

Sales soar with revamp of online gift registry at Boscov's Department Store

Solution from IBM and MarCole Interactive Systems improves customer experience, employee productivity and store efficiency



Overview

The Challenge

To boost online usage of the gift-registry business at a 40-location regional department store chain

The Solution

IBM DB2® Universal Database™ for z/OS, IBM WebSphere® Application Server for z/OS, IBM WebSphere Commerce Enterprise, IBM eServer™ zSeries® 990 and Gift RegistryWorks™ Enterprise Edition from Marcole Interactive Systems

The Benefit

- *Immediate 47 percent increase in online gift-registry sales*
- *Improved customer experience and satisfaction*
- *Expansion of registry purchases from Mid-Atlantic region to entire nation*
- *Additional information on trends and preferences*

Gift registries, which are so much a part of many retail businesses, pose unusual challenges when the attempt is made to change from an in-store paper-based system to an online shopping environment. Shopping implies buying, and when someone sets up a gift registry, nothing is actually being bought — not at first, anyway.

So the “add-to-cart” function that is familiar to general online shoppers does not apply. But there’s more involved than just adding an “add-to-registry” icon on the shopping site.

How does a retailer enhance the customer experience and increase customer satisfaction, raise productivity, liberate sales staff from registry-administration chores and extend market reach beyond traditional bounds?

All of that takes sophisticated database controls, a robust

Website infrastructure and specialized application development.

The payoff, however, can be impressive. Boscov's, Inc., is a department-store chain headquartered in Reading, Pennsylvania, with 40 physical outlets spread across the Mid-Atlantic region. Boscov's saw a 47 percent increase in online gift-registry sales — primarily bridal registries — in just the first few months of 2006.

Boscov's, Inc., is the largest full-line family-owned independent department store in the United States, with annual sales of about \$1.1 billion. The company employs more than 10,000 people and is the dominant department store in almost all the markets in which it competes.

“Our goal was to improve the entire customer experience with our bridal registry.”

Kenneth Lakin,
chief executive officer,
Boscov's, Inc.

Shoppers can buy online at home or at a store location while sales personnel can help other customers

Benefits

- Online gift-registry sales up 47% in the first few months
- The overall customer experience with the bridal registry was improved
- The capability for registry purchases was extended to the entire nation from Boscov's base in the Mid-Atlantic region
- Customers can shop at home or online at the store, freeing sales personnel to help other customers and perform other duties
- Store personnel have additional information on trends and buying decisions, which help in making its own buying decisions and in inventory control

“One alternative [to the IBM/MarCole gift-registry solution] would have involved 10 or 15 Wintel servers, and we didn't want to go down that road again.”

Harry Roberts,
senior vice president and
chief information officer,
Boscov's, Inc.

Improvements were delivered by a solution from IBM and MarCole Interactive Systems, an IBM Business Partner, headquartered in Walnut Creek, California. The essential ingredients were IBM middleware — including IBM WebSphere Commerce Enterprise, IBM WebSphere Application Server for z/OS®, IBM DB2 Universal Database for z/OS -- and the flagship product of MarCole, Gift RegistryWorks Enterprise Edition. The solution at Boscov's also included the IBM eServer z990 (now called System z™).

The IBM middleware was key in integrating all the components with Boscov's home-grown back-office systems for inventory control and supply-chain management, and for ensuring that all customer-facing functions were responsive, intuitive and easy to use.

A multi-channel challenge

MarCole targeted the gift-registry niche as soon as the company was formed, in 1991. Gift-registry automation is “much more complex than meets the eye,” said David Pava, MarCole vice president for sales. “Gift registries are multi-channel affairs that must integrate with point-of-sale systems, back-office systems, e-commerce systems, Web catalogs and a variety of customer-facing technologies, including touch-screen kiosks and home-based personal computers. There are so many permutations of how you can mix and match various features and functions; it's just extraordinarily complex.”

IBM middleware is essential to taming a great deal of that complexity, Pava explained. “That's why we've been an IBM Business Partner since our inception. We don't think anyone does infrastructure better. Then there's the sales and marketing assistance that IBM provides with respect to lead generation, telemarketing, co-marketing — which really gives a small company like us a tremendous leg up on the competition.”

MarCole Gift RegistryWorks is a retail application designed to capture new customers, generate new sales and reveal patterns in customer profiles and buying activities. It supports multiple giving occasions such as weddings, anniversaries, baby showers, housewarmings, birthdays and personal wish lists.

Gift RegistryWorks software is modular and scalable — enabling it to cost-effectively meet the needs of a single store, a global enterprise and anything in between. Three versions of Gift RegistryWorks software are available, each suited to the specific needs of a different market.

Each IBM middleware component has a particular role to play in the Boscov's solution.

IBM WebSphere Commerce Enterprise provides the scaffolding for just about every conceivable function that an e-commerce site might be called upon to deliver. It provides rich, out-of-the-box capabilities for catalog and content management, contracts and entitlements, negotiations, order management, and more.

IBM DB2 Universal Database for z/OS supports a wide variety of popular platforms and standards. Its self-managing technologies and management tools support database administration that is streamlined and simplified.

IBM WebSphere Application Server for z/OS supports the building and deployment of re-usable application services, with a simple set of tools and interfaces, and it runs those services in a reliable, scalable, highly available environment.

Taming complexity has been a longstanding goal, as well, of the information technology staff at Boscov's. That's why, for example, several years ago they took various applications off of dozens of Windows/Intel processor-based servers and consolidated them onto the IBM Server zSeries 990.

The same principle governs today, said Harry Roberts, senior vice president and chief information officer at Boscov's. He said "one alternative [to the IBM and MarCole gift-registry solution] would have involved 10 or 15 Wintel servers, and we didn't want to go down that road again."

The original goal

In the first implementation of the MarCole product, in late 1998, the chief aim was to take an old, paper-based gift-registry system and put it online, making it available at in-store touch-screen kiosks as well as on the Internet. This had already been done with Boscov's general merchandise catalog. The immediate benefits, said Roberts, included freeing sales staff and bridal consultants from the time-consuming paperwork involved. "We saw a 25 percent increase, approximately, in bridal-registry sales in the first year or two," Roberts said.

Some challenges remained unmet, however.

- First, while a bride-to-be could open a Boscov's registry online, she could not select specific items from the Boscov's online catalog and put them into the online registry. To do that, she still had to go to a Boscov's location.
- Second, two separate image catalogs had to be maintained — one for the gift registry, one for the regular online store. "It was a significant duplication of resources," said Roberts.
- Third, customers were asking for a number of ease-of-use improvements. There were no thumbnail images available in the registry catalog, for example. A shopper was confined to text descriptions, and if the shopper wanted to see what an item looked like, it required clicking on a hotlink to pull up an image from the main catalog.

In sum, said Boscov's CEO Kenneth Lakin, "our goal was to improve the entire customer experience with our bridal registry."

All the innovations were in place by February 2006, just in time for the rush of new registries in the aftermath of Valentine's Day. The system was now fully integrated and non-duplicative, supporting a demanding multi-channel sales and marketing environment. Brides could now manage all their registry activities online, including the selection of desired gift items and placement in their registries.

Key Components of the Boscov's Solution

Software

- IBM WebSphere Commerce Enterprise
- IBM WebSphere Application Server for z/OS
- IBM DB2 Universal Database for z/OS
- MarCole Gift RegistryWorks Enterprise Edition

Hardware

- IBM eServer zSeries 990

"The sales and marketing assistance that IBM provides with respect to lead generation, telemarketing, co-marketing . . . really gives a small company like us a tremendous leg up on the competition."

David Pava,
vice president for sales,
MarCole Interactive Systems

Friends and relatives could visit a bride-to-be's registry on the Web, see thumbnail images alongside item descriptions, be informed of everything that already had been bought, and, most importantly, complete a purchase online. The other physical channels were interconnected as well. So if a customer bought a gift from an in-store clerk or ordered something from an in-store kiosk, that information would instantly show up in the online registry. "There is now tight integration between the registries and the whole of the e-commerce infrastructure," Pava said.

Hence that rapid 47 percent rise in online bridal-registry sales. It's a jump that also shows the power of new reporting features. One such feature, for example, gives bridal consultants (typically one employed by each store) an up-to-date, detailed look at the business. It tells the consultant how many registries have been opened in a store for a given month, the name and address of each bride-to-be, the average dollar value of each registry, the average number of items and the nature of each item in a registry.

Knowledge like that gives any retailer new leverage in adding to sales. It indicates trends and preferences in customer buying, which in turn helps the retailer make its decisions on buying and helps improve inventory control.

"There's no easy way to isolate what factor contributed how much to sales," said Lakin. "But we know it's happening, and we know it's going to happen more and more."

MarCole and IBM PartnerWorld Industry Networks

MarCole participates in IBM PartnerWorld® Industry Networks, which offer a rich set of incremental

industry-tailored resources to all PartnerWorld members who want to build their vertical market capabilities and attract potential customers in the markets they serve worldwide. Whether a company focuses on one or more industries — or serves small, medium or large companies — IBM has the technology and resources to help members more effectively meet their clients' needs.

MarCole is an optimized member of the PartnerWorld retail industry network, providing the company access to sales, marketing and technical assistance from IBM.

Optimized means MarCole has developed further specialization by optimizing its applications with IBM on demand technologies, achieving success with its own on demand solutions and meeting other criteria.

Other PartnerWorld industry networks are automotive, banking, education and learning, electronics, energy and utilities, fabrication and assembly, financial markets, government, healthcare and life sciences, insurance, media and entertainment, telecommunications, travel and transportation and wholesale.

For more information

Please contact your IBM sales representative or IBM Business Partner. Or, you can visit us at: ibm.com/e-business

For more information about ISV resources from IBM PartnerWorld®, visit: ibm.com/partnerworld/industrynetworks

To learn more about MarCole Enterprises, Inc., visit: marcole.com

To learn more about Boscov's, Inc., visit: boscovs.com



Copyright IBM Corporation 2006
Route 100
Somers, NY 10589
U.S.A.

Produced in the
United States of America
07-06
All Rights Reserved

International Business Machines Corporation, the IBM logo, DB2, DB2 Universal Database, eServer, PartnerWorld, System z, WebSphere, and zSeries are trademarks or registered trademarks of IBM Corporation in the United States, other countries, or both.

Gift RegistryWorks is a trademark of MarCole Enterprises, Inc., in the United States, other countries, or both.

Other company product or service names may be trademarks or service marks of others.

This case study is an example of how one customer and Business Partner uses IBM products. There is no guarantee of comparable results.

References in this publication to IBM products or services do not imply that IBM intends to make them available in all countries in which IBM operates.