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The information-centric retailer Chris Stephenson and Mike Rowlands, LShift Ltd.

Isn't it strange how the Retail industry - known for having such a cautious approach to IT - has responded to the boom of the Internet? Like many other businesses, retailers have bounced from one new initiative to another; scared of missing out on the 'next big thing'. In this article we look at information management and the downsides of tying crucial product information into channel-specific technologies.

We only have to look back as far as the 1980's direct mail and catalogue boom to see a similar trend. Back then, the commercial opportunity rightly drove business decisions and operational matters such as inventory and customer service management just had to catch-up. Many businesses are only now standardising their approach in these areas. Its taken time, but the benefits of centralised customer information management, for example, are now clear to see.

If we stand back from the hype of new opportunities for a minute, it's also clear to see that aligning your IT infrastructure with channel-specific opportunities can be damaging in the long term. It's all too easy to confuse business strategy with the day to day pressures of learning how to do business in a new way, but unless we manage to separate the two we will forever be trying to reshape our businesses to meet the requirements of the next new opportunity.

We have to accept that a great many future opportunities lie in multi-channel retailing and it's therefore crucial to ensure the business is fit to operate in this environment. In the same way that it's crucial to have a single, unified view of 'The Customer', we need to ensure that we are speaking to them in a consistent and accurate way about what we are selling, if we hope to be credible across all touchpoints.

Managing product and marketing information within channel-specific applications can be problematic in this regard. For example, what happens when the retailer wants share product information within its direct marketing and catalogue systems with its new ecommerce operation? The answer is that this is usually too hard to do; the same information needs to be duplicated within the organisation to feed the needs of differing operations.

The other problem caused by a lack of distinction between the software application and the information within it, is that this builds up retailers' dependency on specific software applications. This is good for software suppliers, but not so good for retailers, as such a situation builds up switching costs and reduces choice.

The retail and software markets have moved on considerably, however we may be in danger of making the same mistake.



Many retailers are now thinking seriously about developing their marketing websites into full ecommerce operations. Quite logically, many of them are purchasing a range of Web Content Management Systems to enable them to do this.

For the most part, this is the first time that retailers have had to think 'joined-up' across sales and marketing channels. Moving into ecommerce may be the next logical step for a business growing organically, however it is a strategic decision and as a result information also has to be managed strategically; unless a dependency on web CMSs is desirable.

This time the problem occurs when retailers want to publish product information to handheld devices or share it with RFID and global data synchronisation initiatives. This will not be achieved using a web content management system; they tend to do what they say on the tin.

The alternative is the information-centric retailer. This is the retailer that manages information in a way that it makes sense in the real world rather than within its own walls. Product information is central to the business and central to consumers' experiences of the business. Why would it make sense to embody this information within applications or processes when it is something that is common across the organisation?

Habitat may be considered as one of the information-centric retailers described. Generalising and then independently managing information allows local, application-specific information to be supplied to each channel, whether this be a website, catalogue or ePOS terminal. The result is a clear and consistent message, something that most retailers trading in a multi-channel environment find it difficult to achieve. This is something that can only help build brand equity and consumer confidence.

The importance of managing product information independently is also emphasised by the way that retailers change and grow. For example, the recent move by DSG to move Dixons online and use Currys.digital as their high street brand, is a fundamental shift in the way that each of the businesses trade. Product information is something that will remain common, however the group will probably find themselves unpicking and reassembling various systems and processes to release the information that they need.

Product Information Management software providers have recognised the need for information-centricity, as have the range of companies that collect product information independently and then provide it to retailers as a service. Unfortunately, many such retailers are not in a position to incorporate this information with current systems and so they plod on, coping with issues such as information inconsistency and inaccuracy, caused by structural rigidity.

Perhaps 2006 is the start of information-centricity in the retail sector.