Omnichannel Including Stores & Commerce

Solution Strategy Breakout

October 16th, 2019 11:00am



Speaker Bio



Chris Sarne

Senior Director: Global Retail Strategy & Solutions Management - Omnichannel Oracle Retail

https://blogs.oracle.com/author/chris-sarn

ORACLE

https://twitter.com/csarne



https://www.linkedin.com/in/chris-sarne-304758/





Safe Harbor

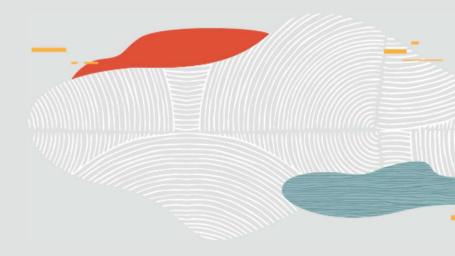
The following is intended to outline our general product direction. It is intended for information purposes only, and may not be incorporated into any contract. It is not a commitment to deliver any material, code, or functionality, and should not be relied upon in making purchasing decisions. The development, release, timing, and pricing of any features or functionality described for Oracle's products may change and remains at the sole discretion of Oracle Corporation.

Statements in this presentation relating to Oracle's future plans, expectations, beliefs, intentions and prospects are "forward-looking statements" and are subject to material risks and uncertainties. A detailed discussion of these factors and other risks that affect our business is contained in Oracle's Securities and Exchange Commission (SEC) filings, including our most recent reports on Form 10-K and Form 10-Q under the heading "Risk Factors." These filings are available on the SEC's website or on Oracle's website at http://www.oracle.com/investor. All information in this presentation is current as of September 2019 and Oracle undertakes no duty to update any statement in light of new information or future events.

Confidential – © 2019 Oracle Internal/Restricted

Stores & Commerce Solution Strategy Breakout – Agenda

- A Brand Experience Story
- Omnichannel Retail Market Overview
- Omnichannel Solution Roadmaps
 - Xstore Point-of-Service
 - Customer Engagement Retail CRM
 - Order Management Suite Retail OMS
 - XBRi Loss Prevention
 - Oracle Commerce Cloud eCommerce

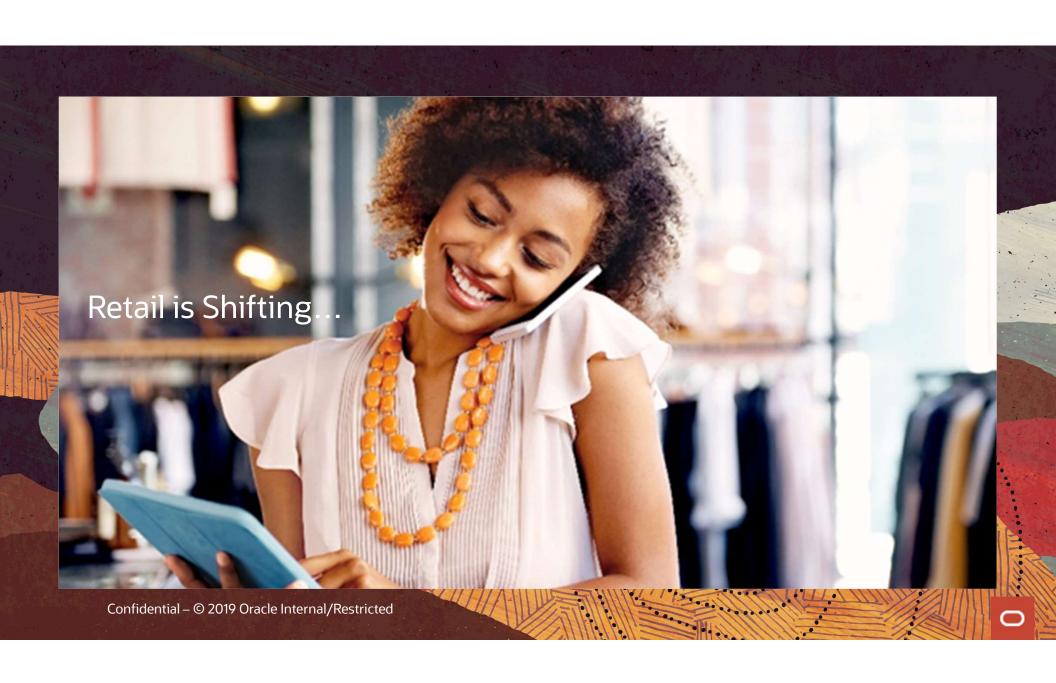


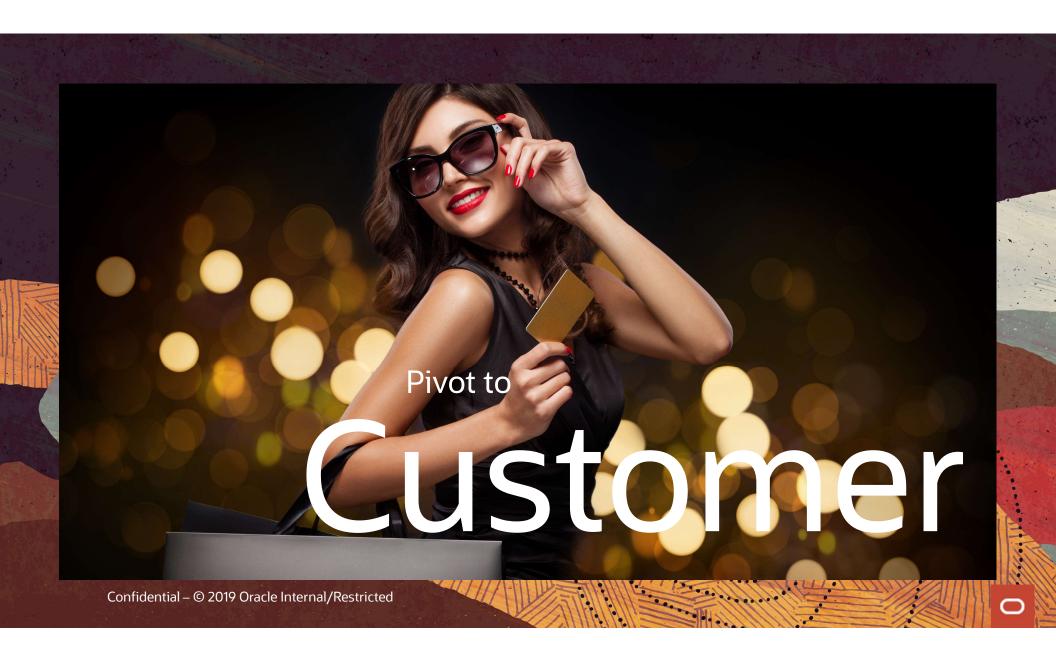
A Brand Experience Story



Customization Personalization Individualization Premiumization

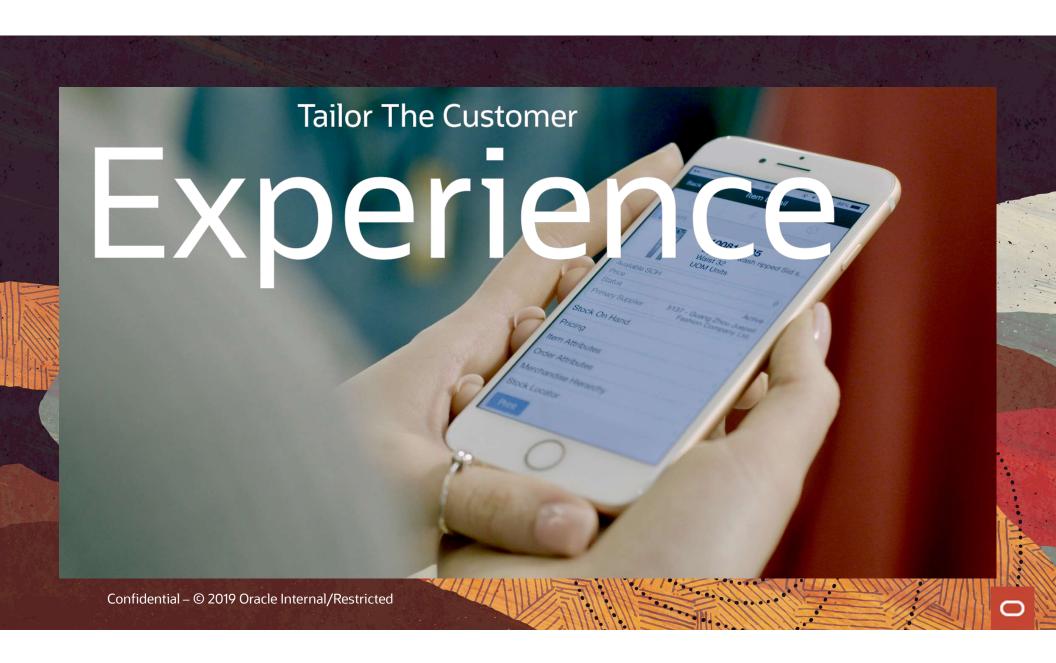
Omnichannel Retail Market Overview













Single View of

Customer





Item





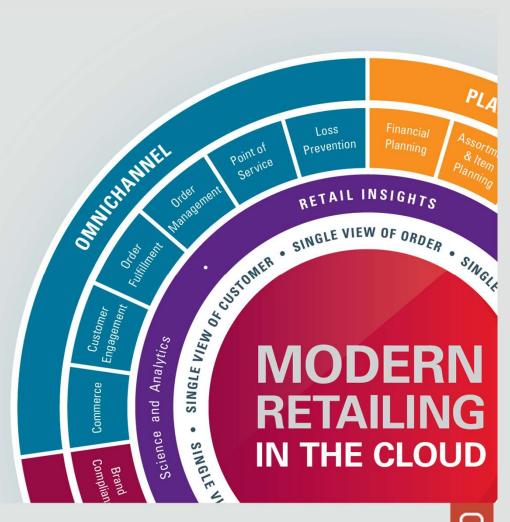


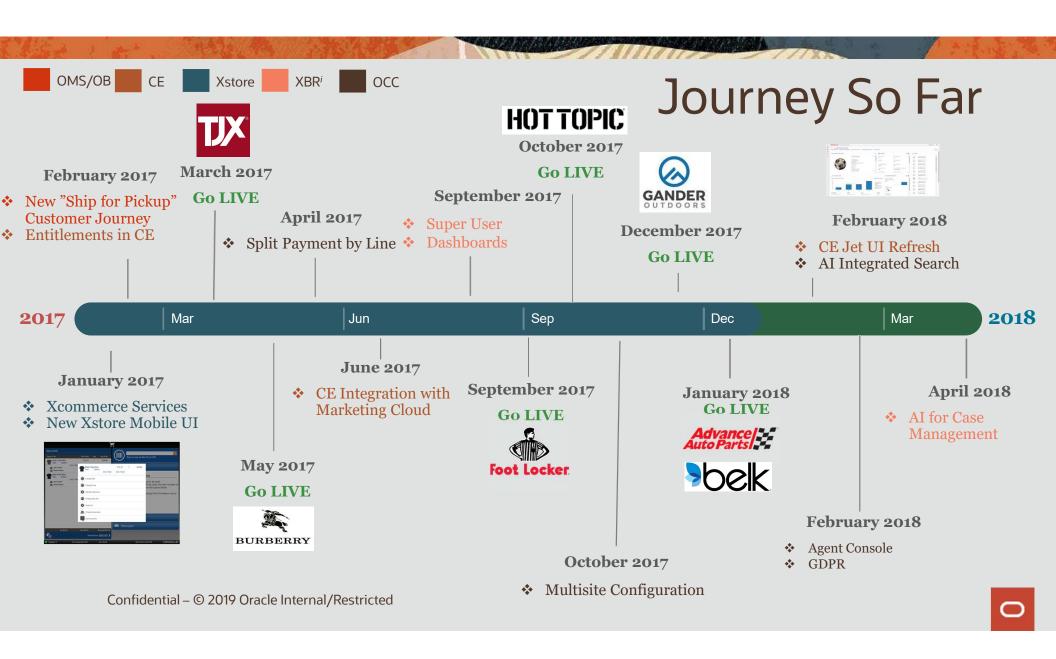
Inventory

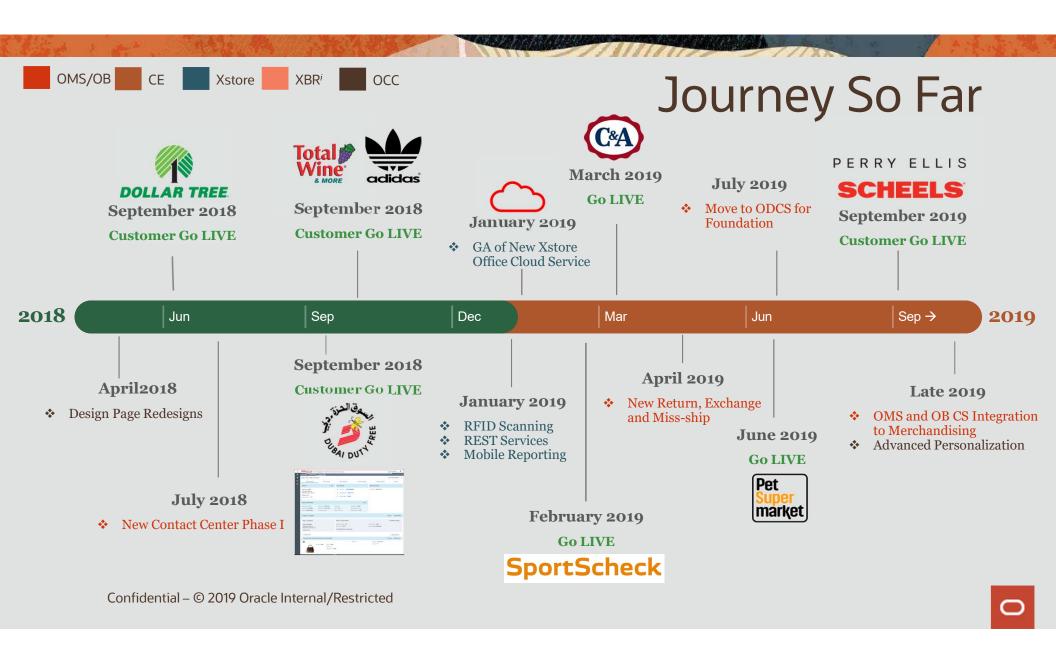


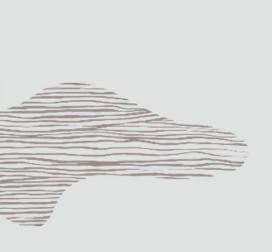
Omnichannel Solution Roadmaps

- Xstore Point-of-Service
- Customer Engagement
- Order Management Suite
- XBRi Loss Prevention
- Oracle Commerce Cloud











Xstore Suite

Development Candidates



ChallengesFacing Retailers

Omnichannel Execution:

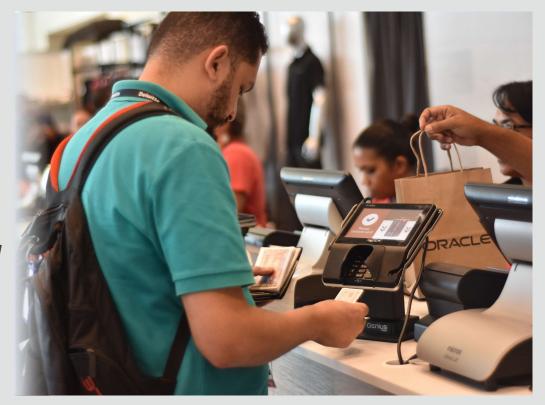
I can't deliver the omnichannel customer journeys my customers expect.

Associate Experience:

There's a war for talent in my stores and I need every possible tactical advantage.

Customer Experience:

I want to deliver a customer experience that exceeds my customer's expectations.





Delivering the omnichannel customer journeys customers expect.

Buy anywhere, source anywhere, fulfill anywhere, return anywhere; I want what I want, when, where and how I want it. While delivering a memorable experience that exceeds the customer's expectations.

Deliver on Omnichannel Customer Journeys:

75%

of BOPIS shoppers

are likely to make an additional purchase, and 49% of shoppers made unintended purchases while picking up their item instore.

Omnichannel Customers

who use at least 2 channels, are 2X more profitable to the retailer.

2X

15%t

Customer Journeys

Brands that can improve the customer journeys see revenues increase as much as 10 to 15 percent while also lowering the cost to serve 15 to 20 percent.

Confidential – © 2019 Oracle Internal/Restricted

Winning the war for talent in the store.

With a smart phone in hand, today's consumer sometimes enters the store with more information than many store associates. We're not looking to level the playing field; we're empowering the store associate with the tools and the data to create a superior experience. While delivering on the brands store experience value proposition, this creates a level of job satisfaction.

The Retail Store Associate, **Your Best Brand Ambassador:**

Happy Customers make 20% Happy Associates

Companies that make a concerted effort to improve customer experience also see employee engagement rates go up by an average of 20%.

Happy Associates make **Happy Customers**

68% of customer said that a pleasant representative was key to their recent positive service experience, and 63% said that a representative's knowledge or resourcefulness was key.

The Value of a Store **Associate**

The transactions of shoppers who interact with retail associates account for 81% more value.

Confidential - © 2019 Oracle Internal/Restricted

68%

Delivering a customer experience that exceeds the customer's expectations

Delivering the customer experience that consumers want is the way to keep them, in a time when customer acquisition is at an all time high cost, and when it's never been easier to lose a customer from a single bad experience.

The Value of Customer Experience:

86%

The Value of a Good Experience

86% of customers will pay more for a better customer experience.

The Value of Customer Retention

Customer retention is the most surefire way to improve your bottom line. Retailers that grow their rates by as little as 5% typically see profits increases ranging from 25% to 95%.

95%

14X

An Existing Happy

Eustomater profitable than selling to a new customer.

Xstore: Driving Themes

- Deliver an environment that allows the store associate to exceed their customers omnichannel expectations
- Flexibility will play a significant part in enabling deployment & management options
- Continue to unify the Digital and Brick & Mortar worlds while fusing the shopping and purchasing experiences

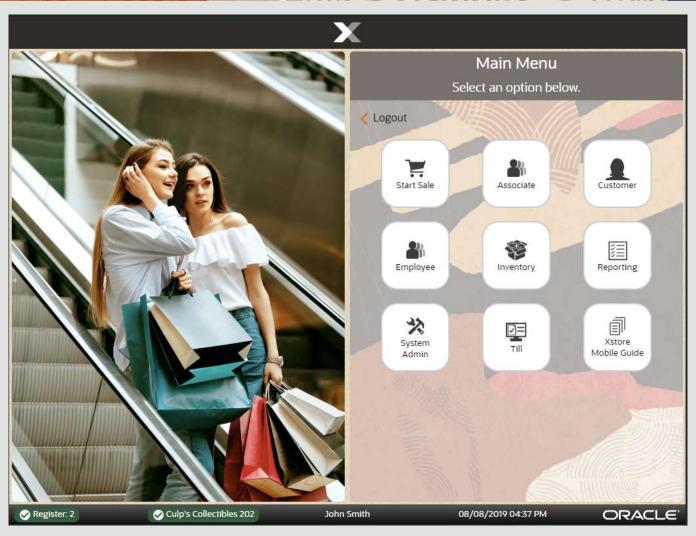
- Drive to deliver a fully mobile enabled store
- Develop secure global capabilities with new and evolving technologies
- Increased delivery of differentiates personal services
 - Proximity/Location based Marketing
 - 。 RFID
 - _o IoT
 - Conversational Commerce

Confidential - © 2019 Oracle Internal/Restricted

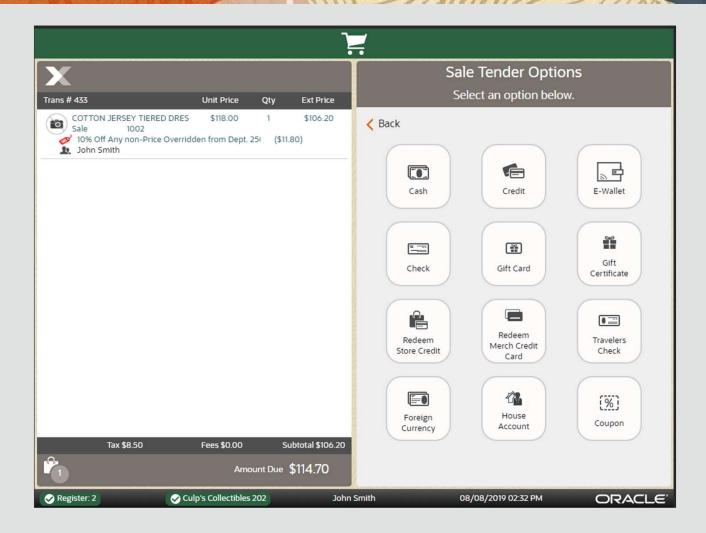


Xstore – Investment Roadmap

Present	Next	Future
 Xstore Office Cloud Service Mobile Reporting UI Framework Accessibility Omnichannel Enhancements Globalization Enhanced Enterprise Integrations Self Service 	 Mobile Only Store Unified Payments Xservices V2.0 (REST) Xadmin Refresh Enhance Entitlements Xstore Office Cloud Service RFID Returns Globalization Enterprise Integration 	 Unified Orders Collaboration & Communication Xstore POS Cloud Services Mobile Refresh Al in the store Omnichannel Enhancements Globalization Enterprise Integration Self Service



Confidential – © 2019 Oracle Internal/Restricted





Marin Marine

JAN TINK



Development Candidates



ChallengesFacing Retailers

Customer Retention:

I need to continually drive engagement with my loyalty customers.

Single View of Customer:

I have customer data in a lot of different place. I need to bring it all together to achieve a single version of the truth

Optimize Promotions:

I want to present the right offer to the right customer at the right time.



Customer acquisition has never been more expensive.

Strategies that drive customer engagement create opportunities for brands to develop long term relationships, and build a more emotional connection, driving loyalty.

Customer retention is cost effective:

+12 to 18%

Loyal Customers Spend More

Customers who are members of loyalty programs generate between 12 and 18 percent more revenue than non-members

Retention Delivers

Revenuetion is the most surefire way to improve your bottom line.
Acquiring a new customer is anywhere from five to 25 times more expensive than retaining an existing one

Engagement Drives

Retention omers are five times more likely to buy only from the same brand in the future

Single View of Customer allows retailers to actually understand customers as individuals.

Single View of Customer allows for a holistic understanding of the customer, giving retailers the ability to personalize, and deliver a customer experience that exceeds the customer's expectations.

Single View of Customer Powers Personalization:

+11%

One View Enables Personalization

Brands that personalize promotional marketing emails earn 11% higher open rates than those that don't personalize

Personalization Delivers Value

+17%

Organizations using email personalization generate 17% more revenue through their campaigns than the average marketer

Personalization Drives Engagement

65%

Say personalized offers and promotions are very important to them in their shopping experience

Optimize promotions to be their most relevant and effective.

Relevance is everything – You want to present the right offer to the right customer at the right time in order to have the highest degree of success.

Customers want you to know them, and their needs:

Customers Want 50% to be Understood

Would be attracted to personalized offers based on loyalty data, purchase data or real-time browsing

Relevance is Key!

58% of retailers believe their offers are mostly relevant VS.

32% of consumers who believe that those offers are relevant.

Customer Expect You to Remember Everything to be

Relevanters say they are only likely to engage with an offer if it has been personalized to reflect previous interactions the consumer has had with the brand

Confidential - © 2019 Oracle Internal/Restricted

Customer Engagement: Driving Themes

- Cloud first
- Data security
- Continuous improvement
- Shorten time to value

- Blur the lines between RGBU application
- Innovation through integration

ORCE - Investment Roadmap

Present	Next	Future
 SSO through IDCS Improved automation for patches, upgrades and migrations JET\JRAF UI Expanded functionality in 'Entitlement Engine' Bulk data synchronization with MOM Integration with Retail Home Expanded integration with AI Improved UI for Customer Lookup\Edit Confidential - © 2019 Oracle Internal/Re 	 RICS\ICS Streamlined provisioning Improved UI across the application Enhanced support for orders Customer 'Event' Management Expanded promotion capabilities Oracle Data Cloud 	 Containerization Multi-tenant Improved 'Best Deal' logic Extended predictive analytics Improved support for loyalty member referrals Improved support for loyalty program partnerships Digital assistant (Chatbot) Content management

Order Management Suite

Development Candidates



ChallengesFacing Retailers

Omnichannel Execution:

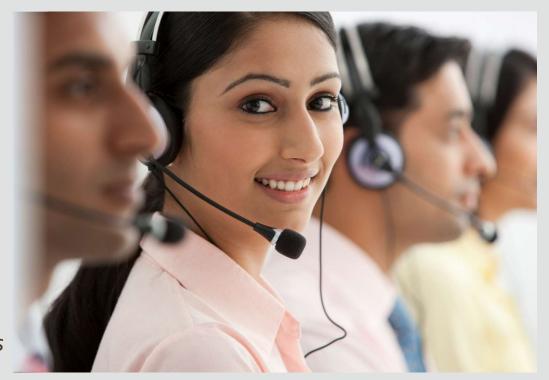
Originally I just wanted to focus on customer needs now I need to also focus on profitability.

Retailer Experience:

Fulfillment costs are eating into my profits.

Customer Experience:

My customers want the item where and when they want it and they don't care where it comes from.





Originally I just wanted to focus on customer needs now I need to also focus on profitability.

When Omnichannel journeys started retailers were only concerned with getting the customer what they wanted where they wanted it so they would remain a profitable and brand loyal customer.

Focus on Customer Needs:

5%

Customer Retention *Rate*

Businesses that grow their customer retention rates by as little as 5% typically see profit increases ranging from 25% - 95%.

Increased Revenues

Businesses that deliver better customer experiences obtain revenues between 4-8% above their market.

4-8%

73%

Customer Experience Maturity

73% of companies with "above average" Customer Experience maturity perform better financially than their competitors.

Fulfillment costs are eating into my profits.

Some channels are better designed to handle order fulfillment than others and that results in different costs depending on where the merchandise is.

Fulfillment costs are eating into my profits:

70%

Average Order Value

A recent study found the average cost for a retailer to fulfill an order is a staggering 70% of the average order value.

Costs to Fulfill

67% of CEOs say the costs to fulfill an order have increased over the past several years.

67%

37%

Misalignment

37% of CEOs say that order inventory and supply chain operations are not properly aligned.

Confidential – © 2019 Oracle Internal/Restricted

I want the item where and when I want it and I don't care where it comes from.

The retail space is evolving at a more rapid pace than ever before with the consumer having more control over the experience than ever before.

Customer Expectations:

Customer Retention

Businesses that adopt Umnichannel strategies achieve over 91% greater year-Businesses that adopt Omnichannel over-year customer retention rates compared to businesses that don't.

Lifetime Value

Omnichannel shoppers have a 30% higher lifetime value than those who shop using only one channel.

30%

Inventory Information

39% of consumers are unlikely or very unlikely to visit a retailer's store if the online store does not provide physical store inventory information.

Order Management Suite: Driving Themes

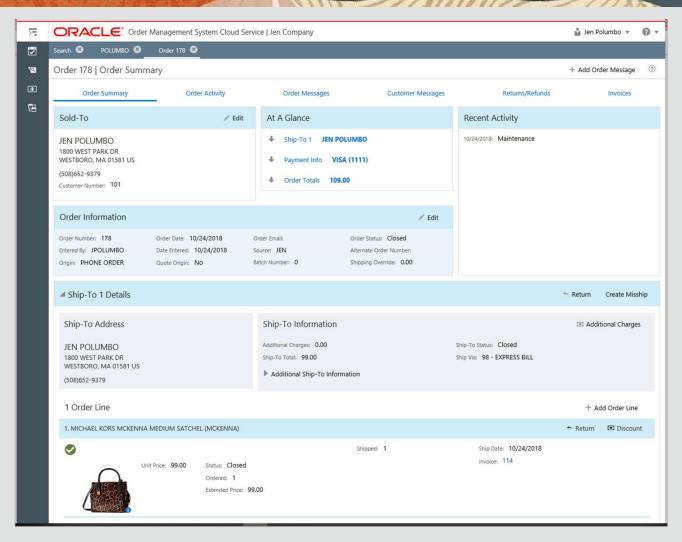
- Tighter integration with the Supply Chain for Omni Channel Journeys
- Continued focus on the customer experience via customer service.
- New unified payment options across channels.

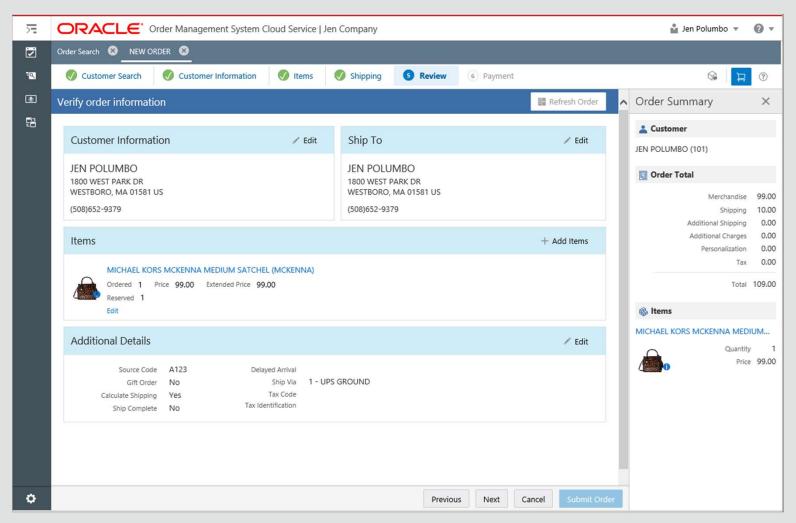
- Increased delivery of fulfillment tools
 - Shipper Integrations for lead times
 - Enhanced store information
 - More user defined routing rules

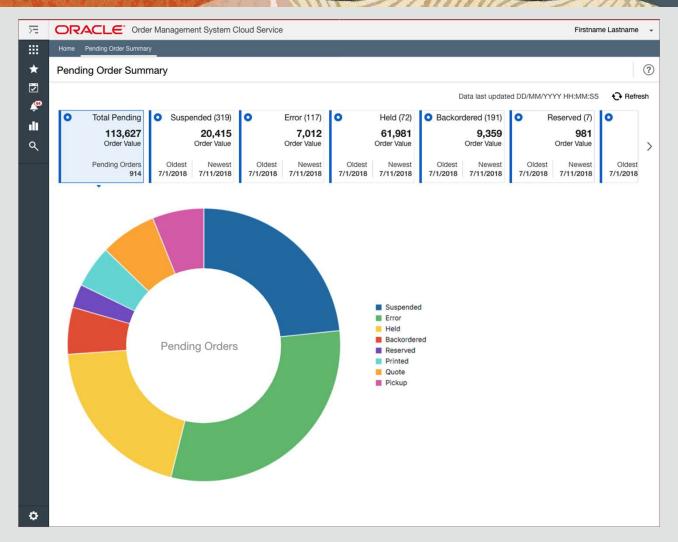


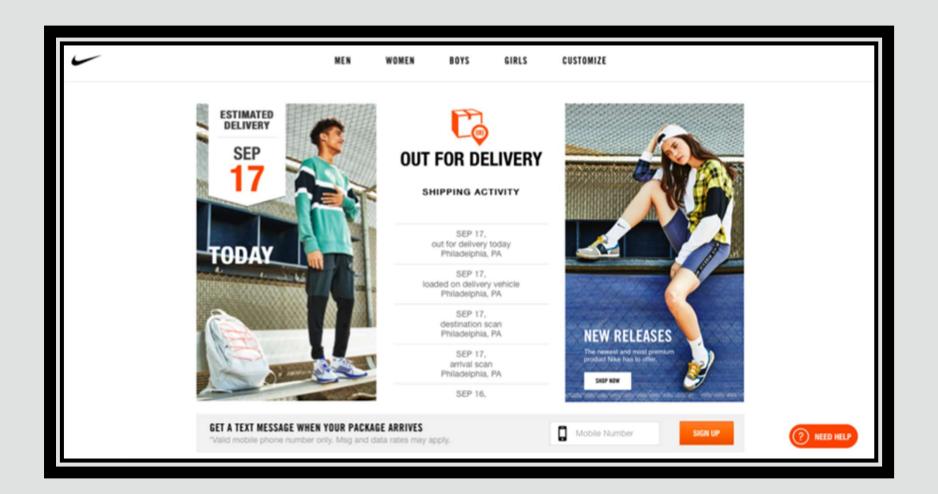
Order Management Suite - Investment Roadmap

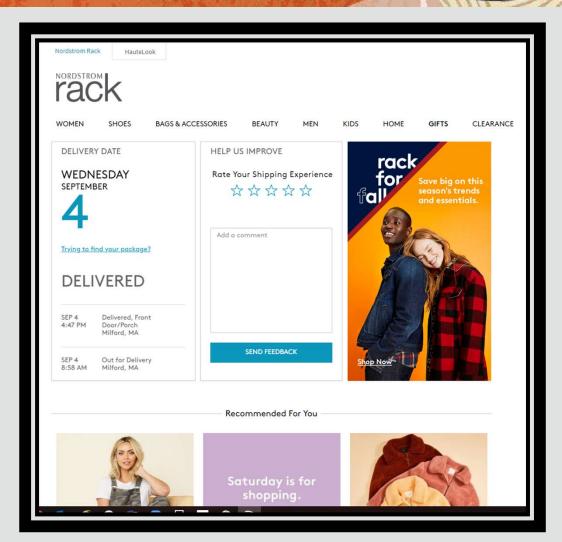
Next **Present Future** Continued Contact Center Additional Contact Center Integration with Promotion **Enhancements Enhancements** Engine Continued Contact Center Localization for Regions RESA Integration **Enhancements** Integration with RMS & **Enhancements** Localization for Regions RPM for Foundation Data Localization Integration with RESA Journey Expansion **Unified Payment Cloud Optimization Cloud Optimization** Al & Machine Learning Journey Expansion **Unified Payment** Integration to Narvar Slack/Messaging

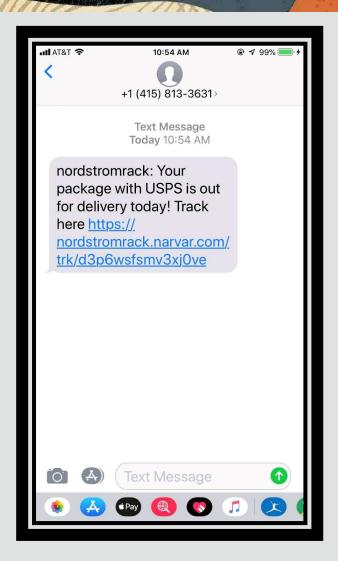












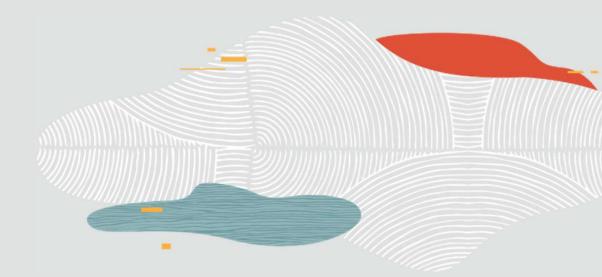
Confidential – © 2019 Oracle Internal/Restricted





_

Development Candidates



To Catch a Thief...

Why do retailers need asset protection solutions:

\$50.6B

The size of the problem

NRF estimates shrink has a \$50.6 Billion impact on the retail industry.

The store associate's connection,

Retailers attribute 30% of Inventory shrinkage to employee theft.

30%

Average loss per case

\$1.89k

A global study of retail theft found that employees who steal from retailers average \$1,890 in theft, while the average shoplifter will only take about \$438.

Retail Related Crime in England in Wales

The British Retail Consortium reported Employee Theft increased substantially by in their 2019 study.

129%

ChallengesFacing Retailers

Embed Machine Learning:

I need more modern UI's that embed analytics throughout to drive analysis via dashboards and calls to action that don't make me search for work.

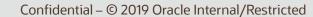
Procedural Compliance:

We invest significantly in the design of our policies and procedures and we need to know when the store associates are not followed them.

Reporting:

The KPIs I use to run my business are ever evolving, and I need my solutions to report on what I monitor today and what I will need tomorrow.







XBRⁱ: Driving Themes

- Extensibility
- Integrations
 - 。 Omnichannel
 - 。 Non-POS Data feeds
- Machine Learning
 - Know patterns and anomalies
 - Curated Learning

Field and Super User Experiences

XBRⁱ - Investment Roadmap

Present Next **Future Enhanced Science** Enhanced UI Updates Omnichannel Analysis **Enhanced Extensibility**

- Data Load Process
 - Configurable Data
 - Log Viewer Access
- **Xstore Integration**
 - Store Dashboard(Mobile)
 - Receipt Viewer

- Science Feedback & Machine Learning
- Xstore Integration
 - **Receipt Reprints**
 - E-receipts

- Buy Online, Store Return
- Store Order for delivery
- Invoice/Order Details
- Science & Machine Learning – Expansion
- Additional non POS data feed and exception alerting



Oracle Commerce Cloud

Development Candidates



ChallengesFacing Retailers

Ecommerce IS Retail

I struggle to offer the the convenient, holistic customer experience critical to retail success.

Data Driven:

I am capturing enormous amounts of data, across the clickstream and through transaction data but I don't know how to properly exploit it.

Personalization at Scale:

A more personalized experience will result in greater brand affinity and more profit, but how do I understand my customers and their needs to deliver this experience.



Ecommerce <u>IS</u> Retail

Customers Seek Convenience Across the Complete Shopping Experience

88%

Shopping starts online

88% of consumers pre-research their buys online before making a purchase¹

Ecommerce drives retail growth

Retailers are seeing rapid growth through the convenience of ecommerce, with +16% YOY²

16%1

23%

Omnichannel customers buy more and more often Customers researching online bought 13%

Customers researching online bought 13% more in the store. Omni customers logged 23% more shopping trips than single channel customers.³

Data Driven... Since the **Beginning**

Data Must be Relevant, Actionable and Customer Led

Retailers collect lots of data

175 Zettabytes of data stored by 2025. Retail stored 364 Petabytes of data. stored 364 Petabytes of data in 2016. Walmart processed 2.5 Petabytes of data per hour in 2017,1,2,3

Most data is not analyzed

On average, between 60% and 73% of all data within an enterprise goes unused for analytics.4

60 – 73%

Analytics need action to realize value

5% of retail and CPG enterprises qualify as 5% data-driven.⁴ 74 percent of firms say they want to be data-driven, but only 29 percent are successful at connecting analytics to action⁵

Customers expect actionable data

62% Of American consumers believe that sharing data and personal information online is part of the modern economy. 6

62%

Oracle Commerce Cloud: Driving Themes

- Continuing Maturity 165 customers
- Product evolution towards next-gen Commerce
- Continued investment in B2B
- Unlock support for Service and Asset-based Commerce
- Service Transparency and Monitoring
- Leveraging other parts of Oracle
- Merchant Insights & Business Optimization



OCC - Investment Roadmap

Present Next Future

- High Availability
 - Rollout across multiple, global Data Centers with redundancy
 - Standardized part of OCI
- Search
 - Dynamic Curation with Boost and Bury of items
 - Search 3rd party content
- Design
 - Image lazy loading capabilities infinite pages for SKUs

- More Omnichannel
 - BOPIS support and enhancements
 - Customizable Agent Console
 - Shopper Impersonation
- Support for Complex B2B
 - Punch-out, Purchase Lists
 - Account & Contact Self-Reg
- Advanced Personalization
 - Advanced Audience definitions:
 - Time based, Geolocation, Behavioral

Data Cloud personalization

- Large Team Collaboration & Publishing
 - Collaboration tools to access assets and team members working on commerce projects
- Next-Gen Merchant Insights

AI/ML for Business Optimization In-context information at point of use

Hints and recommended Actions

Cross-channel Digital Analytics
 Clickstream data to centralized data platform

Confidential – © 2019 Oracle Internal/Restricted



