

# revolution

when context transforms retail  
the choice war - shopping just got personal



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# Try this at home

Even better - try it wherever you happen to be right now. With the smart-phone in your pocket or the TV remote control, is there anything you couldn't buy if you wanted to? There is a retail revolution happening, and it is changing the rules of how you source, buy and sell products and services.

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**Less than a generation ago, the consumer had two choices: you went to the store or you ordered by mail. That was it. But what are the real implications of digital retail and how quickly do you expect them to impact your business and your brand? Transformation does not stop, and five years from now, you already know that today's retail will seem very distant.**

When we think about how digital technology is transforming retail, we see two perspectives. First, we ask what it means for the purchaser. Second we ask what it means for the seller. Even if the questions are simple, the market isn't: a boutique chain selling luxury brands is not the same as a "pile high and sell cheap" retail empire.

It's wider than that too. Manufacturers selling own-brand directly online compete side by side with thousands of varieties of service retailing covering everything from holidays to rail tickets.

But for now, let's step back from the detail, and think buyers and sellers.

## Buyers

In retail, it's the individual who makes the purchase. It doesn't matter whether you are looking at five thousand euros for an engagement ring or a box of cheap pizza to feed the kids' football team - you need to ask how to make the buyer spend their money with you. The basic categories don't change - the right product, price, place and time. The purchase options and influences do.

## Sellers

With two billion internet users out there, the seller landscape changes (and we're not just talking online shopping). The range and choice of products and suppliers is boundless. Sustainable supply chain options for local and global partnership are equally vast. The opportunities to establish brand with existing and prospective customers multiply daily, as does your potential to develop extended service relationships and loyalty incentives.

From now on, for buyers and sellers alike, it's going to be the ability to use the information which surrounds every product and every sale which will ultimately determine satisfaction, sustainability and repeat business.

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**For buyers and sellers alike, it's the information, which surrounds the product which determines satisfaction and repeat business.**





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# Responding to new retail forces

Retail is all about choice for the buyer and for the seller. With the new forces in retail, you need to decide which ones are at the top of your agenda. But whatever your personal business priority list, clinical operational efficiency is going to be a constant: it's much harder to earn money than it is to spend it.

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**The new forces in retail revolve around markets, means and media. All three are bound together by the need for timely and actionable business intelligence. As a retailer, the way in which you share and act on intelligence empowers your people and contributes directly to real brand value. (Retailers understand better than anybody that it's the customer experience and not the logo that makes the brand).**

## Markets

Who do you want to sell to, and where do you want to sell? The history of retail is the history of companies that know how not to stand still. Markets are now truly global, but for every international venture which succeeds, there are five that fail. Your online strategy is pivotal here, and so is your ability to use creative local alliance - and that's good news, because retailers have always been some of the most imaginative and creative business thinkers.

## Means

What are the tools and techniques available to you to increase and sustain market share; to open new revenue streams; and to drive cost out of your operations? Business intelligence and mastery of the supply chain are absolutely critical. Just about everything that eats money and compromises client experience can be improved if you focus on these two critical areas: just think, for example, about how best to minimize inventory and meet customer expectation.

## Media

Every retailer must now be a new media company too. Your customers' buying habits are increasingly influenced not just by your own online presence, but by the voice of the social networks. But as a retailer you have already got this in your DNA - you just need to bring it right up to date. (In many rural communities, what our grandparents could not produce themselves, they bought from the "catalog" - we just need to transform this traditional "remote intimacy" into the age of new media and web TV).

## Hi to the hybrid

In retail, new business models do not automatically replace established ones. Most of your customers will increasingly navigate with ease between different ways of doing business with you. For some retailers, it will make sense to operate entirely without high street or out-of-town presence. For others, the physical store will remain the primary touch-point. But whatever your combination of choice - enjoy innovation with your customers (while respecting their expectations of continuity).

You do need to think about corporate social responsibility and sustainability here too. Sure, the customer will always care about price and product, but a genuine concern for the ethical and environmental implications of their choices will become increasingly influential.

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# A simple proposition

Atos makes a simple, three-part proposition to its retail customers. First we deliver the full range of core IT services, making sure that all IT investments and requirements are efficiently and cost-effectively managed. Second, we can commit to keeping you continually in the picture on a wide range of digital innovation. Third, we can share our experience of how other sectors are already creating new value with us.

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**This cross-fertilization between industry sectors is so important for retail. There is a natural fit between retail and manufacturing: many manufacturers now include retail as an integral element of their own value chains. But looking further into transport and logistics, into telecommunications and media, and indeed into financial services, there are collaborative benefits waiting to happen. As an IT and process expert with deep expertise in all these industries, we are keen to help you make these positive connections.**

Atos covers the full spectrum of IT-enabled retailing. Here are just a few examples of retail competencies which are particularly sought after right now...

## Smart warehousing and logistics

Minimizing inventory while making sure that whatever the customer wants is always ready for purchase remains a constant challenge in retail. Some of our work in smart warehousing and logistics is on the edge of science fiction. The combination of full warehouse automation with RFID and GIS technologies is proving transformational for our retail customers.

## Supply Chain and PLM

Atos is expert in smart supply chain and product lifecycle management (PLM). PLM has traditionally been part of the manufacturing rather than the retail domain – but that is changing fast. Knowing how people purchase and use products and their associated services is essential for agile product development and marketing, and this is critical for all retailers. Shelving and shipping are hot too, and Atos is especially skilled in the associated SAP disciplines.

## Hi-Tech Transactional Services and CRM

Nobody puts transaction services in their shop window – this is a back office detail for the customer. But, by goodness, it can transform a retail business. This is not just about processing payment transactions. It is about turning millions of customer decisions into real-time business intelligence. It is at the heart of effective campaign management, CRM and loyalty – and we do it all.

## New Media and Smart Mobility

Interactive web-TV is already having a dramatic impact on retail – high street clothing chains can push sales of specific items up by 30% and more through interactive online TV. The real revolution, however, is going to be in Smart Mobility. By bringing together rich streams of contextual information you can create astonishingly focused propositions for the individual consumer. Atos is a master at bringing together the real-time data streams which make this possible.

## Workforce and store

Your success depends on efficient and friendly people working in efficient and friendly stores (you also need to replicate this in your online experience). Atos has got real depth of experience in intelligent site management, and this has been further extended recently in our partnership with Siemens. Whether we are talking store or mall, we can help you create dynamic and sustainable retail space.



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# Atos and retail

Atos does over 10% of its global business in retail. We understand that retail success hinges on balancing the micro and the macro. You have got to get the individual client experience right, and at the same time, you need to drive consistency across hundreds or even thousands of stores. You also need to create an integrated brand experience across the physical and online space.

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In July 2011, Atos combined forces with Siemens IT Solutions and Services, almost doubling our total workforce to around 78,000. As the largest European - owned IT solutions and services company we have an acute awareness of how international best practice must always respect local culture - and this is critical in retail.

Just compare the way a Dutch commuter buys coffee and a roll from the convenience store to the way the Spanish commuter stops in the bar.

Many of the skills in our new company are directly transferable to the benefit of our retail customers. We are, for example, an SAP powerhouse, with over 8,000 specialists ready to help streamline and re-engineer supply-chain and ERP in retail.

Many of Europe's leading retail players already rely on Atos for a significant tranche of their core IT services. Our retail client portfolio includes Ahold, Auchan, Boots, Carrefour, eBay, Kingfisher, Mercadona, Neckerman and Sephora. Quality of project execution across distributed retail networks is critical, and we use Lean and Six Sigma across our operations to drive continuous improvement.

But what really excites us, is what happens next.

We are poised to help our retail customers take the lead in new digitally enabled initiatives. Smart mobility and web-TV, for example, are going to create immediate differentiation in a sector often defined by super-heated competition and wafer-thin margins.

## Next steps

Atos enjoys dialogue. In any engagement, thinking and talking together is always the best place to start. Just as in retail, knowing your customer is the key.

We are ready to engage on any "pure IT" discussion. All the hot IT topics are within scope - whether it's cloud-based delivery or the challenge of putting end-of-life applications safely to sleep. But as business technologists, it's what happens next that fires the imagination.

We get as excited about driving efficiency across the supply chain as we do about using new media to transform customer experience. We have labs across Europe and market specialists bursting with ideas.

Let's talk retail revolution.

Your business technologists.

Powering progress. Atos.



**Lauren Brisson-Pinot**  
Atos business technologist,  
Retail

"We are all consumers ourselves. It's not that complicated: we just want the right product, in the right place, at the right price and at the right time."

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# About Atos

Atos is an international information technology services company with annual revenues of EUR 8.7 billion and 78,500 employees in 42 countries. Serving a global client base, it delivers hi-tech transactional services, consulting, systems integration and managed services. Atos is focused on business technology that powers progress and helps organizations to create their firm of the future. It is the Worldwide Information Technology Partner for the Olympic Games and is quoted on the Paris Eurolist Market. Atos operates under the brands Atos, Atos Consulting, Atos Worldline and Atos WorldGrid.

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