FUJITSU in Global Retail

Connected Retail
May 12th 2015, Copenhagen
Welcome
Richard Clarke, VP Global Retail
Agenda

1. Fujitsu in Global Retail
2. “Shopping, but not as we know it”
3. New Retailing
4. Q&A
## Fujitsu in Retail – at a glance

<table>
<thead>
<tr>
<th>Solutions</th>
<th>Years</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Omni-channel</td>
<td>&gt;30</td>
<td>52</td>
</tr>
<tr>
<td>Self Service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PoS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Analytics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ICT Services</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Customers</th>
<th>Global Retail Team</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;500</td>
<td>8,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Retail R&amp;D/Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.7bn</td>
<td>&gt;$45m</td>
</tr>
</tbody>
</table>

- Fujitsu in Retail
- Revenue: $1.7bn
- Solutions:
  - Omni-channel
  - Self Service
  - PoS
  - Analytics
  - ICT Services
- Years: >30
- Countries: 52
- Customers: >500
- Global Retail Team: 8,000
- PoS
- Retail R&D/Innovation: >$45m
Who we work with globally

EMEA
- Kesko
- axfood
- M&S
- Specsavers
- Morrisons
- Ahold
- Auchan
- Jerónimo Martins
- Lidl
- Sonaë
- Stockmann
- X5 Retail Group

Japan & Asia
- Lotte
- E-Mart
- Takashimaya
- AEON
- Starbucks
- G2000
- Donut King
- Watsons
- FedEx
- Kinko's

Americas
- Loblaws
- Payless
- Nordstrom
- Abercrombie & Fitch
- Shopko
- Publix
- TJ-Maxx
- Seawright
- Godiva
- Tiffany & Co.

Oceania
- Australia Post
- Coles
- Myer
- Priceline
- The Home Depot

© 2015 FUJITSU
<table>
<thead>
<tr>
<th>Case Studies</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>chico’s</strong></td>
<td>Omni-channel retailing – 1450 stores in US/Canada; pos, mobile and omni-channel enablement;</td>
</tr>
<tr>
<td><strong>Auchan</strong></td>
<td>Front office transformation – 1700 stores in France and 10 other countries; self checkout, hybrid self service, scan and pay</td>
</tr>
<tr>
<td><strong>BEAMS</strong></td>
<td>RFID solution – shipping, packaging, inventory and PoS in 150 stores in Japan</td>
</tr>
<tr>
<td><strong>M&amp;S</strong></td>
<td>End to end retail IT services in 800 UK and some 300 global stores; Fujitsu provides store IT support and maintenance including PoS application; service desk, desktop and payments</td>
</tr>
<tr>
<td><strong>Global fast – fashion retailer</strong></td>
<td>Fujitsu developed Total Managed Store – global seamless and repeatable catalogue-based solutions and services stack – 2200 stores in 24 countries</td>
</tr>
</tbody>
</table>
Fujitsu retail portfolio

Retail Services
- Store Managed Services
- Retail as a Service
- Managed Mobile
- SAP Retail Competence Center
- IT Application Services

Retail Applications
- Fujitsu Market Place
- Social/CRM
- Business Analytics & Big Data
- Cloud Solutions

Retail Infrastructure
- PoS
- Self Service
- Kiosks
- Mobile
- Scan & Pay
- Digital Media
“Shopping Jim, but not as we know it”
“Shopping Jim but not as we know it!”
Retail is evolving rapidly ...

Yesterday

- Convenience Store
- Superstore
- Catalogue
- Mail Order

Today

- Online
- Mobile
- Home Delivery
- Click & Collect

Tomorrow

- Crowd Sourcing
- Personal Engagement
- New Services
- Intelligent Lockers
- Predictive Retailing
...and retailers are facing unprecedented challenges...
Making Channel Integration Work

A seamless, cross-channel consumer-driven experience...

- Social Connection
- Order/Fulfilment
- In Store Services
- Payment Choice
- Demand Generation
- Channel Choice
- Plan & Navigate
- Browse & Search
- Service & Support
- Shop & Transact
- Remarket

On Line Shopping → Mobile Services → Clienteling → Location-based Advertising
Reinventing the Store

‘Right Storing’

Aligning coverage, space, format, mission layout,

Supporting the customer browse, learn and buy cross channel

Experience

Start an application on your smart phone
Find out where the products are on sale
Receive a discount coupon

Digital-Instore
(cross-channel, context-aware, personalised, enable the associate)
Delivering Front Office Transformation

Today

Tomorrow

Integrated customer experience

Concierge
Associate Mobile
Digital Media
Kiosk/Pay Station
Tablet
POS

© 2015 FUJITSU
Re-engineering Store Operations Processes

**Transaction Handling**
- Fixed/Self Service/Scan & Pay/Mobile/Kiosk
- Basket/Click ‘n’ Collect/Save the Sale/Kiosk Order
- Payment – cash/card/NFC/tokenisation

**Stock Handling**
- Click ‘n’ Collect/Order Management/Pack ‘n’ Despatch
- Stock Allocation/Shelf Replenishment
- Returns Management

**Customer Service**
- Transaction/Order Management
- Customer Profile Usage/Management
- In Store Digital Services – mobile marketing, DMN

**Performance Management**
- Stock management – real-time, shelf, omni-channel
- Customer management – clienteling, queuing, conversion
- Trading management – weather, season, local pricing
New Retailing
Our hyperconnected world forms the foundation of modern retail. A new world is emerging, where everyone and everything is interlinked, sharing information. It is all around us and means retailing without walls for a new, empowered consumer. This is Connected Retail.
Fujitsu wants to use the power of ICT to build a safer, more prosperous society, where knowledge is continually harnessed and people are empowered to innovate. This is our vision for a sustainable future.
Exponential growth in computing power

Sense the physical world

Support people’s decisions and actions

Digital World

Collect large amounts of data

Exponential growth in computing power

Gain New insights

Physical World

Everything may be connected through Machine to Machine (M2M), the ‘Internet of Things’ is emerging

‘Hyper-connected’ shopper will drive the blending of physical and digital retailing
Fujitsu's 2020 Vision – Connected Retail

Connected Experience
Shoppers will be constantly ‘online’ – retail, social, machine to machine – in digital and physical environments;

Connected Shopping
Shopping will be ‘on demand’ rather than via store, online or catalogue compartments;

Connected Intelligence
Actionable insight delivered real time, in a tailored process-based format, direct to consumer, associate, manager;

Connected Operations
New selling platform will emerge via the integration of store POS, eCommerce, OMS, electronic/biometric payment and CRM systems.
## Customer Journey

<table>
<thead>
<tr>
<th>Typical Journey</th>
<th>Plan</th>
<th>Arrive &amp; Navigate</th>
<th>Browse &amp; Select</th>
<th>Purchase</th>
<th>After Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Need</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Experience</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solutions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Experience</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Information</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manual</td>
<td></td>
<td>Impersonal</td>
<td>Rushed</td>
<td>Inefficient</td>
<td>Functional</td>
</tr>
<tr>
<td><strong>Process</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Helpful &amp; Efficient</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Information</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Simple &amp; Personalized</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Process</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fast, Secure Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Experience</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal &amp; Supportive</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1. Online (Click 'n' Collect)
2. Mobile Marketing
3. Social Media
4. Digital Media

1. Mobile App
2. Geo-location
3. Customer ID
4. Digital Media

1. Personalization (promos/menu)
2. Social Clienteling
3. Smart Stock
4. Price Comparison

1. Self Service
2. Mobile PoS
3. BYOD
4. NFC-enabled payment

1. Customer analytics
2. Intelligent service management
3. Mobile marketing
FUJITSU Market Place is a revolutionary new Point of Service application that increases retailer revenues by improving both customer service and enterprise efficiency in an omni-channel world.

Built on an innovative, modular, service-oriented application architecture, it future-proofs retail IT investment and reduces the complexity and cost of technology deployment.

Fujitsu's retail heritage, global reach and enterprise integration services make us the ideal partner for delivering this new selling platform.
FUJITSU Market Place – Click & Collect

- Purchase shoe sizer online
- Measure and order two pairs online for store pickup
- Try fit in store and decide to return one online pair
- Find great pair of ladies sandals on sale in store

- Online purchase recorded and accessible to FJMP
- Items ordered and reserved / delivered in store
- Order retrieved via FJMP, logged as picked up
- Sale txn retrieved, return logged, new item added & txn updated
Hybrid Service Solutions – Full/Assisted/Self

- New ‘hybrid’ service counter – switch from manned checkout to self service model
- Delivers the following benefits:
  - customer choice/experience
  - resource flexibility by time of day/shopping patterns
  - operational cost savings
- Deployed in Auchan hypermarkets in France
Mobile Solutions - PoS

- Windows 8.1 based Mobile client
- Running on Windows tablet
- Payment Device supporting EMV transactions
- Software/Hardware barcode scanning
- Supports offline capability reducing lost transactions
- Gesture supporting User Interface
- Configurable ‘themes’ to match retailer brand preferences
- Windows and iOS support, with Android planned
  - Uses Xamarin for cross platform flexibility

FUJITSU Market Place Mobile PoS
Macy’s have launched a new mobile app which enables customers to submit a photograph of any outfit or accessory they have seen.

The app takes the customer to similar items on macys.com where it can be purchased.
House of Fraser’s, Hawes & Curtis and Bentalls in the UK have recently introduced beacon enabled mannequins.

The technology from Iconeme enables customers to receive details about the clothes on display via their mobile.

Customers using the app will access the beacon through a push notification when in range and then can get direct access to product information and purchase on the phone.

http://retail-innovation.com/mannequins-use-beacon-technology-to-communicate-with-shoppers/
Interactive Shop Window

US retailer Kate Spade shows off shoppable window

• Shoppable interactive window in formerly vacant retail stores
• Garment selection on hangers and hooks inside the windows.
• Shopping takes place through a large touch screen display. Customers can browse the entire collection and get specific product information
• Checkout process simply requires entering a mobile phone number. A confirmation text is sent and following approval, a messenger will deliver the products within select NYC areas within an hour for free.
• Payment on delivery.

http://retail-innovation.com/katespade-shows-off-shoppable-window/
From the mid-2000s, retailer AEON has been experimenting with ENON - built by Fujitsu - in Jusco superstores in Japan.

Roles to date have included meet/greet, store navigation and helping elderly shoppers carry their shopping around large stores.

Predictable issues – mobility, cost, artificial intelligence

Fujitsu’s ENON robot (Tokyo)
Robotic Inventory Management

- Amazon is not alone in proposing drone technology for retail delivery
- NRF saw several drone solutions including this inventory management tool from Wipro
- The drone checks out of stocks and sends information to HQ logistics to trigger replenishment and correct assortment
RFID – End to End

- End to end solution – shipping, packaging, inventory management and sales
- Integration of RFID reader/writer with PoS to speed transaction time
- RFID tag = c. 1-3 cents each
- Inventory count (8k skus) reduced from 36 hrs to 4hrs
- Logistics costs reduced by 0.5% revenue
- Fujitsu PoS hw, sw and system integration services

Case Study – Beams Apparel (Japan)
Fujitsu PalmSecure™

“McBARS” - McDonald’s Biometric Attendance Registration System

- Palm vein identification – very low error rates (even with greasy hands!)
- Accurate and accountable staff attendance recording
- Improved staff productivity and staff time allocation
- Roll out 193 outlets
In-store Wi-Fi Analytics

Detect
- Presence and location detection
- Visibility (Wi-Fi, BLE)

Connect
- Easy Wi-Fi login, custom or social
- Zone-based, custom splash pages

Engage
- App-based mobile engagement
- Context-aware in-venue experiences
Store Wi-Fi Analytics Use Cases

- Mapping customer journey in the store
- Real-time engagement with customer
- Predicting inventory
- Optimal merchandise placement
- Loss Prevention
- Staffing and Operations
We have developed a **compact, low-cost, standalone sensor** that can be easily installed in various places, to detect customer’s’ eye-tracking in front of retail displays, screens, merchandise.

**Low-cost, compact gaze tracking sensor**

- Analysis of shopping behavior
- Similar size as AA battery
- Multiple sensors can be installed in a store to analyze which products customers are looking at, comparing etc.

**Solution Demo**

- High accuracy pupil & corneal reflection detection algorithms
- Gaze Data Visualization: More viewed areas are brighter
- Gaze Calculation

**Gaze Data**

- Pupil
- Face Parts Detection
- Corneal Reflection

**What do they look at in your store?**

- Are they looking at what you want them to see?

**How long do they look at your products?**

- How many options do they consider before purchasing?

**Why are they not buying?**

- Did they see the item? Did they see, but ignore it? Did they find a better item?
Gaze Tracking Video
## Connected Retail

### STRATEGY

<table>
<thead>
<tr>
<th>Retail Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retail</strong></td>
</tr>
<tr>
<td><strong>Innovation</strong></td>
</tr>
</tbody>
</table>

- Retail products, software, and services
- Fujitsu IP and Japanese technology
- Omni-channel, self-service, mobile
- 30+ years innovating in retail

### CAPABILITY

<table>
<thead>
<tr>
<th>Connected Enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Connected</strong></td>
</tr>
<tr>
<td><strong>Enterprise</strong></td>
</tr>
</tbody>
</table>

- Infrastructure, applications, networks
- Integrated store solutions
- Connecting front and back office
- Multi-vendor management

<table>
<thead>
<tr>
<th>Globally Delivered</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Globally</strong></td>
</tr>
<tr>
<td><strong>Delivered</strong></td>
</tr>
</tbody>
</table>

- Global solutions, local features
- Global expertise, local delivery
- Global Solution and Delivery Centers

### OUTCOME

- **Differentiated Customer Experience**
Fujitsu
shaping tomorrow with you