

Drives increased sales and productivity by giving consumers the right assistance and information — at the right time



Guided Selling for Complex Products



Building and maintaining sales associate expertise and delivering a satisfying shopping experience — these challenges echo throughout the retail industry. Dealing with a multitude of complex products, rapidly changing product lines and constant employee turnover, it's difficult for stores to sustain a productive, proficient sales force that readily engages customers and closes sales. Market studies show an average employee turnover rate of 33 percent in retail* — costing the industry billions of dollars per year. Associates are particularly challenged to build enough knowledge to sell complex products such as consumer electronics, computers and appliances. Compounding the situation, consumers who research products on the Internet are often more knowledgeable than sales associates. With little or no credible assistance when they're ready to buy, shoppers become frustrated — and may walk out empty-handed.

The answer? Guided selling applications integrated with in-store systems to empower sales associates, support the way people naturally make purchase decisions and turn shopping into a convenient, fun and fulfilling experience — in retail stores and online.

Highlights

- *Engages customers and closes sales as effectively as your most experienced sales associates*
- *Delivers a simple, consistent multichannel shopping experience — tuned to the way customers think and offering highly personalized product recommendations based on specific needs*
- *Empowers sales associates with the knowledge and confidence to sell, increasing productivity while reducing training time and cost*
- *Expands cross-selling and up-selling opportunities by providing product-sensitive recommendations that showcase the value of related accessories*
- *Aggregates customer insight to improve product planning and purchasing decisions*
- *Builds a distinct competitive edge by ensuring that product recommendations are integrated with channel-specific inventory and real-time pricing*



Understanding consumer decision making to build an effective solution

To arm associates with appropriate information and help consumers make faster, easier and more informed purchase decisions, IBM teamed with IBM Business Partner Active Decisions® to develop Guided Selling for Complex Products. Active Decisions, a leader in consumer merchandising and decision-making science, has tested and refined its technology for six years. The IBM and Active Decisions solution is deployed on the standards-based IBM Store Integration Framework—the technological foundation for an on demand store. IBM Store Integration Framework links the inventory, pricing and assortment of individual stores to provide product recommendations tailored to shoppers' expressed needs and preferences.



To turn the information-gathering process into a dynamic, interactive experience, the solution can be deployed on the Web as well as through full-function kiosks and IBM Anyplace Kiosk systems.

Optionally, it can be deployed for sales associates on in-store personal digital assistants (PDAs) from leading providers like Symbol. And normalized comparison charts can be printed and displayed for complementary in-store merchandising and sales support.

Closing sales and guiding consumers to make better decisions

Just like a seasoned sales associate, the guided selling application leads consumers through a series of questions to determine where they are in the decision process, their lifestyle and intended usage, and how much they know about the product category. Using friendly language and clear explanations to present relevant, unbiased information, the solution captures consumers as they form opinions and creates a pleasant, productive shopping experience without wasted time or effort.

By normalizing information from manufacturer catalogs, the guided selling solution makes it easy for shoppers to understand product categories, assess the most important features through side-by-side comparisons and purchase the appropriate items. Consumers who use the tool for independent research are engaged by the self-service mode, because it simulates the actions of a friendly, knowledgeable salesperson.

Sales associates can use guided selling to improve their knowledge and ability to make recommendations, giving shoppers consistent, high-quality service.

Satisfying consumer expectations for a productive shopping experience

The solution lets people shop how they want, depending on the way they approach product purchases—with or without assistance, through any channel they like. Shoppers can conduct research on the Web, visit a store to talk with a sales associate or use a kiosk for guidance. Time-pressed consumers can start, stop and save research as needed, and pick up where they left off in subsequent visits to the store or Web site. Consumers gain cross-channel continuity from the start of research through purchase—and retailers build credibility and loyalty.

The solution appeals to all types of customers through three shopping guides aligned to different buying processes:

- *A feature-based guide weighs and ranks the value of each feature for shoppers who already know which elements are most important.*
- *A usage-based guide assesses intended usage and finds products with attributes that map well to those needs for shoppers who don't know the latest features in that product category.*
- *A lifestyle-based guide presents appropriate product alternatives for consumers just beginning the shopping process.*

Because the solution clearly relates product information to specific individual needs, shoppers confidently purchase the right items from you—driving higher sales and significantly lower returns. Guided Selling for Complex Products also encourages loyalty because it enhances customers' pre-store and in-store experiences by supporting both the research and buying processes.

Elevating customer service from average to outstanding

Price is a key consideration in the purchase decision—but a memorable interaction with a credible, helpful sales associate is often the deciding factor about where to buy. Using a consultative approach, the guided selling application helps associates uncover shoppers' preferences. Then it links them with an extensive catalog of consumer-friendly product information from multiple manufacturers that provides accurate, detailed information about relevant products in your store.

Freed to focus on delivering service rather than struggling to remember product features, associates become trusted advisors with confidence to actively and eagerly engage consumers—and close sales. Empowered as instant experts, associates can cross-sell accessories that customers genuinely appreciate. The solution can also speed, simplify and reduce the cost of training new employees, while helping staff stay abreast of new products and updated features.

Making cross-selling a standard practice

By quickly identifying and proving the value of core products and related accessories, the solution boosts cross-selling and up-selling opportunities. The solution makes it easier to up-sell because it uses shoppers' criteria and preferences to shift their focus from price to relevant value. And by highlighting the value of related products and accessories at the time customers make purchase decisions, you can entice add-on purchases to increase overall basket size. Cross-selling opportunities can also be extended to future store visits because the solution accesses customer purchase histories located in your computing systems—helping you close more sales and maintain continuity.

Improving product planning and purchasing decisions through enhanced insight

Guided Selling for Complex Products aggregates a history of customer behavior and purchase decisions to help retailers make more informed product planning and buying decisions. With a deeper understanding of your customers, you can evolve in-store and online experiences to cater to ever-changing customer needs.

Transforming retail environments to create a unique edge

Most retailers' existing manufacturer-specific product information is hard to collect and compare, because it resides in isolated back-end systems for different channels—and is filled with jargon. Without consistent information or integrated systems, you face gaps among your channels, supply chain and consumers.

Guided Selling for Complex Products transforms retail environments by creating rich, ready-made catalogs of valuable product information linked with back-end systems and store devices through IBM Store Integration Framework. So you can present a unified front for consumers that shows what relevant products you have, where they are, how much they cost and how long an order would take. You can tailor product recommendations to your store's availability, pricing and assortment by showing associates or shoppers in real time when a product is out of stock, then letting them place instant orders through the supply chain. Or configure the tool to recommend only items in stock at your location. Either way, you can access information instantly to sell more complex products and accessories and attract repeat business.

Delivering the guided selling solution with IBM services

IBM delivers myriad consulting, implementation and management services to improve success with Guided Selling for Complex Products. IBM Business Consulting Services can evaluate whether your business and consumers are good candidates for the solution. And IBM consultants can help you understand your shoppers' key characteristics and how to best present information to them. IBM Business Consulting Services can also help you choose the best stores for pilots, measure results, adapt selling methods to a guided selling model and implement the model across your organization. IBM Integrated Technology Services provides store implementations and deployment.

Relying on IBM retail experience

When you work with IBM to implement Guided Selling for Complex Products, you can tap into our comprehensive retail industry knowledge. We have forged a proven track record through 30 years of global experience—and nearly two million point-of-sale (POS) terminal installations worldwide.

A unique and innovative technology, Guided Selling for Complex Products combines Active Decisions' visionary selling and merchandising experience with IBM's rich history of retail leadership. The technology is a core facet of IBM's portfolio of on demand retail solutions. IBM's capabilities go far beyond industry-leading technology to include consulting, store support services and a vast network of more than 1,500 IBM Business Partners worldwide.

For more information

To learn more about Guided Selling for Complex Products and other IBM products for the retail industry, visit:

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* Employment Policy Foundation. Fact Sheet.
October 22, 2004.

The image on page 2 shows an IBM Anyplace Kiosk with the Active Decisions Guided Selling Solution.