



Meeting Customer Expectations

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Effective Web site design and operational excellence are critical to meeting the high expectations of online shoppers.

Operational excellence ensures secure payment systems, accurate and timely order fulfillment, easy returns, and ample service.

How do you connect with a consumer whose voice you can't hear, whose facial expressions you can't see, whose body language you can't sense? Unlike physical stores, where face-to-face contact prompts instant response, the rendition of customer service online makes it hard to share shoppers' delight in an unexpected find, their disgust over unavailable product, their frustration over a slow transaction, or their look of satisfaction upon completion of a successful shopping trip.

These are fundamental challenges that an e-tailer must overcome through its Web site design, which can only be responsive to consumers via technology, shown as dispassionate text on a screen, a pattern of site navigation, abandonment of a shopping cart, or other behavior that can be "tracked."

Operational excellence is critical

Figuring out how to meet customer expectations online is not assuming that click-and-bricks operators have it down pat in

the physical world. One thing it absolutely requires is operational excellence: having technology and logistics systems that will deliver beyond a customer's expectation, and a mastery of integration between operations and the "front-end" relationship with the customer.

The success formula is simply this: if the customer-facing experience is good enough to inspire a purchase, operational excellence takes over to ensure secure payment systems, accurate and timely order fulfillment, easy returns, and ample service. It's not surprising, then, that best practices don't yet exist for the "humanization" of e-tailing, which would create a template for the delivery of what people want when they want it.

What do online shoppers want?

Ernst & Young research offers a road map to customer desires when e-shopping. The worldwide consensus among online shoppers and their expectations: a good selection of items, competitive prices, and convenience.

Top 3 reasons for shopping online

	United States	Non-U.S.	Australia	Brazil	Canada	France	Germany	Israel	Netherlands	South Africa	Spain	Switzerland	U.K.
Good selection of items	#1	#1	#1	#2	#1	#2	#1	#1	#1	#3	#2	#1	#2
Competitive prices	#2	#2	#2	#1	#2	#1	#2	#2	#2	#2	#1	#2	#1
Convenience	#3	#3	#3	#3	#3	#3	#3	#3	#3	#1	#3	#3	#3

MEETING CUSTOMER EXPECTATIONS

Consumers expect purchases to cost less online than in stores

	United States	Non-U.S.	Australia	Brazil	Canada	France	Germany	Israel	Netherlands	South Africa	Spain	Switzerland	U.K.
Clothing	57%	64%	64%	63%	63%	72%	66%	70%	52%	67%	62%	48%	73%
Consumer Electronic	73%	80%	72%	88%	73%	89%	77%	74%	90%	67%	87%	72%	82%
Toys	62%	72%	71%	75%	61%	70%	83%	57%	86%	50%	73%	77%	84%
Food & Beverage	50%	46%	43%	63%	47%	36%	50%	29%	50%	0%	56%	41%	44%
Health & Beauty	62%	71%	72%	72%	56%	67%	74%	73%	75%	75%	69%	71%	86%

Offering anything less than a full complement of products online compromises the retail brand and annoys the established customer base.

Moreover, the vast majority of e-shoppers worldwide reported that they expect an online site to have about the same number of products as in stores and catalogs, and more than half also expect specials that aren't available at retail. Unless consumer perceptions are changed, these findings mean that e-tail item selection must compare with what's available in a chain's physical stores or catalog. Identical pricing, along with some super-hot deals, must reward Internet shoppers' initiative; prompt access to products and easy purchasing/payment processes must consistently attract e-shoppers.

In addition, when asked about price expectations across different shopping categories, consumers have definite ideas: 61% of global respondents expect online clothing purchases to cost less than similar items at retail stores, 78% expect online consumer electronics to cost less, 67% for toys, 47% for food and beverages, and 67% for health and beauty items.

This says a lot about the psychology of e-shoppers and the profit implications for retailers. If multi-channel retailers must

constantly reward e-shoppers for their efforts, they need to redesign their business model for the costs incurred in motivating customers to purchase online. What will happen to their visit frequency once retailers try to wean them off this habit? What might these people accept as a reasonable substitute? Are they so mercenary in their shopping that they'll go elsewhere if a chain ends the practice? What does that say about loyalty to the store and the brands it sells?

On the issue of assortment overall, it's obvious that offering anything less than a full complement of products online compromises the retail brand and annoys the established customer base, already familiar with merchandise available in the physical stores and what they expect to purchase from a company. It is one of the most damaging components of a multi-channel's e-tail strategy because it clearly runs counter to customer expectations.

Customization is an online opportunity for a company

One area where multi-channel retailers

have an opportunity to gain equity with shoppers is in the customization of products. As an example, ZDNet Australia reports that General Mills will soon start to test a Web site, www.mycereal.com, which enables visitors to create their own customized cereal, based on individual health needs and taste preferences.

More than one million ingredient combinations are possible, compared with about 250 varieties sold in grocery stores. Each serving will cost a U.S. dollar and be delivered to the consumer's door within two to four business days of the order's placement.

Marc Belton, president of the company's Big G cereal division, said in a prepared statement: "We look forward to gaining a better understanding of these consumers and servicing their specific needs. We also hope this will encourage consumers to keep and in some cases renew their interest in cereal." This notion is certainly intriguing, not only for its ability to create an emotional connection between consumers and the company, but because it could elicit some wonderful new product ideas from consumers themselves.

Personalization of sites and privacy issues

Personalization of sites is a related notion, based on technological memory of how a visitor navigated the site previously, preferences indicated, service questions asked, and purchases made. This may make some customers feel special, but for millions of Web site visitors, privacy is the overriding concern: they want their history, behavior,

and data protected. Click-and-mortar companies must tread carefully here and never reveal consumer information they collect, or they'll risk being snared in a DoubleClick public relations fiasco. That company overstepped boundaries on consumer privacy when it stated its plans to merge anonymous customer information with the records of an off-line direct marketer, which would have resulted in businesses being able to target offers to individuals. E-tailers can best ease their users' experience by understanding how people typically navigate and prefer to use Web sites. The best e-commerce sites should seem nearly intuitive, so users can be like drivers traveling down familiar roads with green lights all the way.

E-shoppers navigate sites in four different ways, explains Howard Tiersky, principal and executive creative director, DareStep, a division of Cap Gemini Ernst & Young: they search for specific content or function; they submit a search to a server, which gives them matches to choose from; they use links; and they make use of personalization features.

The first form of personalization lets visitors self-select into user groups, say, a separate home page for travel agents at the Carnival Cruise site. Second is memory based on a user's previous pattern. Mapquest, for instance, recalls the last five addresses a person entered as a starting point for requested directions.

E-tailers can achieve these types of personalization by either architecting information or using client-side cookies. Other

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ways are storing information provided by customers, such as shipping addresses, or tracking previous buying and site navigation patterns, Tiersky adds.

Personalization is perhaps the most emotional aspect of a user's Web experience, because through technology the site "remembers" preferences and behaviors and creates pleasant virtual encounters.

Government regulations and privacy protections

Privacy matters are reaching official heights, with the announcement that Canada will enact a law in January 2001 that offers its citizens sweeping protections. The report in *Computerworld* implies the possibility of "legal obligations and data management problems for potentially thousands of businesses that exchange data with firms and subsidiaries in Canada, the U.S.'s largest trading partner."

Canada's Personal Information Protection and Electronic Documents Act requires companies to obtain customer consent before sharing data. While the law initially applies to airlines, banks, and other regu-

lated businesses in that country, by 2004 it will affect virtually every Canadian business, including retailers.

American companies that exchange "personally identifiable information with Canadian firms and subsidiaries" may need a contract that commits them to following Canada's law, adds the report. That's only one aspect of privacy. Another "e-tail chiller" has been the need for consumers to trust in a secure online payments system. People's concerns about using credit cards online are akin to consumers' reaction when automated teller machines first arrived. By now, encryption and certifiers such as Trust-E have brought ample security to domestic bricks-and-clicks — although secure transactions remain a problem internationally, particularly in Brazil.

Shopping cart abandonment rates are still high

How bad is the problem? Three out of four e-shoppers worldwide tell Ernst & Young they've "placed products in an online shopping cart, but did not actually complete the purchase during the past year."

Shopping carts are frequently abandoned

Placed products in shopping cart but did not complete the purchase

REASONS
 Shipping cost too high
 Price check
 Changed mind
 Price too high
 Check out process was long/unclear

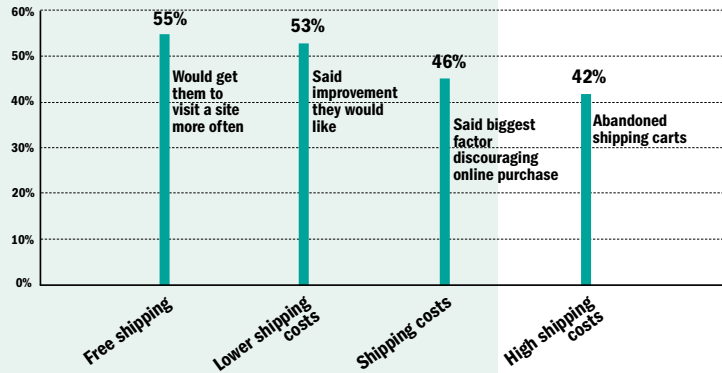
	United States	Non-U.S.	Australia	Brazil	Canada	France	Germany	Israel	Netherlands	South Africa	Spain	Switzerland	U.K.
	78%	73%	75%	87%	78%	51%	75%	53%	71%	54%	66%	72%	79%
Shipping cost too high	45%	41%	38%	49%	45%	41%	40%	23%	45%	28%	35%	32%	45%
Price check	37%	39%	40%	43%	41%	33%	33%	26%	41%	25%	34%	41%	45%
Changed mind	34%	24%	28%	20%	31%	20%	17%	18%	25%	17%	23%	18%	25%
Price too high	24%	26%	24%	30%	20%	33%	35%	20%	24%	20%	31%	22%	24%
Check out process was long/unclear	18%	19%	14%	23%	19%	35%	11%	12%	19%	14%	18%	23%	22%

High shipping costs were the number-one reason, cited by 42% of consumers world-wide. Indeed, shipping costs are among the biggest factors discouraging people from buying online: “high shipping costs” came in at number-one, named by 46% of respondents. Moreover, some 53% of respondents said lower shipping costs were the number-one improvement they would like to see in online shopping, and 55% said free shipping would get them to visit a site more often.

However, companies routinely charge for shipping. And defying logic, many e-tailers increase the shipping cost based upon the value of the purchase, in effect penalizing people for buying more. A fairer and more reasonable approach would be to assess the expense by cube and weight, as some computer vendors do. The most seamless method would be to figure shipping and handling into the price of the merchandise so it is transparent to consumers and can’t infuriate them.

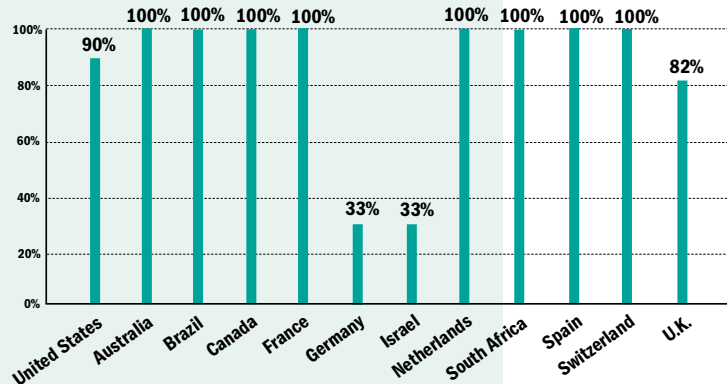
Still another next hurdle for an e-tailer to overcome is the issue of the importance of “personal sizing,” where consumers lack confidence in achieving an excellent fit on an item they haven’t tried on. Some 44% of respondents said this, with incidence of mention ranging from 31% in Spain to 60% in Brazil.

Shoppers are unhappy with shipping costs



For all the complaints consumers voice in every country and every culture about e-commerce, remember that it’s their nature to complain. They complain loudly and consistently, but at the same time have bought more online in 2000 than in 1999, and say they expect to buy more every year into the foreseeable future. Consumers voice displeasure every day about their experiences in physical stores, but they still keep going back to fulfill their needs.

Companies charge for delivery



Consumer Relevancy: Connecting with the 21st Century Market

Retailers have a better chance of satisfying customers when they incorporate human values into their online selling strategies.

By Fred Crawford, Executive Vice President and Global Leader for Consumer Products, Retail & Distribution, Cap Gemini Ernst & Young

The best e-tailers strike a better balance between the content of a sale and its context, the way in which the transaction is carried out, and how well it fits into the nature of consumers' lives.

In this report, we have said that multi-channel retailers must understand — and meet — the expectations of their customers. But how can companies truly understand their customers' needs? How can they win their trust in today's competitive marketplace? A new strategic concept called Consumer Relevancy, demonstrates that companies can succeed by orienting their online selling strategies toward the human values 21st century customers expect.

Our research finds that successful e-tailers consciously build relationships and provide offerings that resonate with a consumer who is not only proficient on the Web, but also no longer “mesmerized” by the channel. The best e-tailers strike a better balance between the content of a sale and its context, the way in which the transaction is carried out, and how well it fits into the nature of consumers' lives.

We discovered the importance of Consumer Relevancy during three years of research, in which we interacted with 1,000 consumers on the Net, as well as

4,000 in person, performed dozens of case studies, executed several client engagements, and spoke with hundreds of executives. Consumers tell us most companies have failed them. They believe that retailers no longer are able to form a real bond with them. Forming this bond requires an understanding of the principles that lie at the foundation of Consumer Relevancy. (Consumer Relevancy will be the subject of a book, *The Myth of Excellence*, to be published in June 2001 by Crown Publishers.)

What are customers really saying?

Most successful e-tailers gained ground initially because they believed their value proposition was more in line with today's customer than that of off-line retailers. They thought that the lifestyle of 21st century consumers was enough to propel an online shopping revolution. On one level, our research found they are right — today's customers are “instaviduals” whose lives are so complex they can't be nailed down to one market segment. They want to

do what they want — when they want it — in the way they want it. And that's why the value proposition of e-tailing is tailor-made for them.

But the industry's current track record suggests that many consumers are not agreeing that e-tailers are meeting their needs. In the face of a disappointing 1999 holiday season, e-tailers spent most of 2000 trying to make up lost ground. Unfortunately, with average industry conversion rates less one-third the average of off-line retailers, customers are still not buying enough on the Net to allow many e-tailers to become profitable.

According to the latest data from the University of Michigan's Business School's American Customer Satisfaction Index (released late November 2000), e-tailers, on average, score slightly higher than their off-line counterparts in customer satisfaction, with an average score of 78 versus the off-line average of 73. Even so, the scores of e-tailers are buoyed by the success of Amazon.com (whose average is 84) and many of them (including Buy.com, Egghead.com and 1-800-Flowers) fall way behind the stars of retail in this survey, including Publix (84) and Costco (79).

As the lead professor in the study writes, e-tailers are now "attempting to increase sales per customer...and gain more repeat business. In order to succeed, it is critical to provide very high quality of service including reliability, dependability, and trust." Already, the average score of portals (63) is way below the average of retail

(73), held down by the disappointing showing of AOL.*

Why do e-tailers struggle, despite the attractiveness of their value proposition? Today's customer is aware and demanding; she knows and is willing to exercise her options. She wants something more from every company. As a result, the e-tail value proposition must expand and deepen along with her changing opinions.

Consider the way our interview subjects describe the ideal online approach in terms of the five classic attributes of any transaction: price, product, service, experience, and access. These consumers tell us repeatedly, that while they judge all retailers based on these attributes, their meaning is changing and many retailers don't understand that:

■ **Product**, in terms of online sales, means a site is never out of stock on the widest assortment of top-quality products. Eddie Bauer's successful online approach, offers a full range of products, as well as a virtual dressing room that gives consumers the opportunity to test various combinations.

■ **Service** means credit card purchases are secure and merchandise can be returned quickly, without hassles. At the high end, it also means a high level of individual customization. Many e-tailers fall down on service, and are changing. Ahold, the global supermarket giant, will emphasize service in on-line grocery shopping in its new acquisition, Peapod. It will downplay the Peapod brand and concen-

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* Professor Claes Fornell, Director National Quality Research Center, University of Michigan Business School, "Q-3 2000: e-commerce" as reported on www.bus.umich.edu/research/nqrc/Q3, posted November 27, 2000.

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trate, instead, on the best service for the product lines and brands the customer already trusts, including Giant, Stop & Shop, BI-LO, and Tops.

■ **Experience** online is about being treated like a valued customer, with a site's appearance and design appropriate to the type of products the e-tailer sells. It is decidedly not about entertainment, which didn't even make the top-15 list of consumer preferences. For online consumers, a good experience means being treated with the respect necessary to form the basis for a long-lasting relationship. That's a difficult task to pull off with online sales, with many consumers complaining bitterly about long waits, clunky screens, complicated processes, missing or hard-to-find information, nonexistent telephone support, impossible return processes, missed ship dates, out-of-stocks, and a plethora of other concerns that negatively impact the experience.

Gateway has managed to create the right experience for computer sales — buttressing online efficiency with the care it shows customers in the company's offline stores. Procter & Gamble's backing of Reflect.com illustrates the points well. The proposition: women can build their own line of beauty products, based on their own likes and dislikes — not the vision of ideal beauty sold by fashion models.

■ **Access** might seem to be a slam-dunk for online retailers, but it turns out to be the industry's Achilles' heel. Online access means all charges are clearly stated up front, you can quickly find

what you are looking for, and you can rely on the e-tailer when you are in a bind. One consumer, Margaret, tells us that access means “I can see that I've got to pay for shipping right away, I can find what I want, and that I can expect to get the product on time. Also, I expect to be able to download quickly, even on my phone line, and to navigate the site without any problems.” Tesco dominates in the UK market largely because it provides customers access in every sense of the word, including access to a greater breadth of products. (Tesco now is one of the largest sellers of children's clothing in Britain.) The importance of access can also be seen in the company's development of an online Web-based grocery service that is the envy of other retailers. With this service, customers order merchandise, and e-shoppers immediately pick the items, getting them to the customers quickly.

■ **Price**, in terms of online sales, means you “feel you are getting the lowest price available for leading brands,” a seemingly classic interpretation of price. But focus group interviews tell us that this is actually code for a crossover concern from service. The key is in the words “leading brands.” For consumers leading brands is an implied warranty for the quality of the product because they don't want to have to enter the scary and confusing world of online returns. They seek leading brands, hoping that they will never, ever, have to attempt to return anything. This is a big opportunity in disguise for a retailer that

allows online sales to be returned at physical stores, and it presents a challenge for online pure plays. Digging deeper into price online reveals two types of consumers, price conscious and price unconscious. The online world has two broad constituents, those with the time and inclination to troll for the best deal, and those who are in a hurry and will pay anything within reason for good products delivered on time and in one piece by an online retailer that makes it easy and fast for them. The trick is in understanding which one type of customer you are dealing with.

We have found three underlying causes for this consumer attitude. The first is the Information Age, whose good aspects, symbolized by information accessibility, consumer self-service, and increased productivity, are balanced by the bad — information overload, stress, and cynicism.

The second is the gradual but pervasive breakdown of social infrastructure: school, church, family structure, and government. This combines with an increasing ability of the media to capture and deliver ever-more-graphic and granular images in nearly real time to create consumers who are questioning the validity of the society in which they live, and their role in it.

The third is the simple pressure of time. Everywhere we look we find a common thread: people struggle to find the time to be a great employee, parent, child, neighbor, philanthropist, and spouse.

So, despite unprecedented economic growth, consumers are haunted by three relatively new but exceptionally important needs:

- The desire for ratification and reinforcement of their personal value set. They want to feel like someone cares.
- Help in surviving psychologically and emotionally.
- Clarity and simplification in order to feel satisfied with their choices.

The impact of these trends and the development of the new set of needs means the context in which a good or service is offered has become as important as the actual content of a transaction. Human values have pulled even with, or even eclipsed, product or service value when consumers evaluate a commercial offering. For e-tailers searching for the profitable top-line growth necessary to survive and attract capital, this means that their online offerings must include a sense of the values consumers want.

For many companies, responding to consumer values is a foreign notion. Most focus on offering the best products possible — at low enough prices, and support their operations with customer service representatives and efficient fulfillment. But we found that companies are focusing too much of their finite resources on being excellent at every process they can, and not enough on the market. They have been pursuing a myth — that they could be excellent in all aspects of their operations, and that this would drive top-line growth. In truth, companies that try to be excellent

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in every way are doomed either to fail, or to leave significant money on the table.

The Consumer Relevancy approach was developed to help e-tailers formulate strategies and plans for operational improvements based on the development of solid external insights. Using these insights as a foundation, companies can make plans that will work.

How does Consumer Relevancy work?

The mission of Consumer Relevancy is to drive top-line growth and profitability by aligning a company's commercial offerings with unarticulated and unmet human values.

Companies using CR as a basis for strategy can consciously do what many successful e-tailers, like Amazon, Eddie Bauer, Gateway, and Tesco intuitively do — define consumer value in consumers' terms and make the strategic trade-offs necessary to increase profitability and customer satisfaction.

Consumer Relevancy starts with the five attributes, price, product, experience, service, and access, and uses them as a framework to prescribe corporate action. That framework helps a company determine the right direction for any strategic change or operational improvement —

making certain it will lead to competitive differentiation and growth.

To win back customers — and bring in new ones — relevancy requires that a company dominates on one of the five attributes (a score of “5”), meaning that the company sets the standard on this attribute; differentiates on a second (a score of “4”), meaning the consumers prefer its products or services; and be at industry par (a score of “3”), meeting basic expectations, on the remaining three.

It is important to note that anything less than a 3 on any attribute is not sustainable and will cause brand damage, as customers will gradually reject the value proposition. This is truly the secret to the dizzying decline in the fortunes of dot-coms like Drugstore and Priceline. They did not come up to customer expectations in order fulfillment and consistency of operation. Conversely, domination or differentiation on more than one attribute is excessive, resulting in companies wasting money.

Of course, all of the definitions of what a “5,” or “4,” or “3” is change as consumer expectations change. Failing to keep up with expectations and perform at that level will cause brand damage and erode long-term customer retention.

In the end, Consumer Relevancy demonstrates that winning e-tailers follow five steps to success. They must:

- Truly differentiate the way they sell products and services.
- Understand the market's value perception.
- Plug into unforeseen market forces.
- Demonstrate operational consistency.
- Create organic operations.
- Listen to the market — and then act with Consumer Relevancy

Around the world, we've talked to customers just like Margaret, a 38-year old mother of four. When we asked about her experience in the world of e-tailing, she said: "I shop online for one reason only — to get the best selection, at the lowest prices. But when I run into any kind of hassle, it's so easy to switch. There are millions of sites selling everything. So, if I get angry, I just click off. Come to think of it, I click off more than I do on."

We were startled by the strength of her reaction — and by those of so many of the other consumers we interviewed, once they were allowed to talk about anything they wanted to. They told us the real reasons why so many of them have been leaving sites so quickly, and failing to come back. Companies are simply not meeting their needs.

When we talk about Consumer Relevancy, we ask senior executives the following questions:

- Do you know why your customers behave the way they do?
- What is the one thing you're not doing that most of your customers want you to do?
- What is the one thing that will bring new customers in?
- What are the two things you must not change?

The senior executives of Gateway, Amazon, Ahold, Tesco, and Eddie Bauer can answer these questions. If you can't, it's time for Consumer Relevancy.

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Better Secure Than Sorry

Establishing a successful retail presence online without putting their business's security on the line is the challenge facing today's retailers.

By Jerry R. DeVault, National Leader of Innovative Assurance Solutions, Assurance & Advisory Business Services Practice, Ernst & Young, and Anthony Spinelli, Vice President, Channel Integration and Operations, eSecurityOnline.com

What's most important in security today is a company's ability to systematically ensure the integrity and security of personally identifiable information — like customers' credit card numbers — that they collect and store on the Web.

Even as consumers come to embrace online shopping as an everyday part of their lives, they remain concerned about the security of their credit card transactions.

Worldwide, credit card security concern is the fourth-biggest factor discouraging online buying, and “guaranteed security” ranks third as the improvement consumers would most like to see on the Internet. Clearly, companies must take this issue very seriously. Especially for bricks-and-mortar companies coming online, proactive security practices are vital to protecting brand integrity and ensuring the consumer trust that has been established on land.

What's most important in security today is a company's ability to systematically ensure the integrity and security of personally identifiable information — like customers' credit card numbers — that they collect and store on the Web. But with the world of technology undergoing continuous, rapid change, it's not enough merely to employ traditional, point-in-time solutions, which are designed simply to give a company a snapshot of its current security weaknesses, and temporarily employ the latest measures

to stave off hacker attacks. The larger challenge is to develop a proactive, knowledge-based security posture that:

- Identifies your threats and vulnerabilities
- Manages your risks
- Protects your critical assets and systems
- Detects intrusions and responds to incidents
- Elevates security awareness company-wide

You need to develop and implement a best-practices security program that is perpetual, proactive, time-efficient, cost-effective, and possesses integrity (i.e., preserves the accuracy of information). Your main task is to determine which threats are most important (and must be addressed first), which are of medium importance, and which ones are unimportant. In most cases, however, the data and the risk to the data — not the technology application — should determine the level of security you provide. So, to classify the risk sensitivity of your data, you should create a risk profile of your unique technology environment and data by weighing the importance of the following factors:

- Your business strategies
- The policies and procedures that support your business strategies
- The technologies that support your policies and procedures
- The importance of maintaining: 1) confidentiality (security); 2) integrity (accuracy); and 3) availability (accessibility) of your information/data
- The risk sensitivity level of the above three necessities
- The configuration you need to apply to achieve the necessary level of security

After you've prioritized your risk factors, it's critical for you to find solutions in the marketplace that will augment your security posture at points where it may be weak. This has become a challenge due to competing resources. You want to apply a robust security strategy while overcoming an IT human resources shortage. You can integrate the latest security offerings into your environment by subscribing to a trusted knowledge-based solutions provider. The provider will give you information on the security vulnerabilities of the technologies your company uses. Now, armed with knowledge and tools, you'll be able to design and put into action a security program that is perpetual, base-lined, monitored, verified and proactive, by taking the following steps:

- **Perpetual** — putting in place solutions (e.g., VPNs, firewalls, and encryption) that mitigate the risk exposures of your business.

- **Base-lined** — establishing security policies and awareness programs that educate your user community on security concerns.

- **Monitored** — continuously monitoring your internal network and external firewall, including the area between them — know as the “demilitarized zone” (DMZ) — to prevent system vulnerabilities and attacks on your infrastructure. Do this by reviewing IDS or firewall logs.

- **Verified** — hiring corporate security experts, independent consultants, and internal auditors to review your security posture, as well as engaging external auditors to examine and verify your security assertions so you can communicate them to your stakeholders.

- **Proactive** — employing knowledge-based solutions that deliver the latest validated security vulnerabilities or configurations and are customized to your environment. This will enable you to provide effective, efficient solutions to new threats.

Traditional approaches to security, such as hiring consultants to perform attack and penetration attempts, are also important. But you must go further. You need a knowledge-based content provider that not only feeds you knowledge, but also informs you of threats, tests their impacts, and shows you how to eliminate the risks that make you vulnerable.

Indeed, your online operations are like a sports team: they need a strong offense —

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Security is one thing. Proof of security is another. You not only need to create and maintain a protected environment, but you should prove it through independent “audits.”

a framework that enables you to develop and improve information protection within your business operations. That’s why you need to establish an Enterprise Security Architecture (ESA) — a framework composed of people, processes and technical controls that mitigate risk but do not increase costs and add burdens to your day-to-day operations. With an ESA, you’ll accomplish the following critical goals by undertaking corresponding measures:

Safeguard consumer trust and confidence by providing the mechanisms that guard the privacy and confidentiality of your corporate and customer information.

Minimize corporate risk by establishing security baselines throughout the corporation that continually improve the quality of your security engineering and decrease the amount of threat and risk to your company.

Drive down security costs by building a technical, procedural, and organizational foundation to deter or rapidly resolve security breaches and incidents.

Maintain objectivity by providing the mechanisms to measure and report on the effectiveness of the corporate security investment.

Accelerate speed to market by enabling a secure technical infrastructure that can be leveraged to take advantage of distinct e-commerce initiatives in the marketplace.

Security is one thing. Proof of security is another. You not only need to create and maintain a protected environment, but you should prove it through independent “audits.” You should not only address your customers’ primary concerns, such as credit card security — and thereby live up to their trust — but as a leading company you should also provide assurance to your customers by making available independent verification reports. By proving you’re doing what you’re saying, you’ll create a competitive advantage, gain repeat customers, and earn trust. Because whether they’re shopping in buildings or stores, customers buy from you only if they trust your brand. Indeed, security is not just about protecting data and knowledge, but also creating a feeling of confidence for the consumer who accesses or provides information, and completes transactions, on your Web site.

Risk is quantifiable. You can systematically pinpoint and mitigate online security dangers to create a secure environment that not only is critical to conduct e-business, but will free you to transform your organization into a multi-channel retailer powerhouse.



Innovative ideas open up possibilities

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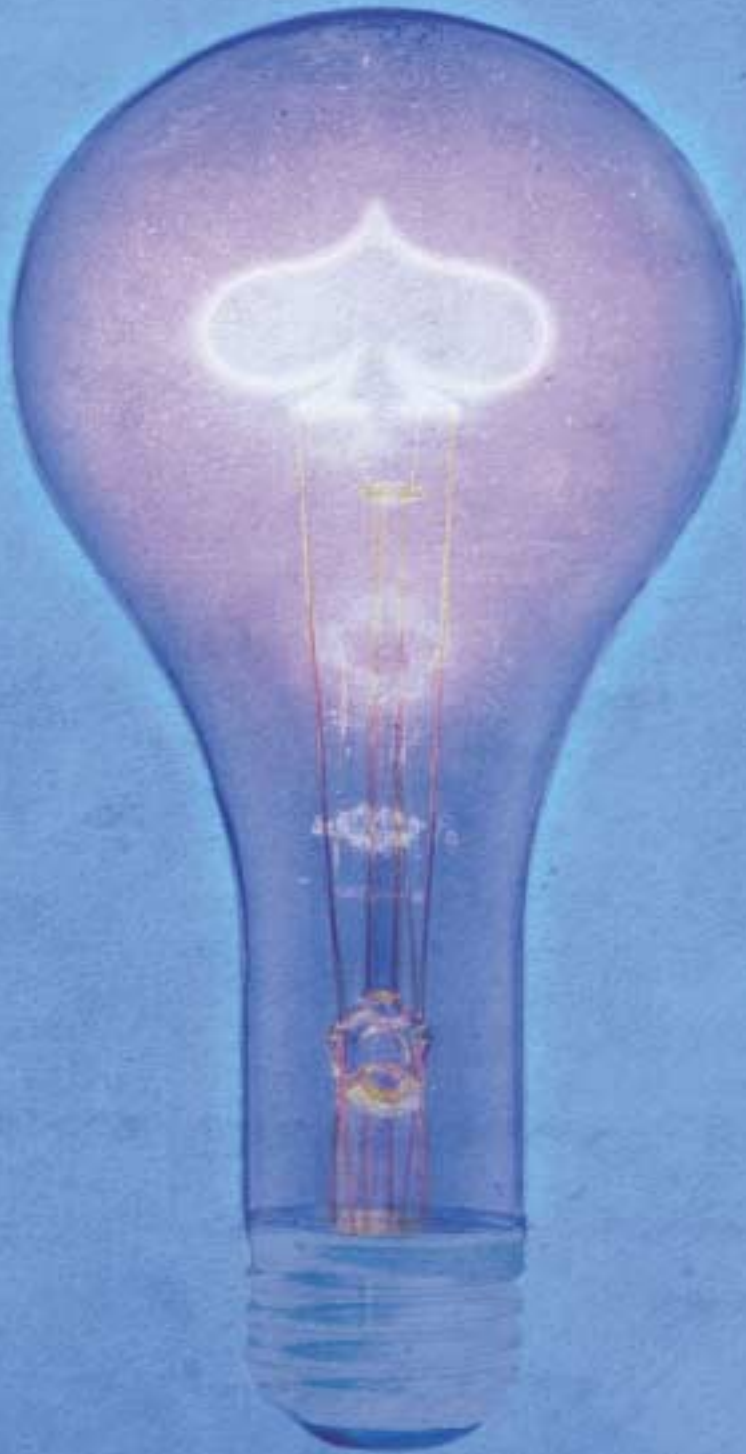
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