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MACY'S PILOTS IBM'S WATSON IN PARTNERSHIP WITH SATISFI FOR IN-STORE, PERSONALIZED SHOPPING COMPANION

"Macy's On Call" unites Satisfi's communications platform with IBM Watson cognitive technology to create an in-store mobile companion that assists in servicing customer needs; the initial phase of the pilot program is underway at 10 locations nationwide

NEW YORK, NY – July 20, 2016 – Today, Macy's announced the pilot of "Macy's On Call," a mobile web tool that allows customers to interact with an AI-powered platform via their mobile devices. "Macy's On Call" taps IBM Watson, via Satisfi, an intelligent engagement platform, to deliver a first-of-its-kind solution that will enhance the customer in-store shopping experience at 10 test locations nationwide.

The mobile companion, accessed via a mobile browser, allows customers to input natural language questions regarding each participating store's unique product assortment, services and facilities and receive a customized response to the inquiry. There are a number of ways that customers may request information. For example, a customer could type, "Where are the women's shoes?" or type a combination of brand and product inquiry such as "I.N.C dress," and they will receive the relevant response and location of that product in the store.

Since each Macy's store is different, and consumers increasingly prefer mobile platforms, "Macy's On Call" is providing shoppers with a helpful tool to get information fast as they shop and navigate the store. The system will evolve as it learns more about each store's customers. This is already evident in the popular searches category, which highlights the most asked questions, responses to which can be accessed at the click of the appropriate button.

As part of the pilot, Macy's is also incorporating a Spanish language feature to serve a broader subset of its customer base in select stores.

"At Macy's, we remain focused on identifying, testing and supporting new ideas and approaches that will help elevate service to our customers through technology. With an eye towards innovation, we are moving fast to test and scale up pilot programs that help enhance their experience with us," said Peter Sachse, Macy's chief growth officer. "This program, in partnership with Satisfi and leveraging the power of IBM Watson, will help us explore new ways to engage one-on-one with customers in-store, providing them another level of service right at their fingertips."

"Bringing Watson into a retail store setting presents an opportunity to engage with the consumer on a variety of levels. This particular use case takes Watson beyond helping consumers evaluate purchasing decisions, and influences another, equally important aspect of the in-store experience - ease of use in locating products, facilities and services," said David Kenny, general manager of IBM Watson. "As more developer partners like Satisfi continue to build with the technology, we see Watson more frequently being delivered into the hands of consumers, and we're looking forward to learning more from this pilot with Macy's and Satisfi."

"The entire Satisfi team is delighted to be working with such an iconic brand as Macy's to leverage the power of IBM Watson on this exciting project. The combination of Satisfi's location-based, intelligent engagement software, with the cognitive learning capabilities of IBM's Watson, has helped us build a powerful and comprehensive tool to enhance the in-store shopping environment," said Don White, Satisfi's chief revenue officer. "Macy's has been a great partner for this project because of their commitment to exploring new technology that can elevate one-on-one interactions with customers, creating a more relevant and personal experience for them."

Accessed via **macys.com/storehelp**, the pilot of "Macy's On Call" answers store navigation details provided by department, brand and product category, as well as provides insight into the unique in-store services available at each test location - from My Stylist@Macy's personal shoppers to Buy Online, Pickup in Store counters, and store facilities, including restrooms. The engagement is conducted through a simple question and answer interface leveraging Watson's Natural Language Classifier, that is helping Macy's learn more about the features and services that most resonate with shoppers. Additionally, in the Miami area pilot locations, the interface is available for customers in Spanish, via Watson Language Translation, as Macy's tests language capabilities, functionality and consumer interest in engagement via preferred languages.

Ten store locations were chosen representing a cross section of Macy's store portfolio. Five of the locations serve as the base learning stores, with the Watson implementation deployed solely as a customer led self-serve initiative. The other five locations have an enhanced layer of associate support available to complement the virtual interactions. At these locations, customers can input a request for face-to-face engagement with a Macy's specialist associate.

While Watson technology can power interactions in a number of ways, the first phase of this pilot program is applying Watson's natural language capabilities in a physical retail environment, focused on three customer centric categories – each store's unique products, services and layout. Satisfi accesses Watson's technology from the cloud and this model is helping facilitate ongoing learnings and improvements to the solution. As the program progresses, Macy's aims to closely study and gauge other potential uses of the technology, with the goal of implementing Watson's full cognitive dialog capabilities in future phases.

At all 10 test locations customers are encouraged to visit **macys.com/storehelp** on their mobile browser to engage with the in-store companion. The first phase of Macy's On Call recently launched and is expected to run through late fall of 2016.

"Macy's On Call" pilot stores are as follow:

Base learning locations:
Macy's Montgomery – Bethesda, MD
Macy's Woodbridge Center – Woodbridge, NJ
Macy's Clackamas Town Center – Portland, OR
Macy's Santa Anita – Arcadia, CA
Macy's Miami International – Miami

Connect @ Macy's locations with additional sales associate support:
Macy's Short Hills – Short Hills, NJ
Macy's Mall of Georgia – Buford, GA
Macy's Lenox Square – Atlanta
Macy's Aventura – North Miami
Macy's Roosevelt Field – Garden City, NY

About Macy's
Macy's, the largest retail brand of Macy's, Inc. (NYSE:M), delivers fashion and affordable luxury to customers at approximately 734 locations in 45 states, the District of Columbia, Puerto Rico and Guam, as well as to customers in the U.S. and more than 100 international destinations through its leading online store at macys.com. Via its stores, e-commerce site, mobile and social platforms, Macy's offers distinctive assortments including the most desired family of exclusive and fashion brands for him, her and home. Macy's is known for such epic events as Macy's 4th of July Fireworks® and the Macy's Thanksgiving Day Parade®, as well as spectacular fashion shows, culinary events, flower shows and celebrity appearances. Macy's flagship stores -- including Herald Square in New York City, Union Square in San Francisco, State Street in Chicago, and Dadeland in Miami and South Coast Plaza in southern California -- are known internationally and are leading destinations for visitors. Building on a more than 150-year tradition, and with the collective support of customers and employees, Macy's helps strengthen communities by supporting local and national charities giving more than $69 million each year to help make a difference in the lives of our customers.

For Macy's media materials, including images and contacts, please visit our online pressroom at macys.com/pressroom.

About Satisfi:
Satisfi is a location-based intelligent engagement platform that combines the speed and accuracy of automation and the personality of a live person. Using Satisfi, conversion opportunities can be driven in real-time by capturing customer intentions, sentiments, questions and needs. The resulting customer engagements enhance the on-site experience by introducing additional features and bring to light previously unknown information and insights.

About IBM Watson: Pioneering a New Era of Computing:
Watson represents a new era in computing called cognitive computing, where systems understand the world the way humans do: through senses, learning, and experience. Watson continuously learns from previous interactions, gaining in value and knowledge over time. With the help of Watson, organizations are harnessing the power of cognitive computing to transform industries, help professionals do their jobs better, and solve important challenges.

As part of IBM's strategy to accelerate the growth of cognitive computing, Watson is open to the world, allowing a growing community of over one million developers, students, entrepreneurs and tech enthusiasts to easily tap into the most advanced and diverse cognitive computing platform available today. Hundreds of clients and partners across six continents and across dozens of industries actively use Watson. More than 550 are already commercializing their ideas and over 100 of these partners have already introduced commercial cognitive enabled apps, products and services to the market.

For more information on IBM Watson, visit: ibm.com/Watson and ibm.com/press/watson. Join the conversation at #ibmwatson.

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