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**[Real-Time Transaction Monitoring Gains Cross-Channel Traction](#)**

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Would you give away nine percent of your business? You might have done it yesterday. Retailers and financial institutions can lose up to 9% of their overall revenues due to issues with application performance, according to estimates by the Aberdeen Group. This potential revenue loss, combined with the growing retail focus on e-commerce, customer experience and streamlined operational processes, indicate that transaction intelligence should be playing an increasingly critical role in the support of best-in-class enterprise practices.

Transaction monitoring has been common practice within financial institutions for close to a decade. Original deployments stemmed mainly from the tactical need to combat existing and emerging application threats, to significantly reduce fraud losses, or to reduce the risk of service disruption that would ultimately affect the end user experience. It did not take long for the financial industry to realize that transaction monitoring also made a significant strategic impact on operational efficiency, speeding up approval and remediation cycles for customers, providing useful information for infrastructure consolidation and SLA management, and minimizing disruptions of the real-time capabilities for online banking, POS terminals and ATMs.

Although it has taken longer for retailers to embrace real-time transaction monitoring, the strategic importance is definitely gaining momentum. There are obvious parallels between retail and financial service transaction environments. Basically, both are driven by transaction volume. But three compelling business drivers that are pushing real-time transaction monitoring into the strategic spotlight for retailers:

***Business Driver #1: Retailers are losing visibility into how applications are performing within critical business processes, both online and in-store***

Several factors are making it difficult to determine if business-critical applications are performing for retailers, as expected, highlighting the growing need for transaction analysis. Most retailers have increased third-party hosted services. Network complexities have been caused by multi-channel integration efforts. SOA and virtualization can cloud transaction visibility. And the deployment of real-time applications such as advanced

POS terminals, web-based supply chain/inventory management software, and e-commerce applications add yet another layer.

“For the first time, infrastructure concerns, over the investment expense of store systems, topped the list as a barrier to improving the customer experience,” according to Nikki Baird, managing partner of RSR in a recent article (Sometime’s IT for IT’s Sake can be a Good Thing, June 7, 2008).

If something goes wrong with your real-time applications or back-end systems, it is almost impossible to identify the failure point without end-to-end transaction analysis. If you are not monitoring critical processes as the customer interacts with them, you risk missing issues that would affect their overall experience. Your company’s ability to quickly respond, identify and isolate these performance issues will have a huge positive impact on your customer’s experience and behavior, both online and in-store.

***Business Driver #2: Shifting IT responsibilities are driving the need for more sophisticated, real-time intelligence tools***

Key performance indicators are shifting out of the data center and being redefined with the goal of ensuring a best-in-class customer experience. Transaction monitoring supports this shift by empowering IT and store operations personnel with the transaction intelligence they need to optimize real-time application performance and efficiently manage this critical area of responsibility.

Today’s transaction monitoring technologies will automatically capture and correlate every message, request and call related to each critical transaction, enabling IT teams to efficiently (and transparently) monitor end-to-end network and application performance from the datacenter through to the customer-facing application. Real-time monitoring and alerting capabilities enable a proactive response to events occurring at the checkout process such as transaction slowdowns, failures and high-risk activity patterns (large purchases, repeated failed transactions, repeated declines and high gift card redemptions) in order to reduce fraud-related losses and customer service disruptions. Graphical consoles provide consolidated overviews of transaction traffic and real-time application performance for 24X7 help desk response. These real-time transaction monitoring tools make life easier for the IT department by supporting customer-oriented objectives. By experiencing faster, more efficient remediation of critical issues, the IT department is freed up to spend more time completing projects aimed at improving key business processes.

***Business Driver #3: Economic downturn is forcing retailers to focus on balancing exceptional service delivery with operational efficiency***

In today’s recessionary environment, optimization is all about cost reduction, operating efficiencies, and getting the most out of your existing staff and infrastructure. This is true for both the retail and financial industries. Exceptional service delivery and operational efficiency are part of a delicate balancing act that can be stabilized with an affordable

transaction monitoring technology (yes, they do exist!). In the words of Robert Fort, VP of Technology and CIO of Virgin Entertainment Group: “Our out-of-the-box transaction monitoring solution took us less than a day to deploy. We have essentially added an invaluable resource that does 24/7 monitoring and consistently reports on a level of detail that no human would be able to give...all this for one third the price of a full time headcount.”

Transaction monitoring technologies help provide the in-depth intelligence and analytics retailers need to help optimize real-time application performance, consolidate network infrastructure, and streamline processes related to troubleshooting, while minimizing the risk of service impacts on revenue, customer retention and IT productivity. Operations staff will spend less time staring at multiple screens, digging through log files, and consolidating information to remediate issues. Businesses will be able to eliminate wasted time (and expensive resources) previously spent finger-pointing to third-party vendors and will be able to focus on revenue-generating projects.

### **Tapping the intelligence vault with transaction monitoring**

As retailers strive for end-to-end visibility into critical business processes, and the role of IT continues to be redefined by customer-centric objectives, and as the optimization pressures sprouted from economic uncertainty persist, the true, strategic, ROI for end-to-end transaction monitoring technologies will continue to mature and become more transparent. “Transaction monitoring, something once relegated to the data center, is becoming a critical part of ensuring a quality customer experience, especially at the point of payment,” says RSR’s Baird.