



Technology Investments Pushed by Business Users, Retail Survey Finds; Data and Tools Critical to Improving In-Stock Positions; RFID and Active Data Warehousing Deployments Address Many Industry Challenges

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NEW YORK--(BUSINESS WIRE)--Jan. 31, 2006--Retailers now recognize their front-line employees need better data from which to make customer service decisions, so say respondents to a survey by Teradata, a division of NCR Corporation (NYSE:NCR). Three in five said their employees need faster access to more precise data. About 85 percent of responding retailers said closely aligning inventory in the supply chain to customer demand also is important to a company's competitive position. These and other needs are driving increased information technology investments for retailers in 2006.

Teradata's second survey of retail executives showed sharp gains in applications for radio frequency identification (RFID) and an increased need for near real-time information to help front-line employees provide more relevant assistance to their customers. Retail industry executives continue to address the ever-growing amounts of data and demands of business users by investing more in information technology. The survey, conducted in December, confirmed that IT spending would climb through 2006. This is consistent with the 2005 survey results that predicted spending increases for 2005 and 2006.

Data generation continues to grow exponentially and having information available to front-line managers is ever more critical, especially as it relates to inventory and in-stock conditions, the survey showed. Retailers reported being able to improve inventory management, control and security with RFID and active data warehousing technologies.

"We are seeing a clear growth in the use of technology to drive the top-line by making it easier for customers to buy more by generating promotions that are more specific and relevant to the customer's real needs. Technology continues to be deployed to improve the efficiency of the supply chain and control operations, but even here, retailers are increasingly leveraging detailed information to increase the likelihood that customers will find exactly what they want, while optimizing the associated inventory levels carried by the retailer," said Des Martin, industry managing partner for Teradata.

For the second consecutive year, respondents reported IT spending increases. Two-thirds of the respondents said IT spending at their company increased versus a year ago. About 45 percent of respondents said their companies' IT budgets will be allocated to data warehouse technology and analytical support systems.

RFID Uses Expanding Beyond Supply Chain

According to the survey, 20 percent of retail managers said their companies have RFID projects planned or underway, while nearly half (47 percent) of 2005 respondents report a current or near future phased deployment of RFID. RFID projects are nearly twice as prevalent at firms with annual revenues of \$3 billion or more. Among companies with RFID plans, roughly half are reviewing RFID technology or performing trials with selected suppliers.

"RFID is quickly moving from being an emerging technology towards being a more accepted tool, particularly among larger retailers looking to achieve top- and bottom-line benefits from deployment. Data is still the critical element to RFID, and data collection and analysis will make or break the many trials currently being conducted," said Richard Beaver, senior industry consultant, Teradata.

To the majority of respondents to the survey, the primary benefits expected from RFID are superior inventory tracking/control and enhanced security. Almost nine in 10 respondents (87 percent) said their company will use RFID for inventory or store security, and 58 percent of these respondents said this is their company's highest priority because it allows for quicker and more efficient merchandise restocking, identification and prevention of theft. About two-thirds (65 percent) of respondents said their company will use RFID for promotional management and 40 percent say RFID technology will help with product warranty and return issues.

Active Data Warehouse Use Growing

In line with the need to accurately and quickly analyze data collected through RFID or other tools, active data warehouse technology that provides near real-time access to information for decision-making is growing in the retail industry according to the survey. More than two-thirds of respondents say the benefits of active data warehousing include near real-time answers to queries, enhanced inventory management and improved customer service.

"Along with an understanding of active data warehousing benefits, there is an awareness of the challenges surrounding its implementation, specifically data sharing throughout the organization, standards and tools, data quality and consolidation, cost and internal political issues. Retail executives do seem to understand that 'survival of the fastest' will increasingly differentiate the winners, and that to win, retailers will increasingly need to shift their applications to an active data warehousing model, and are planning for it now," Martin said.

About the Teradata 2006 Report on Retail Technology

The Teradata study was conducted by BuzzBack Market Research in December querying more than 100 retail executives. All respondents live in the United States and are employed by retail companies with worldwide revenue of \$500 million or higher. All respondents hold the position of manager or higher and work in a corporate/general management, finance/strategic planning, operations or technology/IT department. Managers surveyed

represent a range of companies in the retail sector, including apparel, electronics, food, house wares, personal care, toys and other key categories and represented all geographic areas of the country.

About Teradata Division

Teradata (www.teradata.com), a division of NCR Corporation (NYSE:NCR), is the global technology leader in enterprise data warehousing, analytic applications and data warehousing services. Organizations around the world rely on the power of Teradata's award-winning solutions to get a single, integrated view of their business to enhance decision-making, customer relationships and profitability.

About NCR Corporation

NCR Corporation (NYSE:NCR) is a leading global technology company helping businesses build stronger relationships with their customers. NCR's Teradata(R) data warehouses and ATMs, retail systems and IT services provide Relationship Technology(TM) solutions that maximize the value of customer interactions and help organizations create a stronger competitive position. Based in Dayton, Ohio, NCR (www.ncr.com) employs approximately 28,200 people worldwide.

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