APPLYING DC SCIENCE TO THE ART OF RETAIL WITH VOICE

JOHN CARENBAUER
DIRECTOR OF PRODUCT MANAGEMENT
HONEYWELL VOICE
JOHN CARENBAUER  
DIRECTOR OF PRODUCT MANAGEMENT  
HONEYWELL VOICE SOLUTIONS

John has spent 17 years working for retailers in the specialty and supermarket industries. He has found solutions that enable retail and supply chain operations to focus on the core strategies of process improvement and cost reduction while transforming the customer experience.
INDUSTRY TRENDS AND CHALLENGES
Trend #1

**Consumer behaviors and expectations are rapidly shifting.**

Customers demand faster, more accurate fulfillment at reduced costs – all while shopping in the comfort of their homes.
POLLING QUESTION

What type of shift have you seen in your operations related to click and collect or home delivery services in the past few months?

- Increase of 100%+
- Increase of 50 – 99%
- Increase of 1 – 49%
- No change
- Decrease of 1 – 49%
- Decrease of 50 – 100%
- Decrease of 100%+
CORONAVIRUS IMPACT ON ONLINE TRAFFIC OF SELECTED INDUSTRIES WORLDWIDE IN WEEK ENDING MARCH 22, 2020

Coronavirus global online traffic impact as of March 2020, by industry

<table>
<thead>
<tr>
<th>Industry</th>
<th>Change in Traffic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supermarket</td>
<td>-57.3%</td>
</tr>
<tr>
<td>Media</td>
<td>-34%</td>
</tr>
<tr>
<td>Telecom</td>
<td>-32%</td>
</tr>
<tr>
<td>Marketplace / tech retail</td>
<td>-26.8%</td>
</tr>
<tr>
<td>Bank / insurance</td>
<td>-18.4%</td>
</tr>
<tr>
<td>Sports equipment</td>
<td>-19.9%</td>
</tr>
<tr>
<td>Retail healthcare</td>
<td>-21.2%</td>
</tr>
<tr>
<td>Cosmetics</td>
<td>-14.9%</td>
</tr>
<tr>
<td>Home furnishings / DIY</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Fashion</td>
<td>15.3%</td>
</tr>
<tr>
<td>Luxury</td>
<td>32.3%</td>
</tr>
<tr>
<td>Jewelry &amp; watch</td>
<td>80.1%</td>
</tr>
<tr>
<td>Entertainment / events</td>
<td>161.4%</td>
</tr>
</tbody>
</table>

Note: Worldwide; week 3/16 to 3/22 compared to reference (Jan 6 to Feb 16); 1,400 sites; 4.8b sessions and 23b pages views over the last 11 weeks of 2020

Further information regarding this statistic can be found on page 54

Source(s): ContentSquare; ID 1105486
Distribution centers are becoming decentralized. Fulfillment is more complex and requires agile, adaptive and rapid responses to meet consumer demands.
"Grocery retailers are saying, 'How quickly can we open dark stores and automate as much as possible, before the virus gets worse?'' Brittain Ladd, a consultant to Kroger and other retailers, told The Washington Post: "This is unlike anything the industry has ever seen."

Whole Foods, Kroger, Giant Eagle, and Stop & Shop have announced temporary or permanent dark stores.
Retailers are investing to keep up demand and adapt to the “new normal.” Deploying technology to help improve store operations and increase customer satisfaction while boosting profitability.
RAPIDLY EVOLVING TRENDS FOR GROCERS

Increase home delivery and in-store pickup

- Monthly home delivery and store pickup of online grocery sales increased 37% in April 2020.¹

Online grocery shopping sales on track to double

- Online grocery sales of $59.5B by 2023 nearly double of online grocery sales in 2020.²

Consumers driving technology investments

- More than 30M grocery app users are expected by 2022, and a rapid investment in technology is needed to handle this growth.³

¹ Source: Supermarket News (April 2020)
² Source: Statista (ID-293707); IGD – USDA Foreign Agricultural Service
³ Source: Supermarket News (May 2020); Statista (ID-1013926); eMarketer
WHERE ARE ONLINE SHOPPERS BUYING GROCERIES?

Supermarkets have an opportunity to continue their YOY improvement with online grocery sales if they can meet the demands and expectations of customers.

Source: Statista (ID:1014874); eMarketer; RFG
75% of shoppers overwhelmingly prefer to shop online for repeat purchases.

Source: Statista (ID-897678); Salesforce Research
POLLING QUESTION

How have you addressed the increase in or addition of click and collect activity?

• Adding more labor
• Dark store or micro-fulfillment strategy
• Only allowing pick-up or delivery time slots to match available labor
• Not making any changes
• Other
WHAT IS THE FUTURE FOR THOSE WHO SURVIVE?

Stores Become DCs

Substantial Labor Fluctuations

Customer Experience Wins

Multiple Delivery Methods
OUR VISION
What does the “Good Future” look like?

STANDARDIZE
Processes

EXECUTE
Tasks

OPTIMIZE
Operations

Applying DC Science to the Art of Retail With Voice
INTRODUCING GUIDED WORK FOR RETAIL
Establish a seamless customer experience, whether they’re shopping in-store, click and collect, or click and delivery.
HONEYWELL GUIDED WORK FOR RETAIL

Consumers’ Demands
• Click and collect
• Ship to store
• Click and deliver
• Stock on shelves
• Fast transactions
• Stress-free experience

Top In-store Needs
• Order picking
• Inventory counts
• Receiving
• Restocking
• Pricing updates
• Home delivery
GUIDED WORK SETS THE FOUNDATION FOR CONTINUOUS INNOVATION

<table>
<thead>
<tr>
<th>Delivery Experience</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Home Delivery Routing</td>
<td></td>
</tr>
<tr>
<td>• Crowd-Sourced Shopping</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Store Experience</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Shopping App</td>
<td></td>
</tr>
<tr>
<td>• Digital Marketing</td>
<td></td>
</tr>
<tr>
<td>• Customer Routing</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Inventory Optimization</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Planogram</td>
<td></td>
</tr>
<tr>
<td>• Increased Accuracy</td>
<td></td>
</tr>
<tr>
<td>• Pick Path Routing</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Guided Work</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>• Labor Productivity</td>
<td></td>
</tr>
<tr>
<td>• Engineered Standards</td>
<td></td>
</tr>
<tr>
<td>• Predictive Planning</td>
<td></td>
</tr>
</tbody>
</table>

Improved Customer Satisfaction

1% potential store sales increase

25% potential reduction in shelf out-of-stock

20% potential increase in worker productivity

Empowering mobile workers is key to unlocking higher-level offerings and experiences.
GUIDED WORK CAPABILITIES FOR RETAIL

Applying DC Science to the Art of Retail With Voice

Retail Store

- Receive
- Stage
- Put-away
- Inventory
- Pick
- Pack
- Ship
- Customer Service
SYSTEM ARCHITECTURE OVERVIEW

Seamlessly Integrates into Existing Retail Environment.
HONEYWELL GUIDED WORK FOR RETAIL

Solution Bundle At-a-Glance

- Honeywell mobile computer running Android™
- Honeywell SRX-SL Bluetooth® headset designed for the retail environment
- Guided Work for Retail voice-directed mobile store applications
- Guided Work for Retail web services software for rapid integration
- Optional GoalPost® labor management software for worker analytics

Solution Benefits At-a-Glance

- **Increase worker productivity up to 20%** > Combined processes reduce travel time dramatically such as changing price label while stocking
- **Estimated 25% reduction in shelf out-of-stock** > System-driven shelf restocking proactively alerts store associates
- **Potential 1% increase in store sales** > Increase shelf availability, prevent lost sales
THE MOST IMPORTANT VOICE IS YOURS.

Getting the most out of your business begins with a dialogue. It’s our business to understand yours. And when you’re ready to talk, we’re ready to listen. Visit honeywellaidc.com/voice.
QUESTIONS?
GUIDED WORK FOR RETAIL SCREENSHOTS AND APPENDIX SLIDES
GUIDED WORK FOR RETAIL SIMULATOR

connectedretail.honeywell.com/RetailApp
HONEYWELL GUIDED WORK FOR RETAIL

Consumers’ Demands
• Click and collect
• Ship to store
• Click and deliver
• Stock on shelves
• Fast transactions
• Stress-free experience

Top In-store Needs
• Order picking
• Inventory counts
• Receiving
• Restocking
• Pricing updates
• Home delivery

Guided Work

Execute
Optimize
Standardize
HONEYWELL GUIDED WORK SCREENSHOTS

Welcome and Workflow Selection

Order Picking

Stock Count
SERVER SCREENSHOTS | ADMIN AND HOME SCREEN SUMMARY

There are no records to display.

Event Progress Summary

<table>
<thead>
<tr>
<th>Store</th>
<th>Cases To Complete</th>
<th>Cases Complete</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>1111</td>
<td>141</td>
<td>141</td>
<td></td>
</tr>
<tr>
<td>2222</td>
<td>70</td>
<td>70</td>
<td></td>
</tr>
<tr>
<td>3333</td>
<td>179</td>
<td>179</td>
<td></td>
</tr>
<tr>
<td>4444</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>5555</td>
<td>1</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>6666</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
</tbody>
</table>

Add a summary

Add a summary
### Event Logging

- **Workflow Events**
  - View Workflow Events
  - Workflow Event Actions:
    - View selected workflow event
    - Events selected workflow events
    - Delete the event

### Table: Event Log

<table>
<thead>
<tr>
<th>Event Type</th>
<th>Start Time</th>
<th>End Time</th>
<th>Product</th>
<th>Product ID</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unload</td>
<td>10:00</td>
<td>10:30</td>
<td>Product A</td>
<td>123456</td>
</tr>
<tr>
<td>Load</td>
<td>11:00</td>
<td>11:15</td>
<td>Product B</td>
<td>789012</td>
</tr>
<tr>
<td>Place</td>
<td>12:00</td>
<td>12:30</td>
<td>Product C</td>
<td>345678</td>
</tr>
</tbody>
</table>

---

**Note:** The above table is a representation of the event log captured in the server screenshots. The actual data may differ based on the application and system used.
SERVER SCREENSHOTS | EVENT VISUALIZATION
WELCOME TO CONNECTED RETAIL!

The Connected Retail Solution consists of a server that lets you enter and import data from your backend system and lets you create assignments for workers. These assignments are then transmitted to the assignee, who is directed through the workflow by spoken commands.

This help file describes the Connected Retail Server and explains how to create, edit, and manage data. Also included is the Connected Retail Demonstration Guide, which contains information on how to set up the server and mobile application for demonstration purposes.