

Manhattan Associates predicts retail trends for 2012:Â impulse purchases, experience centres and consumer control

Opportunities to serve consumers better with use of new technologies, smart devices and social media

Global supply chain optimisation provider, Manhattan Associates, Inc. (NASDAQ: MANH), has released its predictions for retail shopping in 2012, and they all point to one factor: web and mobile are fundamentally changing the way people shop and challenging traditional bricks and mortar retailers. The projections forecast an increase in impulse purchases, physical stores becoming experience centres and increased consumer control through the use of smart devices and social media. Increasing costs of raw materials, fuel and transport as well as growing overheads, rising inflation, wage stagnation and continued insecurity due to the global financial turbulence will make 2012 a challenging year for the retail industry, said Jeff Baum, SVP International Operations (APAC) at Manhattan Associates. At the same time, the opportunities for retailers to serve consumers better will be greater than ever before thanks to the use of new technologies, smart devices and social media. We've already seen tech-savvy consumers emerging in previous years, and 2012 will be the year of tech-savvy retailers, giving rise to a new and successful consumer-retailer relationship. Manhattan Associates has identified five top trends that are set to influence the Asia Pacific retail scene in 2012:

- 1) All Kinds of Commerce The future lies in enabling customers to purchase when and where they want to, while getting the same overall experience. This includes traditional (in-store) commerce, e-commerce, m-commerce (mobile), f-commerce (Facebook), s-commerce (social) and v-commerce (video-enabled). The challenge for retailers will be to offer a consistent shopping experience across all channels and allow consumers to research, buy and collect wherever they want, while optimising inventory, order management and fulfilment across all channels. 2012 will see more consumers visiting physical stores to personally collect goods ordered online and more retailers embracing the click-and-collect model for up-sell and cross-sell opportunities. In addition, retailers will consider greater incentives for customers to use the channels with the lowest total cost to serve.
- 2) Stores as Experience Centres Despite the fact that the point of purchase is now highly mobile, retailers will find that the physical store still needs significant investment. To compete with e-tailers with pop-up and product-less shops, traditional bricks and mortar retailers will need to offer self-checkouts and move to a more mobile salesforce armed with hand-held devices to check stock availability and price-match when necessary. Retailers will invest more in creating experience centres, which are high-touch, high-tech and designed to get talked about.
- 3) Rise of the impulse purchase While technology has allowed consumers to become increasingly savvy, skilled and sophisticated shoppers, it also makes them susceptible to impulse purchases, particularly with the increasing prevalence of location-aware smart devices. The trend has been formalised through companies such as Groupon, where stores grant discounts if enough people sign up for them, and Foursquare, which offers price cuts to users who check in at specific locations using their smart devices. Together with flash sales, or time-limited offers via text or Twitter, these trends continue to trigger impulse buying and give shoppers the feeling of having scored a great deal but it will also put pressure on retailers to have stock ready when needed and prepared to handle returns.
- 4) Mobility driving consumer control Mobile promises a shift to a customer relationship management model that lets retailers know exactly who their customers are, and allows customers to opt in and define how they interact with the retailer, including what brands, products and locations they want to have specific communications with. Despite the rapid adoption of digital technology, the majority of retailers have been slow to respond to the opportunity. The coming year will be one of catching up and reacting to the power shift first from manufacturers to retailers and now to consumers. Technology is driving this trend and retailers will need to be prepared to react to price comparison apps, deal of the day websites, overseas online shopping and purchases from smart devices, including mobile payments which is very popular in Asia. In countries such as Japan, credit cards never caught on, meaning stores never installed the infrastructure needed to process them. Instead, near field communication allows payments with a mobile phone, so Japan quickly installed the technology and other countries are following suit.
- 5) Using social media to enhance customer service Social media can help bricks and mortar shops to reach out to customers and increase brand awareness, but also gauge customers interest and shopping needs to help turn around shops at risk. Facebook can serve as a focus group for a company to allow retailers to interactively learn about customers interests. Group-buying websites bring awareness to a company's brand and products while taking advantage of a promotional activity. Social media also empowers retailers; once they understand how to listen and what to monitor for, they can find the right target group and offer products/services for their exact needs. 2012 will see more social websites beyond the windows of traditional e-commerce, including fan pages on Facebook and Twitter, to engage customers better. The supply chain will have to support social media initiatives. If a customer is on a Facebook fan page and sees a special promotion running, then the product needs to be available online and in store, explained Scott Gillies, Director, Retail for APAC at Manhattan Associates. The retailer will need to know the inventory levels in real-time and have the ability to take an order from anywhere and fulfil that order via the channel requested by the customer. Receive up-to-date product, customer and partner news directly from Manhattan Associates on Twitter and Facebook.

About Manhattan Associates, Inc. Manhattan Associates continues to deliver on its 21-year heritage of providing global supply chain excellence to more than 1,200 customers worldwide that consider supply chain optimisation core to their strategic market leadership. The company's supply chain innovations include: Manhattan SCOPE a portfolio of software solutions and technology that leverages a Supply Chain Process Platform

to help organisations optimise their supply chains from planning through execution; Manhattan SCALE, a portfolio of distribution management and transportation management solutions built on Microsoft .NET technology; and Manhattan Carrier, a suite of supply chain solutions specifically addressing the needs of the motor carrier industry. For more information, please visit <http://www.manh.com.au/>.