

Gaining Business Value from Content Integration at the POS

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Metro Group Holding 2003

- Fourth largest retailer worldwide (Walmart No. 1)
- Sales: US \$ 64 billion in 2003 (Walmart US \$ 272 billion)
 - 51% in food (Walmart 44%)
 - 47% domestic (Walmart 79%)
- Food Retailing (21%), Cash & Carry (47%), Department Stores (7%), Speciality Stores (25%)
- Staff: About 240,000 employees
- Business premises: 2,370 in 28 countries
- Organizer of Future Store Initiative (FSI)

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Future Store Initiative (FSI)

Premier integrated real-world roll-out of existing & new IT in brick-and-mortar supermarket aiming at consumer convenience

- Technical ambitions
 - Integration of front end, application layer, and back end
 - Integration of structured and unstructured data from internal and external data sources
 - Availability of almost all info sources for customers
- Timeline
 - Spring '02: Informal project start with small internal team
 - July '02: Founding FSI
 - August '02: Kick-Off Meeting
 - April '03: Future Store opening

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Innovative Technologies at the POS

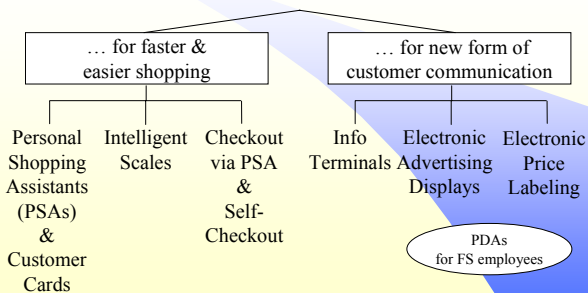
Content Integration

Supply Chain Integration

- Content Provision Devices
 - Content Provision Infrastructure
 - Content Bus
 - RFID on Items
- RFID on Palettes and Cases

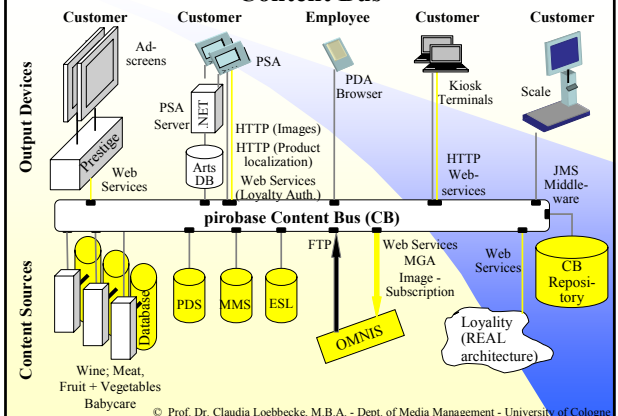
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Content Provision Devices

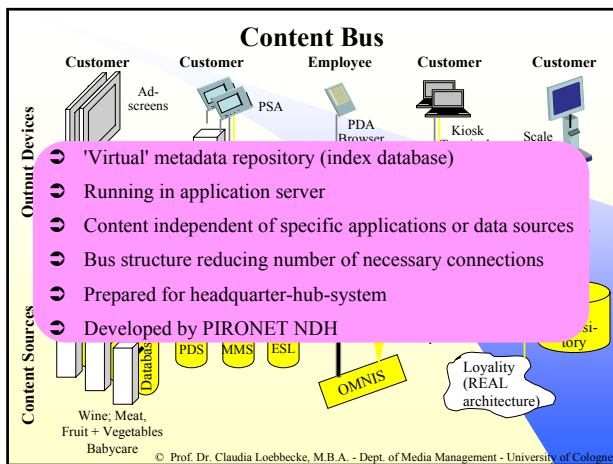


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Content Bus



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RFID Tags on Items in the Future Store

Test Product in Future Store	Focus
- 'Philadelphia' cream cheese (Kraft Food)	➤ Expiration dates and out-of-stock issues
- 'Pantene' shampoo (Procter & Gamble)	➤ Innovative marketing concepts
- 'Mach 3 Turbo' razor blades (Gillette)	➤ Anti-theft protection
- CDs, DVDs, VHS (various manufacturers / labels)	➤ Youth protection etc, theft prevention (similar to Electronic Article Surveillance - EAS)

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Item-Level RFID on Consumer Premises

Potential end-consumer applications (no roll-out yet)

Intelligent fridge

Intelligent washing machine

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Management Challenges & Implications

More item-level RFID (e.g., privacy complaints)

Centralizing originally separate applications

From Pilot to Roll-Out

External content availability for electronic ad displays

Presenting most information on front-end devices for customers

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Lessons Learnt

- Experiments create 'buy-in'.
- Experiments foster gradual infrastructure development.
- Experiments alert to new technology challenges.
- Standards ease partnerships.

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.... Questions, Comments, Complaints ?

Thank you very much for your attention !

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