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Overcoming Hong Kong's retail challenges with smart technology

Hong Kong boasts some of the most expensive retail properties in Asia. In fact, rents in Causeway Bay are second only to New York's famous 5th Avenue retail precinct.[1] This puts pressure on Hong Kong retailers to maximise the efficiency and profitability of their stores.

Hong Kong experienced strong retail growth in 2018 but, with uncertainty around the global economic slowdown, concerns over China's economy, and volatility in property markets will likely see retail sales fall by as much as three per cent in 2019.[2]

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There are three key ways Hong Kong retailers can compete more effectively for a greater share of the consumer's wallet.

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1 https://www.scmp.com/magazines/style/news-trends/article/2122067/most-expensive-retail-property-asia-hong-kongs-causeway

2 https://www.pwchk.com/en/industries/retail-and-consumer.html

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1 **Boost foot traffic and sales in-store**

Given the high costs of renting retail premises in Hong Kong, retailers need to attract as much foot traffic to their store as possible, then maximise their sales. This means staying open long hours and advertising their offering so consumers are aware of it.

However, retailers don't have unlimited resources to pay for staff to run the stores for extended opening hours nor to pay for extensive advertising.

Retailers need a way to understand how their stores are performing, including when the most traffic is in-store, when the most sales are made, which customers to target, and how to pique their interest.

2 **Maximise the use of space in-store**

Space is at a premium and the store layout can have a profound impact on the customer's experience and likelihood of purchasing from that retailer. This means retailers need to understand how customers currently move through their store and where the high-traffic areas are. With that knowledge, retailers can plan their store layout to put certain items in high-traffic areas.

3 **Provide a unique and tailored shopping experience**

Shopping online has changed the game for consumers. The amount of data available to retailers as a result of the consumer's digital footprint means that consumers can enjoy a higher level of personalisation than was possible in the past. Consumers now expect to receive individualised communications, special discounts and offers, and highly-targeted purchase recommendations when they're online. This is spilling over into the in-store experience and consumers are willing to pay a premium in exchange for an exceptional experience.

Retailers therefore need to understand exactly how to delight and entertain these customers every time they interact with the store so they can encourage customers to purchase more.

Technology to help Hong Kong retailers meet these requirements

Smart technology and data analytics can help Hong Kong retailers become smarter, enabling them to give consumers a better, faster, and even safer experience while shopping. Enhancing the customer experience requires the right mix of technology solutions. Enabling digital such as Fujitsu's GREENAGES Citywide Surveillance solution can provide unprecedented capabilities for Hong Kong retailers to compete more effectively.

GREENAGES is an artificial intelligence (AI) powered solution that combines deep learning, machine learning, and data analytics to deliver insights that help retailers create stronger bonds with their customers leading to increased customer loyalty.

Facial recognition and targeted marketing

GREENAGES can conduct facial recognition to identify your top customers. It can then recognise when that person is in or even near your store, allowing you to promote special discounts or other opportunities to that person. Even in the midst of a crowd of people, wearing a hat or glasses, the technology can spot the person reliably. The retailer can then use video signage in their store window to surface advertisements or offers designed to entice that customer into the store. The solution can also trigger advertisements simply based on the person's gender and age, for example.

Data analytics and personalisation

GREENAGES can also use data analytics to provide insights into what types of items customers have bought in the past and provide recommendations in-store similar to those that can be provided on an online shopping site. This helps keep walk-in customers entertained while staff members are busy attending other customers.

Identifying high-traffic areas and busy times

The solution can also count people within zones in the retail store, and then analytics can be applied to determine which areas have the most traffic. Retailers can then maximise their store layout to make the most of those high-traffic zones. When used by shopping malls, this technology can help determine which stores have the best positioning and should, therefore, pay a higher rental fee.

The traffic analytics can also help retailers understand when to roster more staff to cope with busy periods, when to schedule staff breaks, and when lower staff numbers are more appropriate throughout the days, weeks, months, and years. This helps retailers make the most of their limited resources while optimising the customer experience.

The system can use your existing cameras, reducing the need for additional investment.

Fujitsu's GREENAGES Citywide Surveillance offers myriad benefits for Hong Kong retailers to become more innovative and, thus, more competitive.
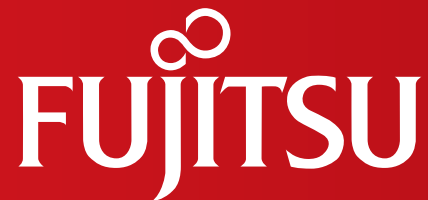
To find out how Fujitsu can help your retail store compete more effectively, contact us today.

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Kenneth Law
Director of Application Business Development
Fujitsu Hong Kong Limited

Kenneth Law is Director of Application Business Development at Fujitsu Hong Kong Limited. With more than 20 years of experience in the ICT industry, Kenneth brings a wealth of knowledge and expertise spanning technical consulting to software development. In this role, he is responsible for developing digital solutions and business applications to support the digital transformation journey for enterprise customers, and exploring business opportunities for Fujitsu Hong Kong.

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