

ices and products are all teaming up to take control of our natural inclinations. Smart phones will link together everything through one powerful device.

## Jeff Roster

**VP Industry Market Strategies Retail  
Gartner**

No doubt we will see social media/networking and mobile commerce skyrocket in adoption in 2010. Not all retail initiatives will be successful, and I'm not entirely sure the key platforms will be Facebook and Twitter.

But one thing is sure: Consumers will increasingly be talking about their retail experiences outside of retailer-controlled platforms. This should send a shiver down every retailer's spine. These consumers won't have to wait to get back to their houses and use the time to cool off before posting their thoughts. They can easily do it from the palm of their hand by using an increasingly powerful smart phone. The number of smart phones is just exploding and the impact it will have on retailing is exploding along with it.

The key words to watch going into 2010 will be "cost containment." This is not startlingly new and is instead a continuation of what we've seen in 2009. But it's crucial to understand what it does and doesn't mean. What it means is getting approval on new IT project will be just as difficult in 2010 as it was in 2009, but not impossible.

Areas that are ripe for higher levels of investment include e-commerce, mobile commerce and social media. Many retailers are still operating on first generation e-commerce platforms and few retailers will tell you their e-commerce strategy isn't gaining in importance. That's a recipe for increased investment.

Since many consumers are already using mobile devices, retailers have to race to catch up. A few already are gaining traction. Social media is the power of word-of-mouth awareness magnified many times. Retailers have to

understand that their early efforts in social media are not optional experiments. They don't have a choice, because their customers are already there. Where customers go retailers have to follow, and follow quickly.

## Leslie Belcher

**President  
Jesta I.S.**

The benefits of true cross-channel integration are inherently easy to understand, but the technology roadmap to get there can have many alternatives: integrate and extend existing systems, build new middle layers to share data or simply start from scratch. Whichever route the CIO decides to take institutional barriers can derail even the smartest technology infrastructure.

Very few small or medium-sized retailers have reached multi-channel synchronization. Those that have successfully transformed their organizations can not only give customers what they want, when and where they want it, but also benefit from streamlined, efficient management and greater inventory flexibility.



Today's informed consumer is well-versed in the principles of branding, and consciously defines herself by the stable of

brands she chooses to buy. What she does not understand, however, are differing policies, procedures or information for the same item from the same brand when accessed through different channels. She expects consistent policies and a high-level of service from her chosen brands. She wants to buy anywhere, ship anywhere and return anywhere, all wrapped with a consistent message and level of service.

But the reality is this is difficult to achieve for retailers. They built each channel and its related systems in a piecemeal fashion. The legacy merchandising system runs brick-and-mortar. The catalog/call-center system manages that channel, and a new e-commerce platform is being positioned for growth. Tying together these processes, procedures and systems is what will give the consumer what she wants and retailers the success they want in 2010.

## Brian Kilcourse

**Managing Partner  
RSR Research**

Our 2009 research shows that retail winners view times like these as an opportunity to steal customers and build loyalty. They maintain a relentless focus on the customer, and view demanding consumers as an opportunity, not a challenge. Also, they understand that they are part of a value ecosystem — no longer are they "an island."

Winning retailers invest while others cut costs. They drive efficiencies in non-differentiating processes to pay for differentiating innovations. And they enjoy top-level leadership that drives a customer-focused strategy while also understanding the value in the information assets to drive both efficiencies and new value.

Loyalty programs are no longer enough. Smart retailers will focus on the lifetime value of consumers and market to them accordingly. Consumers have become more demanding. This has taken new form with the sudden rise of social networking and mobile tech as an empowerment tool for cross-channel shopping. So retailers will be under more pressure than ever to coordinate the multi-channel value offering.

New investments in BI are becoming critical for retailers to understand how best to target assortment, price, promo and services, as well as optimize operational processes to redirect efforts toward a more localized service and selection.

Technologies to watch include: consumer mobile tech, social media integration with marketing, new generation BI with retail-time integration between BI and operational systems, integrated multi-channel enterprise level systems, supply chain analytics with exception-based alerting, digital media and kiosks, task management integrated with workforce management, GPS within supply chain management, and network centric (or "Cloud") computing alternatives.

It's going to be an interesting year. **RIS**

