

Faster and Faster

# How web services, on-demand environment speed retailing and marketing deployments

By Allan Wood

**S**ucceeding at retail today means multi-channel sales. The priority of doing business online more efficiently, more productively, and more creatively than the competition has never been higher.

Retailers have a secret weapon in web services as it has become the de facto mechanism to cost-effectively assemble numerous third-party applications into one main application. With web services, retailers can combine disparate applications and offer them as a highly scalable service. What is truly exciting about the maturing of this key enabling technology is that it brings the retail world one step closer to the realization of an on-demand environment in both business and IT.

## Get to market fast

Imagine being able to go to market—from concept to launch—in less than a month with a new contest application, including the global infrastructure required to support the campaign. Add or swap it for an online surveying application during the pre-holiday shopping season and do the same for a gift card registration process during the drive to the holidays. Using web services can eliminate the need for costly and time consuming IT integration work, simplify the infrastructure planning process and make it possible for applications to be consumed in an on-demand fashion.

It's easy to understand why the use of web services would be of tremendous interest to the IT world, since it smoothes technological integration, but why should a businessperson care? The answer lies in

competitive advantage.

The on-demand infrastructure model offers a global platform for the deployment of web services-based applications. Using this type of platform, web applications are brought to market without the costly step of deploying new hardware and software. Several consumer services companies are already using an on-demand platform to bring web services-based applications to market more quickly and at lower costs than possible with ordinary centralized infrastructure.

In a successful example of web services, Mitsubishi Motors had two goals for a recent integrated marketing campaign called "See What Happens" that combined television and the Internet. The campaign included a 30-second Super Bowl "cliff hanger" commercial that directed viewers to a rich media web site, [www.seewhathappens.com](http://www.seewhathappens.com), to view the remainder of the commercial, access product information and register to have a dealer contact them or to locate a dealer. The first and most important goal was to capture prospective customer information reliably. The second goal was to direct customers to retail outlets in their area.

Rather than rely on traditional centralized infrastructure and home-

grown applications for the expected spike in visitor volume, Mitsubishi opted for use of an on-demand platform and web services-based applications. This approach enabled the company to bring the campaign to market in weeks rather than months. Instead of creating the web applications for user registration and dealer

locator, the on-demand platform offered Mitsubishi the option of leveraging existing best-of-breed, third party applications for these services, without deploying new infrastructure. The infrastructure that Mitsubishi leveraged consisted of a dealer locator service and user registration applications that had been developed by others.

The payoff in this instance was that Mitsubishi was

able to meet its aggressive time-to-market goals, its customers received a thoroughly satisfying service, and Mitsubishi was able to justify its advertising investment. The auto manufacturer successfully handled more than 4 million unique visitors during the campaign, resulting in a marketing victory. Mitsubishi benefited economically as well, as the money saved by not investing in new infrastructure or application development could be applied toward other key revenue-generating programs.



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In another example, Sony Ericsson, a global brand and mobile communications device provider, wanted to support its global customer base via the Internet without breaking the bank or ceding ground to the competition. Using an on-demand platform and web services together, Sony Ericsson was able to deploy new applications to support a global user base, such as an international store locator and a ringtone downloader, in record time, at a significantly lower cost.

### Better availability

As a result, Sony Ericsson increased its application availability from 92% to 100%. Additionally, the company offloaded nearly 100% of its Java and web service processing to the on-demand platform, reducing the need for interaction with origin servers. Sony Ericsson reduced the cost-per-user session by 33% from reduced bandwidth, hardware, networking, and maintenance costs.

In a third example, a retailer of consumer electronics products found that a high percentage of online visitors were using its site for pre-purchase research rather than specifically to make an online transaction. Often, the shopper was looking for product information online and the address of a local store in order to focus and potentially shorten the purchasing

time. By using lower cost web services applications, including product search and store locator, with an on-demand platform to support these requests, the retailer was able to create a virtual duplicate of its site that had the most critical elements of the original site functionality. During heavy volume times, such as the holiday season, the retailer directed shoppers looking to use the store locator, and some who were researching products, to a highly available, on demand overflow subset of its site that provided product and store information but not the ability to purchase.

If the customer wanted to buy, the transaction was directed to the retailer's centralized server for completion in a way that was

were overloaded. As an added benefit, site performance improved more than 50% and the site now operates 40% faster than the main competitor's site.

Operationally, the retailer was able to defer the need to purchase additional application servers and licenses by offloading 33% of the application server load for page assembly. Finally, the site supported 4 times the normal traffic load during the December holiday season without additional hardware or software needs. Combined with the expected revenue increase from improved conversion rates attributable to the improved user experience, the return on investment of this approach was deemed a success.

In summary, companies wishing to consistently grow revenue online face an increasingly demanding audience and must look to technologies such as web services to help create competitive advantage. Recognizing the key elements of online shopping success—speed, convenience, scalability and responsiveness—is critical to earning and retaining long-term customer value.

The challenge in capturing this demanding audience is, as it always has been, the balancing of IT practicality with merchandising creativity. The difference today is that a web services-based environment enables IT to be as flexible in their response as the merchandising department is in their requests. ●



Mitsubishi Motors was able to handle strong demand by using web services and an on-demand Internet environment to host its marketing site—seewhathappens.com—to which TV commercials directed customers.

transparent to the consumer. This approach avoided the complexity and cost of trying to predict overload infrastructure or, in the extreme, fully mirroring the main site. As a result, the retailer maintained the purchasing experience for the consumer even during peak periods when enterprise systems