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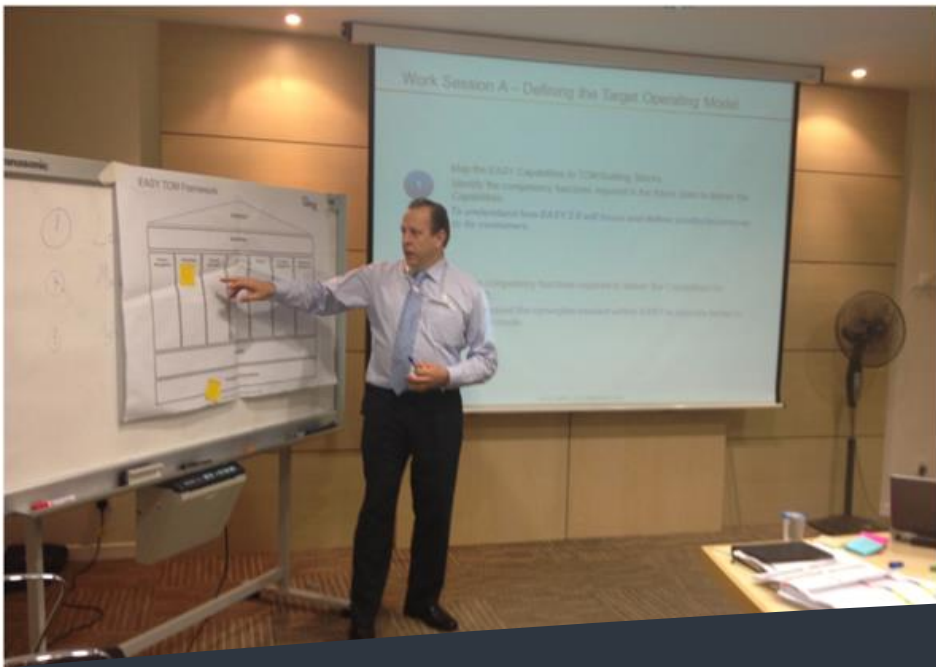
KNOW ME, SHOW ME

Why should customers remain committed to a business when a competitor gives them better value? The typical business response to this question has been to focus on customer centricity and customer value management, but in practice, this usually translates into email campaigns on offers that customers find hard to track when they walk into stores. The dedicated customer usually prints the coupons and keeps them in their wallet, but given the frequency of marketing campaigns, few customers believe that their in-store experience is personalized. Competitors are putting a lot of effort into luring customers through better deals and those who feel that they have not been valued are moving away from businesses that did not make an effort to retain them. According to Gartner, 80% of a company's future revenue with come from just 20% of your existing customers, so the impetus for customer retention is stronger than ever. Retailers need to answer their customers' question of "When will you start valuing my business?".

Loyalty programs are taking on a new meaning with customers now being able to opt in for a personalized

Customer promiscuity sounds like an offensive activity but most retailers have traditionally accepted churn as an inevitable fact of doing business.



Enriched In-store Customer Experience Concept Paper

Enriched In-Store Customer Experience

SEE ME, MEET ME

It is not beyond the limits of technology to identify customers as they walk in a store, but both cost and agility of solutions have typically been prohibitive. Retailers have also been cautious in trying out the new concept of an enriched in-store customer experience.

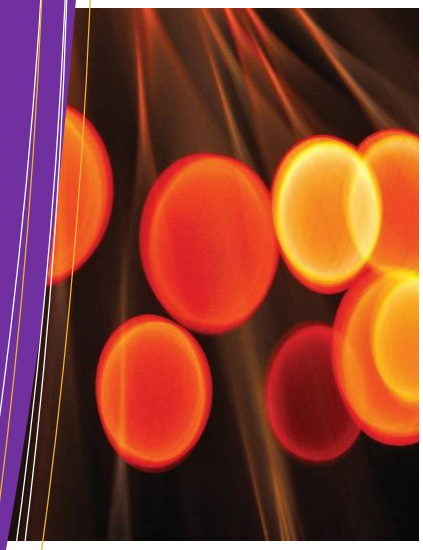
Consider this:

- What if customers who opt for an enriched customer experience could receive real-time offers that are relevant while shopping in-store?
- What if customers could be personally greeted by a service assistant who understands their profile and purchasing behaviours?

Would customers feel more valued knowing that the retailer's information on them is being used to further enhance their shopping experience? Would this stop the churn?

CONSULTING SERVICES

- BUSINESS CASE PREPARATION
- BENEFITS MANAGEMENT
- PROJECT MOBILISATION
- PROJECT TRIAGE AND TURNAROUND
- BUSINESS/IT EFFECTIVENESS
- CIO SUPPORT



Enriched In-store Customer Experience

Customers who allow retailers to capture information about them enable the delivery of 'push' email campaigns. However, these are neither timely nor available in-store. The Enriched In-store Customer Experience (EICE) has the capability to use customers' information to create and immediate and enhanced in-store experience.

OVERVIEW

EICE relies on Bluetooth detection hubs that act as a mesh connected to an internet gateway to create an EICE Zone. This allows customers to benefit from an enriched customer experience when the Bluetooth hubs detect broadcasts from the Smartphone or BLE tags of enrolled customers as they approach and enter a store.

Customer promiscuity sounds like an offensive activity but most retailers have traditionally accepted churn as an inevitable fact of doing business.

BLE (Bluetooth Low Energy)

Bluetooth SMART

Bluetooth BLE is a low-power consumption (<15mA read and transmit) PAN device. It complies with the Network standard IEEE802.15.1 and has a range of 50 metres. It uses the 2.4-2.5 GHz frequency and has an overair data rate of 1Mbps and an App throughput of 0.27 Mbps. It has latency of 6ms.

Source: SSR Analysis

BLE applications involve transmitting small amounts of data at low duty cycles (sensors, remotes etc.).

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IN-STORE DETECTION

Bluetooth Low Energy (BLE) technology provides a cost-effective solution that utilizes a modern smartphone or small Bluetooth tags. Enrolled tags and smartphones act as beacons to broadcast variables such as identity and movement which are detected in stores by Bluetooth hubs. The date and time stamp of each message and signal strength is relayed to a central server through the in-store internet gateway.

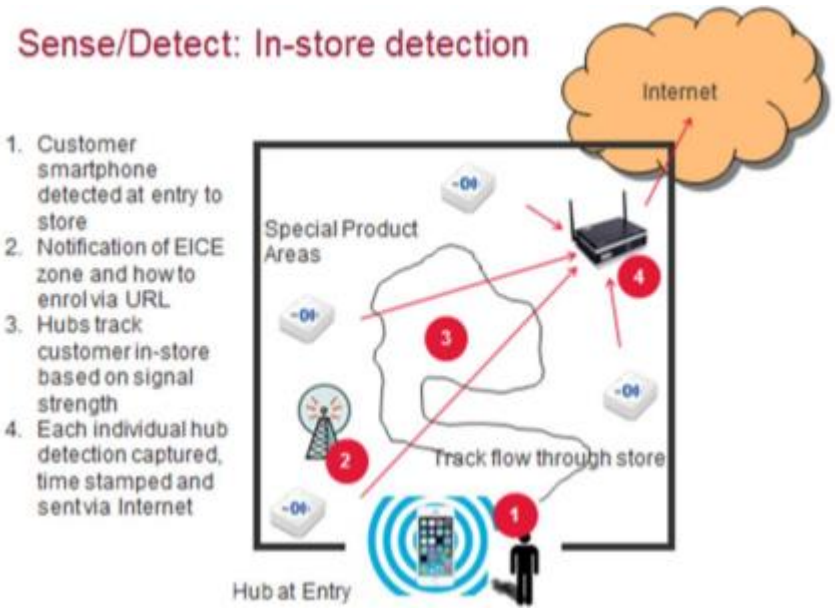
A customer can be enrolled when they enter a store or through an email campaign:

- Enrollment can be completed on the spot by connecting to the local in-store WiFi and accessing a locally hosted URL.
- The URL enables download of a small registration application to the phone and verifies that the phone is able to support EICE.
- The application form includes fields that capture the phone number, customer loyalty number and approval to collect the UMIE and confirmation of opting-in to EICE.

Once enrolled, the application performs two tasks:

1. Enables the customer to re-enroll should they change SIM or phone provider
2. Activates BLE to act as a beacon broadcasting the Bluetooth MAC address

BLE tags are an alternative to using the customer's Smartphone. Each BLE tag has a chip with a small form factor and includes a battery that enables broadcast for up to 4 years. It can also be embedded into battery cases and marketing gifts such as key fobs. These tags achieve the same result as having a smartphone and can be used in situations where a customer does not have a suitable phone or does not want to use their phone as the beacon. In these situations, the tag enables the detection of customers who have signed up for an



BLE Tags

BLE tags are small form factor (20-50mm) and are able to be attached or embedded in a variety of devices. BLE Tags are able to capture and transmit:

- Accelerometer
- Temperature
- Vibration
- Light
- Hall (Magnetic)

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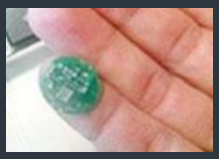

BLE in Smartphones

BLE has been present in the iPhone since the iPhone 4S and higher. In Android it was included in Android 4.3 API 18. It is included in Windows Phone 8.1 and onwards.

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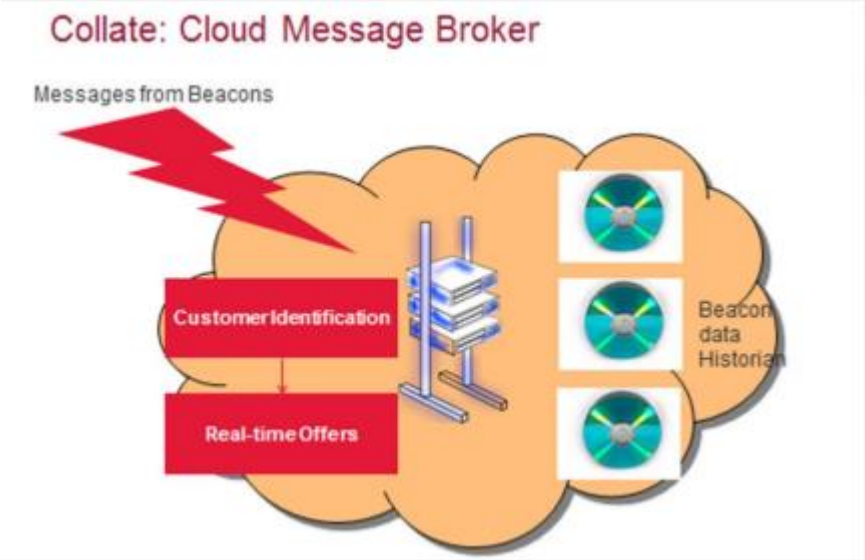
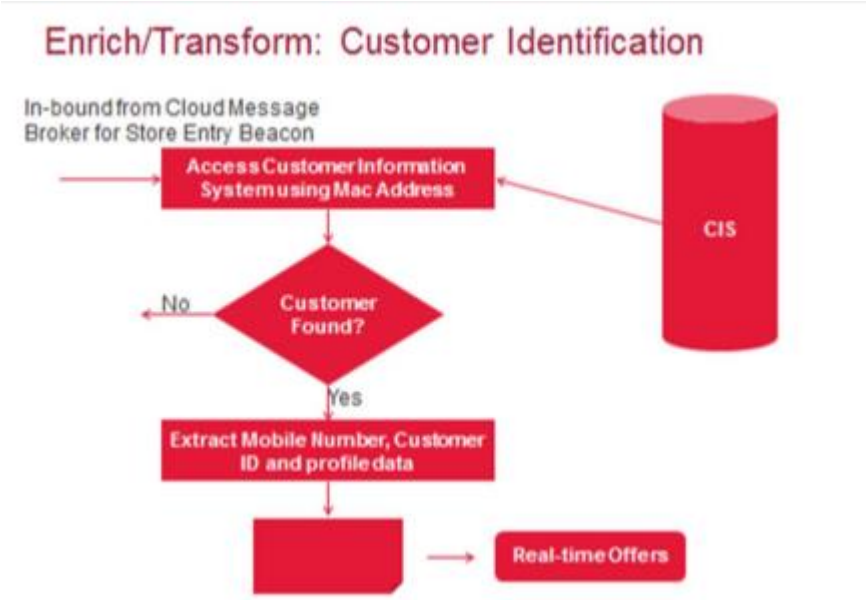
CLOUD MESSAGE BROKER

When a Bluetooth hub receives a customer's information, it transmits the data to CGI's cloud message broker via the in-store internet gateway. The CGI cloud message broker is a SaaS solution that is hosted in the Microsoft Azure cloud. Each message is received and recorded in a data historian for later analytics such as looking at customer traffic patterns and dwell times from store entry to exit. Once logged, the adapter address is stripped and passed to a Customer Identification transaction.



CUSTOMER IDENTIFICATION

The Bluetooth MAC address is used to obtain customer data through a real-time API integration with the retailer's Customer Information System (CIS) or using regular customer extracts from a marketing database. This determines the relevant real-time offers and the mobile phone number to which the URL address of the coupons will be sent.



REAL-TIME IN-STORE OFFERS: DECISION-MAKING AND CAMPAIGN MANAGEMENT

A real-time decision-making engine which takes two streams of input:

- The customer profile data that each retailer uses to determine real-time offers (e.g. customer gender will help separate offers for men and women).
- The specific conditions and rules that the customer profile data must meet in order to receive the offer.

The offer to the customer is presented as a number of HTML pages for a smartphone form factor tied to a one-time URL link such as 'retailer.com.au/1234567890'. This URL is sent to the customer-registered mobile phone number as an SMS message.

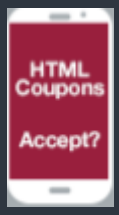
In-store Experience

In-store experience through either:

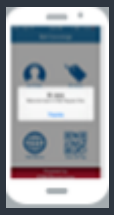
- Real-time coupons; or
- Concierge application with sales staff

Real-time Offers

Offers sent to the customer's smartphone as coupons presented as HTML



In-store Greeter or Concierge



Concierge application used by sales staff to meet with customer informed as to the customer's purchasing characteristics and potential on-sell or service recommendation

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The standard smartphone features will recognize the URL and enable hypertext linkage to the phone's browser.

The customer receives the SMS in-store, clicks on the real-time link and is presented with visual coupons that include retailer branding and any special terms. From this point onwards, the ability to accept the offer is limited by the functionality of the in-store POS. Options include:

- Acceptance of the URL which creates a real-time offer code that can be entered into the POS system to avail the offer
- Purchasing the specific product at POS triggers the offer when the customer's linked loyalty card is presented to the POS
- Manual acceptance of the offer when the customer shows the e-coupons to the sales assistant at the POS

CONSULTING
COACHING
LEADERSHIP
DELIVERY

"I have had a very extensive career in Management Consulting spanning some 25 years working with clients across multiple industry sectors, in the UK, US, Australia and Apac. As a former Consulting Partner I have a detailed understanding of Business Change especially in the disruptive use of IT.

I am confident that I can provide insight and understanding as to how to utilise IT effectively in your organisation. My network of solution-delivery professionals enables me to present to you 'like-minded' teams that understand what is needed and can step-up to provide the solutions required.

Please feel free to reach out to me for a no-obligation discussion."

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