

Media Backgrounder

Fujitsu Connected Retail

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The smartphone has changed shopping forever. Before smartphones, retailers could assume that between the door and the checkout they could make all the necessary connections between customers' needs, price checks, questions and payment within a single physical store. That's not true anymore.

The connections between the different phases of the shopping journey no longer necessarily take place within the store – they can happen literally anywhere and a new form of Connected Retail is now an urgent priority.

However, despite smartphones being in their second decade, today's shopping experience is still surprisingly unconnected. Generally speaking, there is little connection between online and offline shopping. The in-store experience is transactional – you select your goods and pay for them – and largely anonymous, although loyalty cards play a big role in mitigating that. Online shopping, on the other hand, is more engaging and personalized, with the online shopper emotionally in control of the process. In-store the retailer is in control – the range available, the type of service provided, inventory, payment and delivery options are, typically, a fixed process in a static environment.

Connected Retail is the best of both worlds combined – connecting the online and offline worlds to redefine the 'store', transform the shopping experience and improve retail operations. Correctly executed, it generates 'no join retailing', where promoting, selling and ordering are seamlessly managed across all touchpoints. The customer is now in control of all those elements previously directed by the retailer – range, service, payment, delivery – within a mobile shopping process and environment.

The future of shopping

Turn on the news most days and you will hear something about the imminent demise of the so-called High Street. There's pressure, no doubt about it, but Fujitsu believes this pessimism is overdone. Reports of the death of the High Street retailer are definitely exaggerated.

At Fujitsu, we think there's a bright future for retail – both physical and online. In fact, some of the most exciting retail innovations over the next 10 years will be in physical stores. The store environment is critical to the success of retail, because it offers something e-commerce can't, and will never be able to: a tangible experience, a place to socialize, explore, and for customers to browse around and immerse themselves in the wealth of products and services a retailer has to offer.

But there is work to do. Current retail models rooted around the long-held principles of 'place' and 'promotion' are struggling to compete with the rapid rise of online and global marketplaces, which will always win when it comes to 'range' and 'price'. Specialization is not the answer. This model ignores the diversity of customer preferences, limits the range of goods which can be stocked and displayed, and offers few advantages over the increasingly rich services customers can find online. Traditional retailers must disrupt themselves – or watch their business die.

By 2030, Fujitsu believes that High Street retailers who will flourish are those who have converted physical stores, their greatest overhead, into their greatest asset. Shopping at stores will no longer be a chore but a rich and engaging experience, with visits that are inspirational, exciting and convenient. These future store experience will offer functionality that's simply not possible online, such as the chance to operate an appliance or taste a meal. As a result, consumers will become loyal to a handful of 'stores of choice' and made these experiences a part of their daily lives.

Connected Retail removes the dividing line between physical and online shopping

With Fujitsu's Connected Retail, stores are hyperconnected and the customer's mobile device is integral to providing an engaging experience, providing a chance to interact with products, select premium services, and talk to technology-enabled frontline experts.

Retailers will use Connected Retail technology to understand customer needs in real time and to tailor the buying journey to each individual who walks through their doors, responding to opportunities and empowering staff to get closer to shoppers. Retailers need to know what each customer needs at any given time and make each step towards a sale easier by effectively communicating throughout their store journey. Engaging, experiential retail stores will build and capitalize on store traffic, tackle store conversion issues, and leverage services that yield higher margins. Shoppers will dynamically and digitally search for merchandise to learn what's trending in their area, and to receive recommendations based on what similar buyers have purchased.

Cost, choice, and convenience are still relevant, but customers' new level of control lets them shape their experience and define the value they seek and receive. The dividing line between online and physical stores will blur, with a retailer's extensive network of stores part of an effective, unified commerce strategy.

Customer needs change all the time, so serving them requires ongoing analysis and attention to the emotional value of each moment in the journey. To gain this level of customer insight, retailers must exploit analytical technologies to stay as close to every individual customer as possible.

Delivering this effectively in-store will require highly-skilled, highly-connected sales associates acting as brand ambassadors. They will bring customers' in-store experiences to life, providing high-quality services rather than just selling. Getting to this point requires retailers to equip their shop floor workers with wearable technologies so they have the critical tools and relevant data to act on service needs and handle exceptions.

Automated, frictionless retail

Stores of the future will use technology to enable a more frictionless experience. However, this is not an objective hanging in a vacuum – in Fujitsu's view it must be underpinned by a strategic purpose. Automated, frictionless, in-store points of service allow retailers to differentiate their low- and high-engagement experiences from more transactional ones like self-checkout, interactive displays and smart fitting rooms.

In the push for operational efficiency, any activity that does not drive value to the customer experience is a candidate for automation. Cycle counting, restocking of shelves, checkout and payment can all be automated, enabling retailers to greatly improve the efficiency of operations by reducing labor costs and unlocking productivity with automated daily operations.

Automated self-checkouts, for example, enable secure scanning and payments. A combination of automated stores, self-checkout, scan and go, and mobile wallet technologies ensures the checkout process is easy and efficient, and artificial intelligence monitors for fraud both at the checkout and across the store, helping minimize losses without any adverse impact on honest customers.

Only invest for business outcomes

All technology decisions must be based on measurable outcomes. Fujitsu's Connected Retail portfolio delivers a differentiated customer experience that will increase sales, operational effectiveness and customer satisfaction for our retail clients. To achieve this, it focuses on four critical business outcomes that enable retailers to deliver a differentiated customer experience.

The first of these is **Human Centric Retailing**, which requires a new relationship between the shopper and the retailer, mediated through the smart phone and in-store digital touchpoints. Using multiple data sources, including on-line interactions, Point of Sale (PoS), RFID smart tags, in-store wi-fi and AI powered cameras, stores can identify customers on arrival and provide real time actionable insights to deliver a more personal service.

Achieving **Operational Excellence** involves an increase in central and local efficiency to bring down operational costs using digital tools and processes and by empowering staff to deliver higher value services.

With **Easy Order Everywhere**, a shopping trip can start on a mobile device and continue in the physical store, bringing together the best of online and offline worlds. The result is seamless and cost-effective online and offline shopping and order fulfilment.

The fourth outcome is **Frictionless Shopping**. This means High Street retailers matching the convenience of online shopping, where there is no need to stand in line, by using mobile devices to scan, pay and go and eliminate checkout queues.

Fujitsu's capacity to deliver these outcomes is built on a deep understanding of retail gained over the past 40 years, with more than 500 customers and 82,000 stores in 52 countries worldwide. Its core capabilities in retail include:

- **Connected Retail** – a unique vision for retailers, where Fujitsu connects multiple customer touch points to deliver one omni-channel selling platform. We link applications, information and communication within the store, between the front and back office, and between multiple vendors to deliver a seamless and integrated customer journey, including enterprise solutions, and outcome-based enterprise services
- **Innovative retail solutions** – to support and future-proof the customer experience in today's multichannel world; this includes Fujitsu Market Place – our omni-channel point of sale (PoS) application – and new solutions from our innovation labs in Japan
- **Leading-edge hardware** – underpinning the in-store applications are a range of Fujitsu integrated and modular Point of Service terminals based on a common set of components to reduce deployment and support costs
- **Global delivery** – the assets and capabilities to deliver consistent cross-border solutions

Fujitsu lowers the risk to retailers of implementing next generation solutions as it understands the constantly changing challenges that they face. It supports them with consultancy, the design and implementation of bespoke solutions and the appropriate technologies necessary to meet and satisfy consumer demand for anywhere / anytime retailing. The Fujitsu portfolio of retail applications supports the omni-channel world and fully integrates with existing enterprise systems to protect and enhance previous investments. Not only can Fujitsu deliver solutions

and any relevant third-party components anywhere that a business wants to trade, but it also offers complementary elements relating to networks, helpdesks and applications support, server and cloud infrastructure.

Customer Case Studies

- [Whitbread migrated and streamlined its application landscape](#)
- [ABC Petrol raises customer retention with Retail Enterprise software and Forecourt Controller software](#)
- [Tara Jewels automated its business processes and increased productivity with Integrated System PRIMEFLEX for SAP HANA](#)
- [Coop Trading tunes the enterprise application landscape and business Intelligence functions by the help of a co-created new .NET applications environment](#)
- [This leading European hypermarket chain is deploying FUJITSU AI-based Fraud Prevention to eliminate self-checkout fraud, potentially saving millions of Euros](#)
- [Tokai Co-op uses FUJITSU Cloud Service MobileSUITE® to improve deliveries, enabling drivers to immediately respond to members' requests, elevating customer service](#)

Online resources

- Fujitsu Retail solutions: <http://www.fujitsu.com/global/solutions/industry/retail/>
- Fujitsu Connected Retail: <http://connectedretail.global.fujitsu.com/>
- Connected Retail video: <https://www.youtube.com/watch?v=OemOn2hyBhs&feature=youtu.be>
- Fujitsu Connected Retail Experience Center: <http://www.fujitsu.com/global/solutions/industry/retail/experience-center/>
- Read the Fujitsu blog: <http://blog.ts.fujitsu.com/>
- Follow Fujitsu on Twitter: http://www.twitter.com/Fujitsu_Global
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- Fujitsu pictures and media server: <http://mediaportal.ts.fujitsu.com/pages/portal.php>
- For regular news updates, bookmark the Fujitsu newsroom: <http://ts.fujitsu.com/ps2/nr/index.aspx>

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