

i-Vending
a natural retailing **EVOLUTION**



Evolution of Retailing

From the traditional high street and the modern superstore to online web sales in a few decades, it's clear that the retail landscape changes in response to both consumer trends and technological advances.

It is becoming a 24/7 world now, where people want to shop for almost anything, quickly and conveniently, exactly when and where it suits them.

Very often, that might be from an automated retail or vending machine. In fact in 2005/06, the total UK market for products bought from vending and automated sales machines was £4.3 billion. These purchases aren't just for the familiar small cash items such as drinks and snacks. Consumers now use self-service machines for train and underground tickets, film rentals, car parking and even flight check-in.

Consumers shop in very different ways, too. Often for bulky more expensive items, the retail outlet acts as a showroom, allowing the more tactile and traditional retailing to take place and the product is bought later, perhaps online or by phone, to get the best deal. But for smaller items, including consumables, the internet or other marketing activity is the showroom, and people arrive at the retail location knowing exactly what they want. This can be especially true where the product is becoming almost a commodity - for example, a mobile phone, mp3 player or digital camera.

So in a marketplace where people know what they want, and are familiar with the concept of self service and vended goods, almost any relatively small product is a candidate for automated sales. Here we outline the solution Fujitsu has developed for the mobile phone and accessories market. But first, let's examine why manufacturers, retailers and their customers would want to go down this route.

Why does a consumer choose self-service from an automated outlet?

The classic automated self-service purchases are distress purchase, impulse purchase, travelling purchase and awareness purchase, that is, those who don't require any product explanation. These translate more than comfortably to the world of retailing mobile phones and accessories, as follows:

1. **Distress** - conveniently replacing a forgotten, stolen or lost phone, overcoming a flat battery, or needing a phone in an emergency.
2. **Impulse** - the classic impulse purchase of the consumer conveniently confronted with product availability, or simply a busy shopper who has found a suitable place and moment to sort out what they want.
3. **Travelling purchase** - the tourist or business traveller arriving in a new country and experiencing - or wishing to bypass - problems with the network or roaming. Or as above, finding a convenient place and moment to sort out what they want. In addition, purchases from businesses wishing to equip project staff quickly and simply.
4. **Technically aware** - the techno-savvy who already know what they want, and don't want or need an explanation or sales pitch from store staff. Similarly, those who don't want to queue, or want to be the first to have a new model.

"I've just bought a phone from an i-Vending machine and I wanted you to know I think it's brilliant. It's as easy as buying a PEPSI. Thanks"

Lucy Waite - Shopper in Manchester

Business benefits of an automated retail offer

Offer 24/7 access to your product - the first clear benefit is being able to give your customer quick and convenient access to your product at all times. But this reason is also one of necessity. As we mentioned at the start, retailing is clearly driven by consumer demand, and businesses that do not have outlets where consumers want and expect to see them will clearly miss out. As i-Vending evolves, these locations will include:

- high traffic areas and 24-hour shopping environments such as airports, service stations, major rail termini, shopping malls
- unattended areas such as train platforms, smaller bus and rail termini
- events, local and national, such as festivals, concerts and exhibitions.

Guarantee greater market presence - increasing the number of locations at minimal capital cost also leads to improved customer choice and experience, and of course creates additional revenue and higher visibility for your brand.

Ensure customers 'deal direct' - with i-Vending you can increase the locations where customers can purchase your product directly rather than through an indirect channel.

Reallocate retail resources - i-Vending within or near retail outlets allows your retail staff to focus on contract or high value sales, or to up-sell to face-to-face customers, without the need to handle automatic sales.

Reduce your cost of sales - i-Vending greatly reduces your operating costs.

The headlong rush into the market by big brand names means that the resulting competition for customers, and the need to keep those customers happy, is likely to erode any financial prize for the companies involved. Therefore, in tandem with the land grab, companies should be looking for the ability to scale up to incorporate future money-making applications. Ahh, but which ones?

The Fujitsu i-Vending solution

It's here and now, and it works

- Fujitsu has a family of four machines that can retail almost anything, with different media, viewing and product delivery options.
- We can deliver a unique, proven and tested, low risk capability model, with a project team 'that can deliver'.
- We can build, ship, install, upload, service and redeploy i-Vending machines in UK, Europe, and further afield.
- We already have a successful roll-out working with Vodafone UK.
- We have trialled and tested a vast number of products of different shapes and sizes for vending from our suite of machines.
- We have a common criteria certified Chip & Pin solution.
- We offer commercially innovative and flexible payment terms, with transparent pricing.



From “initial research to redeployment strategy” - Fujitsu can manage your whole solution - or you decide which services you need.

Fujitsu provides a complete "end to end solution" for manufacturers or retailers entering the automated retail market or wishing to expand their retail estate. You are welcome to discuss with our i-Vending project team all or parts of the solution, which covers:

- **Customer requirements** - looking at the business drivers and business model needed to make the project a success, such as size of estate, costs, RRP of products.
- **Market awareness** - we offer extensive knowledge and awareness of the automated retail, self service and kiosk market.
- **Business modelling** - our working model is easily adaptable to different inputs and can be used to inform business decisions and create a business case.
- **Financial management** - innovative financing and payment plans including profit share, capital expenditure and operating expenditure models.
- **Profit & Loss projection** - Fujitsu's P&L tool can calculate required sales by machine, and by time period such as week, month or year to assess break-even requirements.
- **Relationship management** - the Fujitsu i-Vending team provides an array of specialists to support you in a variety of ways.
- **Site survey** - we can conduct a survey and report back on suitable locations for effective siting of your i-Vending estate.
- **Machine configuration** - we can configure any one of our suite of four machines to best suit your product and business requirements, and future-proof the configuration for up to three years.
- **Infrastructure** - we are able to understand, identify, trial and purchase machines that best suits your needs, regardless of manufacturer.
- **Secure banking** - we have arranged telemetry solutions with several payment providers using a secure GPRS network provider.

- **Maintenance** - our field based engineering team offers 4-hour, 8-hour or next business day service levels in any given location, with a standard pricing structure.
- **Service management** - we can offer complete service management, organising content, pricing updates, changes and uploading of information using both GPRS and 3G/HSDPA.
- **Stock management** - i-Vending offers unique product data including IMEI numbers, barcodes, SIM details and product colours.
- **Shipping and installation** - we can ship and install any of our "automated retail store" machines - anywhere in the world that has a power source and GPRS coverage.
- **Media development and production** - our media studio can develop, update, integrate and upload media for touch-screen and non-touch machines.
- **Exit or redeployment strategy** - we can offer a defined and tested exit strategy to allow you to build an open-ended business model that can account for any possibility.

“Increasingly, more people know what they want from a phone and want to buy it when it suits them, Vending allows us to meet that need”

Tom Devine - Head of Vodafone UK Retail

NEXT STEPS...

The road to i-Vending success starts with a consultation from Fujitsu. We will assess your current requirements and discuss which facets of our end-to-end automated retailing solution will work for your business.

If you would like more information about Fujitsu i-Vending please call us on: +44 (0) 870 242 7998 or email askfujitsu@uk.fujitsu.com or visit uk.fujitsu.com

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