

Hybrid Retail (HC4R) - Store

Hybrid Retail (HC4R) - Store helps deliver seamless hybrid shopping experiences for customers, supported by empowered associates and optimized operations, built with an open ecosystem on a modern technology architecture, enabling sustained innovation.

The offering aligns to the client's IT Strategy with an open approach to Hybrid Cloud, Edge and the existing application ecosystem.



An integrated suite of assets that enable retailers accelerate the creation of a unified store operating platform - featuring AI-driven intelligent workflows, modern user experiences for store teams, and next-generation performance insights

The modular solution works alongside a retailer's existing technology, comprising event processing, data/AI layer, experience orchestration, and mobile apps to deliver seamless omnichannel experiences.

This provides a foundation for an ever-improving operating model with significant financial outcomes and addresses the challenges retailers face today ;

- **Operational inefficiencies** - High operating costs to serve customers, automation hampered inadequate systems, legacy store technology, complex architecture, and high maintenance costs.
- **Inconsistent omni-channel experiences** - Customers have high expectations for seamless digital/physical experiences, order fulfillment models and new ways to interact and shop.
- **Limited personalization and digital services** - Organizations struggle to deliver true 1:1 personalization contextual interactions and provide AI enabled self-service options.
- **Increased competition** - Retail landscape being shaped by innovative retailers embracing new technology and other new entrants born on the cloud.
- **Revenue loss and leakage** - Siloed data and disconnected systems prevent retailers from maximizing sales opportunities and gross margin through cross or upsell, reduced markdowns and better service.
- **Inflexible, fragile store technology** – Aging on-premise monolithic app, with vertical functionality that platform scale for event management, data integration, and UI to support end-to-end processes.

The Offering Enables Retailers to ;

- Shift their operating model from manual processes and high costs with limited KPIs, to event-driven automation and next-generation KPIs, step-changing experiences, and store profitability
- Create intelligent workflows, and intuitive tools to empower customers and employees with the capabilities to execute brand-building buying experiences
- Extend digital assistants to all store teams; enhance the digital talent with Generative AI for rapid access to information and real-time insights
- Modernize omnichannel customer experiences across existing and new channels, using AI-fueled technologies to drive top and bottom-line growth
- Activate data-driven customer insight to deliver permissioned, personalized, and contextual omnichannel brand experiences
- Deliver end-to-end inventory visibility to support intelligent promising and inventory management to earn customer trust
- Optimize performance with new store capabilities from innovative partner solutions including process automation for key areas: inventory, commerce, service, merchandising marketing etc

IBM Assets and Accelerators

Leading-edge accelerators, methods, and pre-built industry assets, all infused with AI-driven analytics and intelligent workflows, including:

- **Experience Orchestrator (EXO)** includes a library of prebuilt and pretested integrations to all market-leading platforms extended with Retail Objects Schema and Adaptors for Commerce, Order Management System (OMS), inventory, payments, tasks, and others
- **Retail Industry Data Hub** featuring industry data model, data virtualization, inbound/outbound pipelines and syndication and Pre-built AI Models for retail process optimization
- **Real-Time Event-Driven Catalog** for automated industry use cases such as fulfillment, replenishment, customer service with Adapter Library for Retail enterprise apps, API lifecycle management, and operational data synchronization
- **Pre-built Mobile Apps** for associates and customers with integration to key enterprise application to accelerate client MVP/Pilot
- **Open Architecture** – Built on Red Hat Openshift, with cloud-agnostic components coupled with selected native services from client-preferred hyperscaler for seamless deployment
- **Ecosystem Partners** across Commerce, Marketing, Digital Insights, Point of Sale, Frictionless Checkout, eSels, Computer Vision, Loss Prevention, Digital Merchandising, HCM/Task Management, Robotics

Getting Started

Our approach is to get started with [IBM Garage](#), accelerating quickly from pilot to scaled rollout where we:

- **Envision the future:** Co-create a priority set of use cases beginning with entry points that deliver immediate value and foundation for transformation business cases. Entry points include store digital insights, task management, employee mobility, customer experiences, instore digital content, POS modernization, store edge and loss prevention, or envisioning the store of the future. We work with ecosystem partners for selected capabilities that are integrated into a unified store operating platform.
- **Iterate to MVP:** Co-execute value-based MVPs to connect digital and physical channels, create better experiences for customers and associates, improve the effectiveness of store processes and workflows, and generate actionable insights from the data that's created in every store every day.
- **Scale to Market:** Co-operate to harden and scale out MVPs, and build skilled teams focusing on digital innovation and change management initiatives.

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Outcomes

- Faster Digital Innovation :**
 - Delivery time reduced by 30 to 50% with Experience Orchestrator (EXO)
- Store :**
 - Lower Cost Store Operating Model: 1-2%+ Operating Margin improvement
 - Reduced / Re-invested Store Labor Costs: 5%+
 - Increased Store Revenue: Higher Customer conversion and fewer Out of Stocks
- Digital Channels :**
 - Revenue: 3X revenue growth
 - Conversion: 20% increase
 - Cart Size: 72% increase
 - Engagement: 50% increase
 - Fulfillment: 11% decrease in split shipments, 50% decrease in order time
 - Inventory: 15% decrease in inventory costs, Reduced OOS from 5% to 0.3%

