to be using intelligent automation for supply chain planning by 2021.
- 79 percent of retail and consumer products companies surveyed expect to be using intelligent automation for customer intelligence by 2021.
- Retail and consumer products executives surveyed project that intelligent automation capabilities could help increase annual revenue growth by up to 10 percent.

"The changing landscape across today's retail and consumer industries has resulted in a rapid rise of emerging technologies, especially when it comes to Automation and Artificial Intelligence. Retail is one of the sectors to already implement and invest in cognitive and AI technologies, resulting in new and unexpected offerings for consumers and shoppers around the world," said Luq Niazi, Global Managing Director, IBM Consumer Industries.

Niazi added, "Throughout the entire value chain and operational infrastructure of B2B and B2C commerce, there has already been an increased adoption and demand for Intelligent Automation. This also brings forth the need for stronger transparency, ethical practices and business prioritization to evaluate and deploy AI responsibility. Working with the right partners and third-party experts can result in acceleration of digital services, capabilities and customer experience and business efficiency for retailers of all sizes."

"Retailers are increasingly using innovative technologies to offer new ways to shop both online and in-store and provide rewarding careers for employees. From reducing shipping costs and improving supply chain efficiency to personalizing shopping experiences and helping workers acquire new skills, AI technologies allow retailers to compete in the 21st century economy and better serve their customers. This is what the future of retail looks like," said NRF VP of Research Development and Industry Analysis Mark Mathews.

Leading French retailer Casino Group is already using Intelligent Automation in their operations. Cyril Bourgois, Chief Digital Officer, Groupe Casino, commented that "as the gap between brick-and-mortar and digital stores closes, physical and digital distribution channels will not only need to adapt to tastes and trends but also to anticipate them. This requires an entirely new mindset based on constant adaptation, with a view to more effectively anticipating and meeting consumer expectations while maintaining close, trusting relationships with the customers."

### New AI-Powered Innovations for IBM Order Management –Putting Fulfillment at the Heart of the Customer Experience

New AI-powered innovations from [IBM Order Management](#) (OMS) are designed to help organizations improve omni-channel profitability and customer experience. The AI-powered Watson Order Optimization capabilities integrated with OMS can help increase purchase conversions by quickly adapting to seasonal fluctuations, while scaling fulfillment capacity. This supports increased yet regionally varied customer demand.

As the only solution of its kind, omni-channel fulfillment practitioners can increase collaboration across store ops, merchandising, supply chain and IT to save time and improve business performance. Order Optimizer's new predictive models factor seasonality as it learns daily sell-through patterns, using data from across the fulfillment network to help organizations identify where to best source an order. Additionally, new carrier optimization capabilities can help reduce shipping costs by automatically issuing alternative carrier options to fulfill orders if weight or dimension limits are exceeded for the initial carrier's restrictions.

These innovations build on the integration of IBM Order Optimizer's business user controls UI and resolution rooms within Watson Supply Chain Insights. This provides 'one source of truth' to help fulfillment leaders analyze the impact to customer experience, SLAs and conversions, while facilitating collaboration among external suppliers to help reduce order processing costs.

"Order Optimizer has allowed REI to see immediate reductions in split shipments, reducing costs and improving customer delivery experiences," said Matt Bergerson, Director of Omni Channel Experience and Operations, REI. "It also helped us manage capacity constraints as peak, reducing order expedites and providing faster service to our customers."

### IBM MetroPulse

IBM's Industry Platforms Unit, working with IBM's India Research Lab, brings new first-of-a-kind, AI-driven capabilities into the latest enhancements to MetroPulse. The new capabilities are designed to allow consumer industry companies to better understand customers through:

- **New larger data sets** from a leading consumer products market data provider and also product

sentiment data via product ratings and reviews provider, provides access to consumer preferences and characteristics at the neighborhood level.

- **New retail-industry specific vocabulary** into the platform to help the AI understands the difference between fashion items such as jackets and sweaters, and between boat necks and V-necks.
- **New AI algorithms and models** that can help identify and understand the signals buried in the data and exposes them in a meaningful and standardized way via APIs. These signals can then be further processed by solutions and additional solution-specific models to help business leaders and merchandisers to understand trends, behaviors, and preferences of their target consumers. The new models use explainable AI techniques to help users of the platform understand why an AI model generates a particular output for a given input.

Available now, the enhanced MetroPulse is a software-as-a-service cloud offering for line of business users in retail and consumer brand businesses.

IBM will demonstrate the capabilities of IBM Order Management and MetroPulse at NRF 2019 in booth #2119.

#### About IBM

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