Personalize Customer Experience in an iconic Flagship Store, scaling then to address all brands & stores

Claudio Bianchi,

Chief Information Officer – Pianoforte Group

Oracle Retail CrossTalk – Minneapolis, June 12th, 2019

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CARPISA yamamay Jaked

Pianoforte: Yamamay & co.

Milano Cordusio Flagship piloting a new customer experience
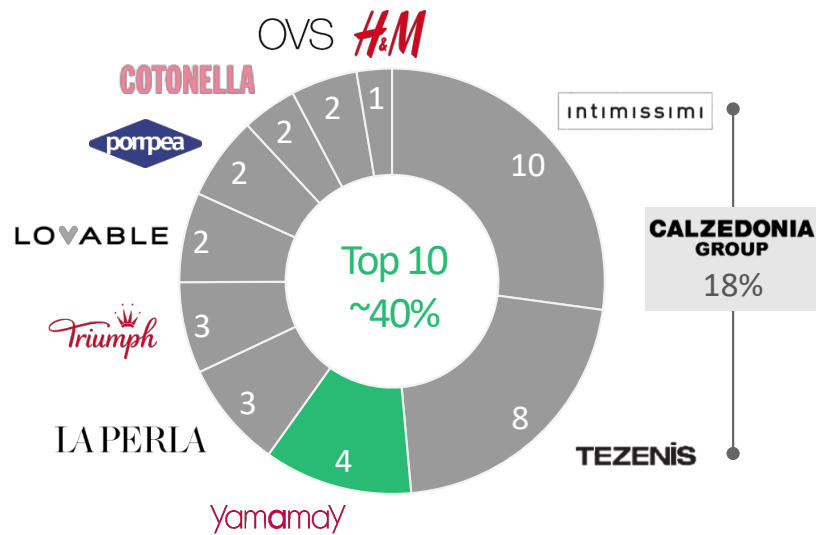
The omnichannel journey

yamamay

Yamamay has the 2nd market share in Italy

Top 10 Bodywear brands by mkt share
Italian market (% of total)

Top 10
~40%

OVS
H&M
COTONELLA
pompea
LOVABLE
Triumph
LA PERLA
Yamamay

1
2
2
2
2
3
3
4

10
8

intimissimi

CALZEDONIA
GROUP
18%

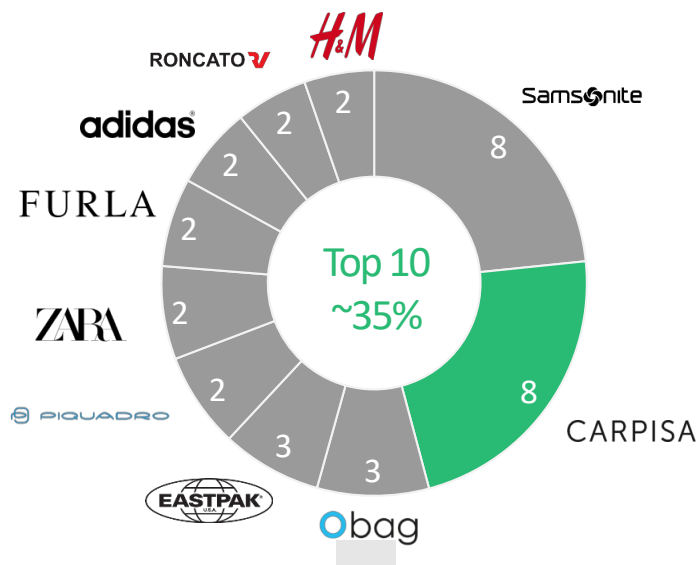TEZENIS

Carpisa is a top market player with 8% share

Top 10 Bags & Accessories brands by mkt share
Italian market (% of total)

RONCATO
H&M
Samsonite

adidas

FURLA

ZARA

PIQUADRO

EASTPAK

Obag

CARPISA

Top 10 ~35%

2 2 2 2 2 2 3 3 8 8

Jaked still small but perceived as innovative and high quality

Top 5 Preferred Sports Apparel Brands
Italian market (BAI)

Swimwear ■   **Sport apparel** ■

	DECATHLON	adidas	NIKE	arena	speedo	Jaked
Value	338	320	314	128	65	2

Reason to prefer:	Price	Quality	Quality	**Quality**	Quality	Quality
	Quality	Trust in brand	**Trust in brand**	**Trust in brand**	Trust in brand	Innovative materials
	Promotions	Price	Price	**Price**	Price	Size availability

Question asked: Rank the 3 most important reasons why you preferred [brand] to Jaked. (Only asked to those who are aware of Jaked and bought different brand)
Source: Consumer survey research BCG with Phronesis partner, BCG Analysis
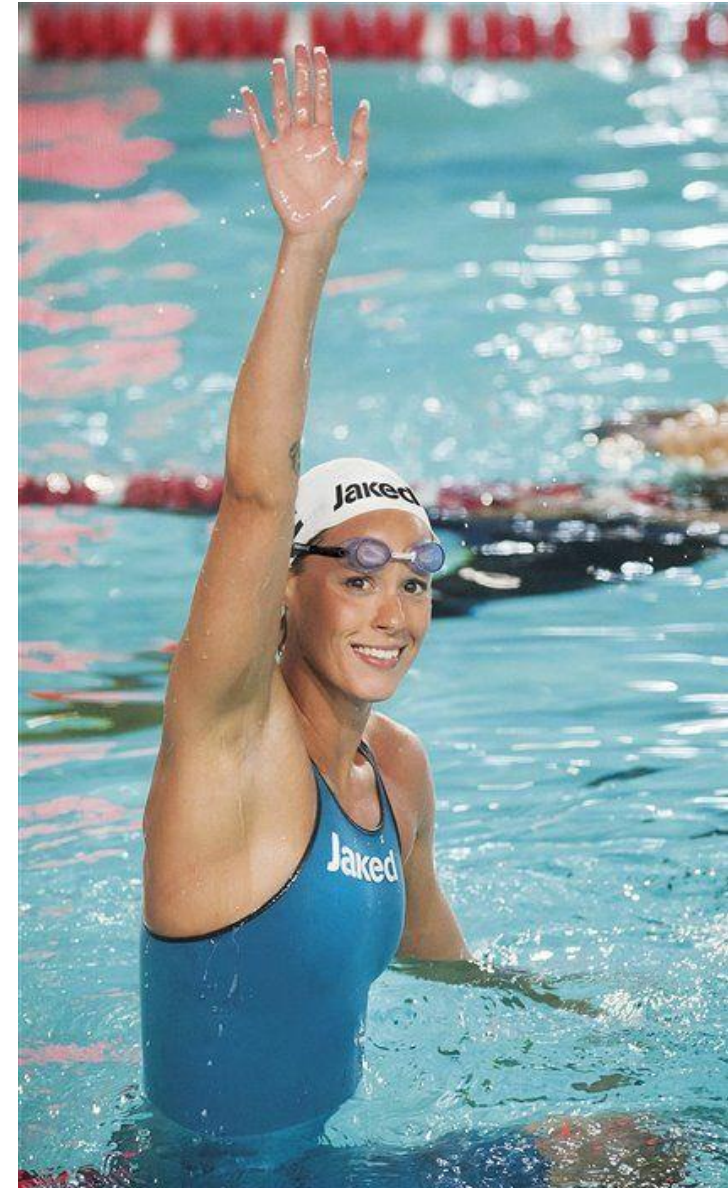
Few more facts

- Pianoforte is a top player in large and fragmented markets (for Italy)
  - Bodywear is worth 8.5B€
  - Apparel accessories, bags and luggage is worth 8.3B€
  - Sports apparel is worth 8.5B€
  - Top 10 players have <45% combined share in the Italian market
  - Yamamay and Carpisa are both among top 3 players in Italy
- All markets are growing at a good pace
  - Bodywear expected to grow by 2.6% in 2017-22 period
  - Apparel accessories, bags and luggage by 2.8%
  - Sports apparel by 3.4%
- Yamamay and Carpisa are very strong brands, Jaked emerging
  - Yamamay known for quality and fashionable, trails Calzedonia group
  - Carpisa is the second most known brand in Italy, price is a strength
  - Jaked is perceived as an innovative brand by consumers

Pianoforte: Yamamay & co.

Milano Cordusio Flagship piloting a new customer experience

The omnichannel journey

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Yamamay
@Piazza
Cordusio,
Milano

IN LATE 2018, BOTH MY NEW AND FORMER COLLEAGUES DRAFTED TOGETHER SOME IDEAS FOR THE COMING FLAGSHIP, COVERING TWO MAIN AREAS

MOBILE STORE EXPERIENCE

PAYMENTS AND SERVICES / CLIENTELING

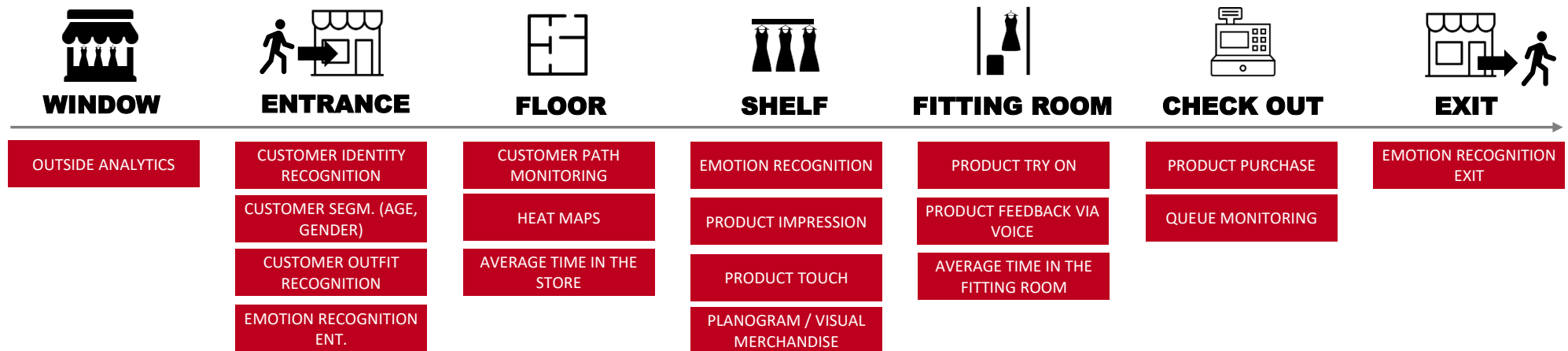## IN -STORE EXPERIENCE

ADDITIONAL TRAFFIC AND MEDIA COVERAGE

- ACTIVATE A MOBILE BASED STORE CLIENTELING EXPERIENCE FOR PAYMENT AND OTHER CLIENT SERVICES ("APPLE STORE LIKE")
- ~~DELIVER A NOVEL EXPERIENCE~~ ... DIGITAL ... IN STORE, WHILE GENERATING SIGNIFICANT MEDIA COVERAGE (POSITIONING YAMAMAY AS A LEADER IN INNOVATION)
- TRY TO ACTIVATE SOME INITIAL OMNICHANNEL FUNZIONALITIES TO ENHANCE BOTH THE OMNICHANNEL REVENUES AND THE CUSTOMER EXPERIENCE

BY THE END OF MARCH, A PILOT @ NEW YAMAMAY CORDUSIO FLAGSHIP ~~SHALL GO~~-LIVE, WITH THE GOAL TO SCALE AS A SECOND STEP ON THE FULL NETWORK

IS NOW

TROUGH END TO END IN-STORE CUSTOMER PROFILING AND BEHAVIORAL ANALYSIS

DATA AND ANALYTICS WILL ALLOW RETAILERS TO CREATE MORE TAILORED, CUSTOMIZED AND EXPERIENCIAL STORES THAT ARE BETTER ABLE UNDERSTAND AND ANTICIPATE THE NEEDS OF SHOPPERS

DATA RETRIEVAL TOUCH POINTS

WINDOW	ENTRANCE	FLOOR	SHELF	FITTING ROOM	CHECK OUT	EXIT
OUTSIDE ANALYTICS	CUSTOMER IDENTITY RECOGNITION	CUSTOMER PATH MONITORING	EMOTION RECOGNITION	PRODUCT TRY ON	PRODUCT PURCHASE	EMOTION RECOGNITION EXIT
	CUSTOMER SEGM. (AGE, GENDER)	HEAT MAPS	PRODUCT IMPRESSION	PRODUCT FEEDBACK VIA VOICE	QUEUE MONITORING	
	CUSTOMER OUTFIT RECOGNITION	AVERAGE TIME IN THE STORE	PRODUCT TOUCH	AVERAGE TIME IN THE FITTING ROOM		
	EMOTION RECOGNITION ENT.		PLANOGRAM / VISUAL MERCHANDISE			

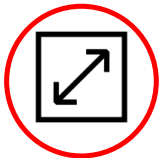Source: Accenture 2019 Project @ YamamaY

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WHY TO INVEST IN MOBILE EXPERIENCE ?
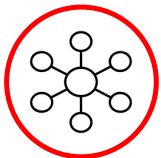
yamamay

TO ENABLE THE IN STORE ON-THE-GO MOBILE PAYMENT ALLOW FOR A **FAST & SMART CHECK-OUT EXPERIENCE** ("APPLE STORE LIKE")

TO ENABLE A **CLIENTELING SERVICE**: SALES ASSISTANTS SUPPORT THE CUSTOMER DURING THE OVERALL EXPERIENCE IN STORE

TO **SCALE THE PILOT** SOLUTION ON OVERALL YAMAMAY NETWORK IN A SMART WAY

TO **ENABLE SOME OMNICHANNEL CAPABILITIES.** IN PARTICULAR PRODUCT LOCATOR AND SIMPLIFIED ENDLESS AISLE FEATURES (ROOM FOR **VALUE**)
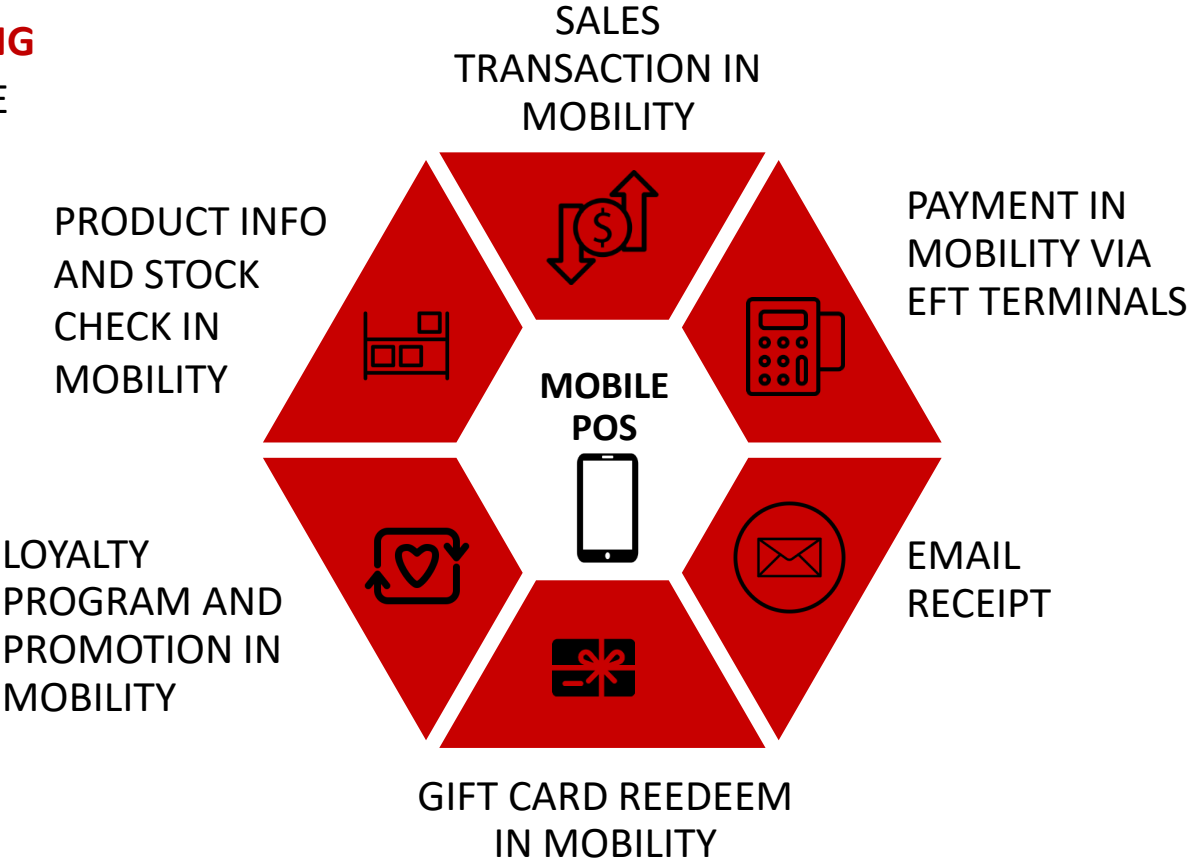
TO **RENEW THE IT HW ASSETS** MOVING TO NEW DIGITAL DEVICES AND **REDUCING CAPEX/COSTS** (LESS POS, MORE SURFACES TO SALES...)

Source: Accenture 2019 Project @ YamamaY

PAYMENT & CLIENTELING EXPERIENCE - SERVICES

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MOBILE POS

KEY FEATURES OF **CLIENTELING EXPERIENCE** ENABLED BY THE MOBILE POS SOLUTION

SALES TRANSACTION IN MOBILITY

PAYMENT IN MOBILITY VIA EFT TERMINALS

PRODUCT INFO AND STOCK CHECK IN MOBILITY

MOBILE POS

EMAIL RECEIPT

LOYALTY PROGRAM AND PROMOTION IN MOBILITY

GIFT CARD REEDEEM IN MOBILITY

Source: Accenture 2019 Project @ YamamaY

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PAYMENT & CLIENTELING EXPERIENCE - BENEFITS

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BRAND RELEVANCE

➢ ENHANCE STORE **ATTRACTION** AND **STORE EXPERIENCE** THUS RAISE BRAND AND PRODUCT AWARENESS

➢ IMPROVE **CUSTOMER ENGAGEMENT** INSIDE AND OUTSIDE THE STORE PROVIDING **PERSONALIZED** EXPERIENCE AND SERVICES

➢ ENHANCE **SALES EFFECTIVENESS** ALLOWING CROSS/UP-SELLING THROUGH AD HOC RECOMMENDATION TO CUSTOMERS

➢ IMPROVE INDIVIDUAL CUSTOMER **PROFILING** AND ENABLE AD-HOC ACTIONS
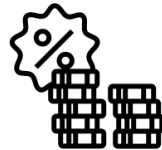
SALES EFFECTIVENESS

➢ ENHANCE THE **IN-STORE INTERACTION** AND RISE POTENTIAL IMPULSE BUYING

➢ **FACILITATE THE PAYMENT** PROCESS AND REDUCE/CUT THE DEPENDENCY FROM THE FIXED CASH REGISTER

➢ RAISE THE AVERAGE CUSTOMER **YEARLY SPENDING** WITH PRE/POST SALES ACTIONS

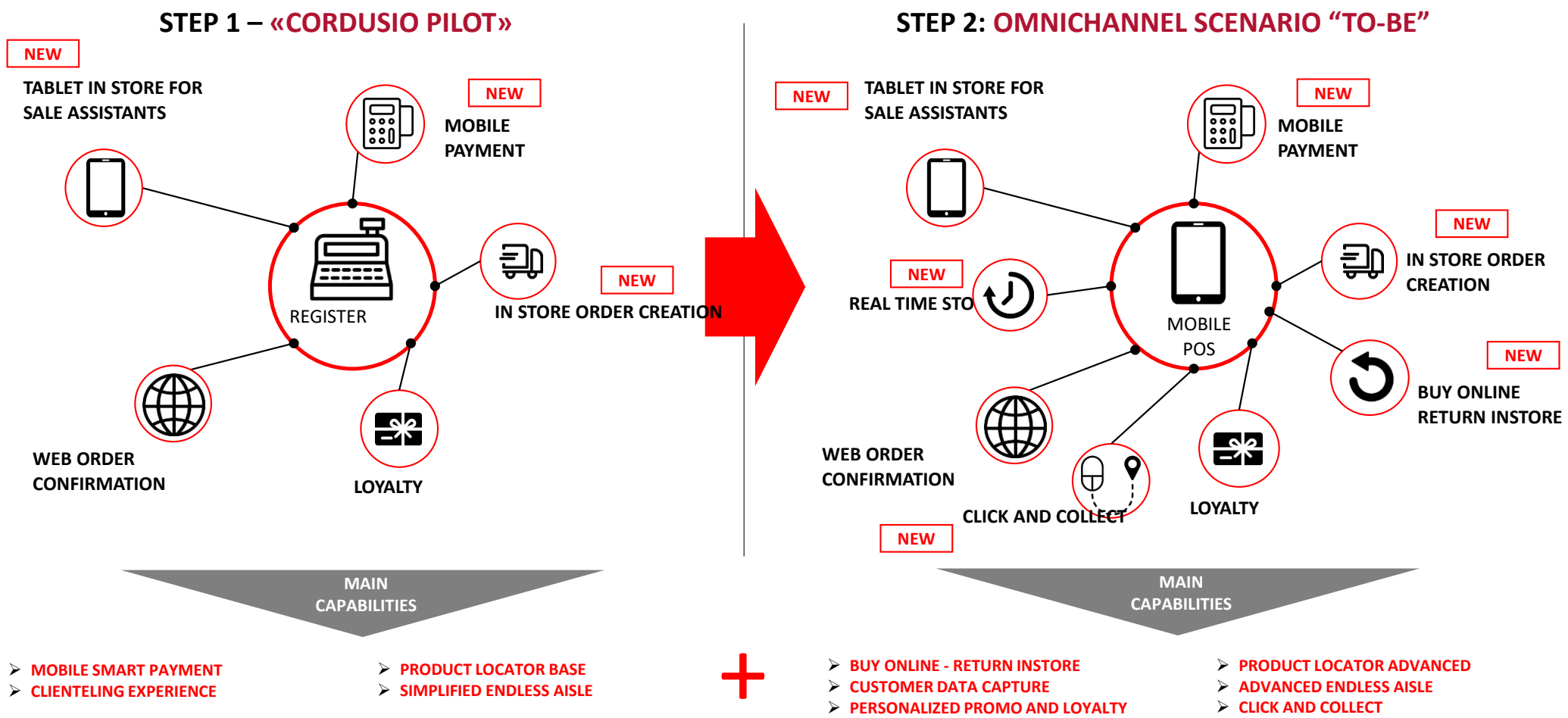➢ GENERATE A **CONTINUOUS ENGAGEMENT** WITH CUSTOMER

OPTIMIZATION

➢ **OPTIMIZE INVENTORY** MANAGEMENT WITH WAREHOUSE/CROSS POINT OF SALE LIVE STOCK INFORMATION

➢ **STREAMLINE** IN-STORE/CROSS STORE **OPERATIONS**

➢ SALES ASSISTANT COMPLIANCY/**PERFORMANCE** MONITORING
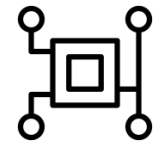
STORE DIGITALIZATION

➢ **EMPOWER** THE SALES ASSISTANT PRE/DURING/POST SALES

➢ ENHANCE/PERSONALIZE THE SALE CEREMONY WITH FULL **CUSTOMER VIEW, REAL TIME AVAILABILITY**, UP/CROSS SELLING, **PERSONALIZED SERVICES**, MOBILE PAYMENT

➢ ENHANCE CUSTOMER **SELF SERVICE/GUIDED EXPERIENCE** WITH DIGITAL CATALOGUE, TOTAL LOOK, PERSONALIZED STYLE, PERSONALIZED RECOMMENDATION

FROM PILOT TO FULL OMNICHANNEL

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STEP 1 – «CORDUSIO PILOT»

NEW

TABLET IN STORE FOR SALE ASSISTANTS

NEW

MOBILE PAYMENT

REGISTER

NEW

IN STORE ORDER CREATION

WEB ORDER CONFIRMATION

LOYALTY

MAIN CAPABILITIES

- ➤ **MOBILE SMART PAYMENT**
- ➤ **CLIENTELING EXPERIENCE**

- ➤ **PRODUCT LOCATOR BASE**
- ➤ **SIMPLIFIED ENDLESS AISLE**

STEP 2: OMNICHANNEL SCENARIO "TO-BE"

NEW

TABLET IN STORE FOR SALE ASSISTANTS

NEW

MOBILE PAYMENT

NEW

REAL TIME STO

MOBILE POS

NEW

IN STORE ORDER CREATION

NEW

BUY ONLINE RETURN INSTORE

WEB ORDER CONFIRMATION

CLICK AND COLLECT

NEW

LOYALTY

MAIN CAPABILITIES

+

- ➤ **BUY ONLINE - RETURN INSTORE**
- ➤ **CUSTOMER DATA CAPTURE**
- ➤ **PERSONALIZED PROMO AND LOYALTY**

- ➤ **PRODUCT LOCATOR ADVANCED**
- ➤ **ADVANCED ENDLESS AISLE**
- ➤ **CLICK AND COLLECT**

Source: Accenture 2019 Project @ YamamaY

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YAMAMAY STORE EXPERIENCE
POSSIBLE ''WOW DRIVERS''

Yamamay

ATTRACT — **DISCOVER** — **TRY** — **SEAMLESS CHECK-OUT** — **SOCIAL GAMING**

• HOLOGRAPHIC WINDOW • MAGIC WINDOW • VIDEO MAPPING	• STYLESCRIPT UNDERWEAR VOICE ASSISTANT • DIGITAL CATALOGUE • SOCIAL WALL	• ENHANCED EXPREIENCE • IMMERSIVE FITTING ROOM	• POS • CLIENTELING • OMNICHANNEL APP	• QUEST IN AUGMENTED REALITY • SOCIAL SHARING

"I'm not inspired to browse in store and discover the collections"

"I can't find what I'm looking for because not all the products are exposed "

"I need to try on an item but I don't like the fitting room experience"

"Queue is very long and I don't have time"

"I am not motivated to share my branded moments"

Source: Accenture 2019 Project @ YamamaY

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Cordusio,
Milano

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Piazza Cordusio,
Milano

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Brings More Personalised Service to Customers With Virtual Fashion Stylist and Mobile Payments Equipped Personal Shoppers

The underwear brand's pilot project with Accenture leverages artificial intelligence to provide an enhanced shopping experience across digital and physical channels

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Yamamay, the underwear brand, collaborated with Accenture to envision a customer experience that fuses the advantages of the digital and traditional shopping with the introduction of a Virtual Fashion Stylist and dedicated in-store Personal Shoppers equipped with mobile payment devices in its newly opened flagship store in Piazza Cordusio, Milan. Personal shoppers assist customers from the time they enter the store through to payment – eliminating the need to go to a cash desk.

To underscore Yamamay's commitment to delivering a curated shopping journey to customers, Accenture ideated and implemented a Virtual Fashion Stylist that enables shoppers to begin their retail journey whenever and wherever they want. Using artificial intelligence, the mobile chatbox analyzes customers' individual style preferences and prompts fashion options that match their taste. Customers access the Fashion Stylist through their Google Account without the need to download an app. When using the service for the first time, customers are asked to share standard information and answer questions to indicate their general fashion preferences and personal style. The Virtual Assistant uses these data to begin showing the clothing options that best match the shopper's profile. The advantage for consumers is that they have the choice of accepting the options recommended by their Virtual Fashion Stylist and complete their purchase through Yamamay's e-commerce portal, or they can visit the store.

MOBILE CHATBOT CUSTOMER JOURNEY: FASHION STYLIST

ATTRACT & ENGAGE | CONVERT

1

Laura is at home and she wants to get some **inspirations** on glamour looks for a special occasion. So she decides to talk to **"Yamamay assistant" on her mobile**

2

She accepts to link her **Google account to share basic profile**

3

By answering a couple of **questions** regarding her **profile and style**, the stylist agent will **recommend** her a set of **Yamamay swimwears**

4

She clicks on the product she likes and she will be **redirected on Yamamay website** to discover more

illustrative

CAPABILITIES

CUSTOMER PROFILING | GOOGLE ACCOUNT LINKING | STYLE RECOMMENDER | E-COMMERCE LINK

A virtual assistant giving style advice to Yamamay customers. The logical workflow:

MOBILE CHATBOT

FASHION STYLIST

- **Access:** The users can access the agent via Google Assistant application on their smartphone without app installation

- **Account Linking:** To activate the experience for the first time, the users are needed to agree on linking their Google account to share basic information

- **Profiling:** The users answer a couple of questions to record their preference and style. The result will be a defined style profile for each customer

- **Query and Recommendation:** Based on the registered profile and what users search for, the agent shows a couple of products (swimwear, women)

- **Link to e-commerce:** The users can click on the products they like, and they will be redirected to Yamamay.com, on the product page (product category page)

- **Wow effect:** Virtual Style Recommender

- **Utility:** no installation needed, immediate scalability, deep data retrieval, broaden audience

Pianoforte: Yamamay & co.

Milano Cordusio Flagship piloting a new customer experience

The omnichannel journey

yamamay

Among the 4 main directions from the 2019-23 Business Plan recently launched in Pianoforte, there are 2 that impact all the IT/Digital activities ...resulting then in 4 key strategic pillars

- **Strong quantitative support in commercial management**
  - Revised mark-up policies
  - Targeted discounts and optimized mark-down
  - Improved sourcing on the basis of performance
- **e-commerce strategy - new major initiatives expanding Pianoforte offer**
  - Free returns
  - Pay and collect
  - Mobile payment
  - Online fidelity card
  - Google/FB drive to store
- ....

- **Data Driven Actions** enabling better performances
- Full **Omnichannel** removing un-necessary processes that are tailored by brand
- **Single view of customer** through all the communication channel (In-store, Loyalty, Online, DEM, Customer Services)
- Enabling **Personalization**

Looking backward to the 3-yrs ago situation, several initiatives have been launched over time, sometimes according to a cross-brand strategy, unfortunately more often looking by brand
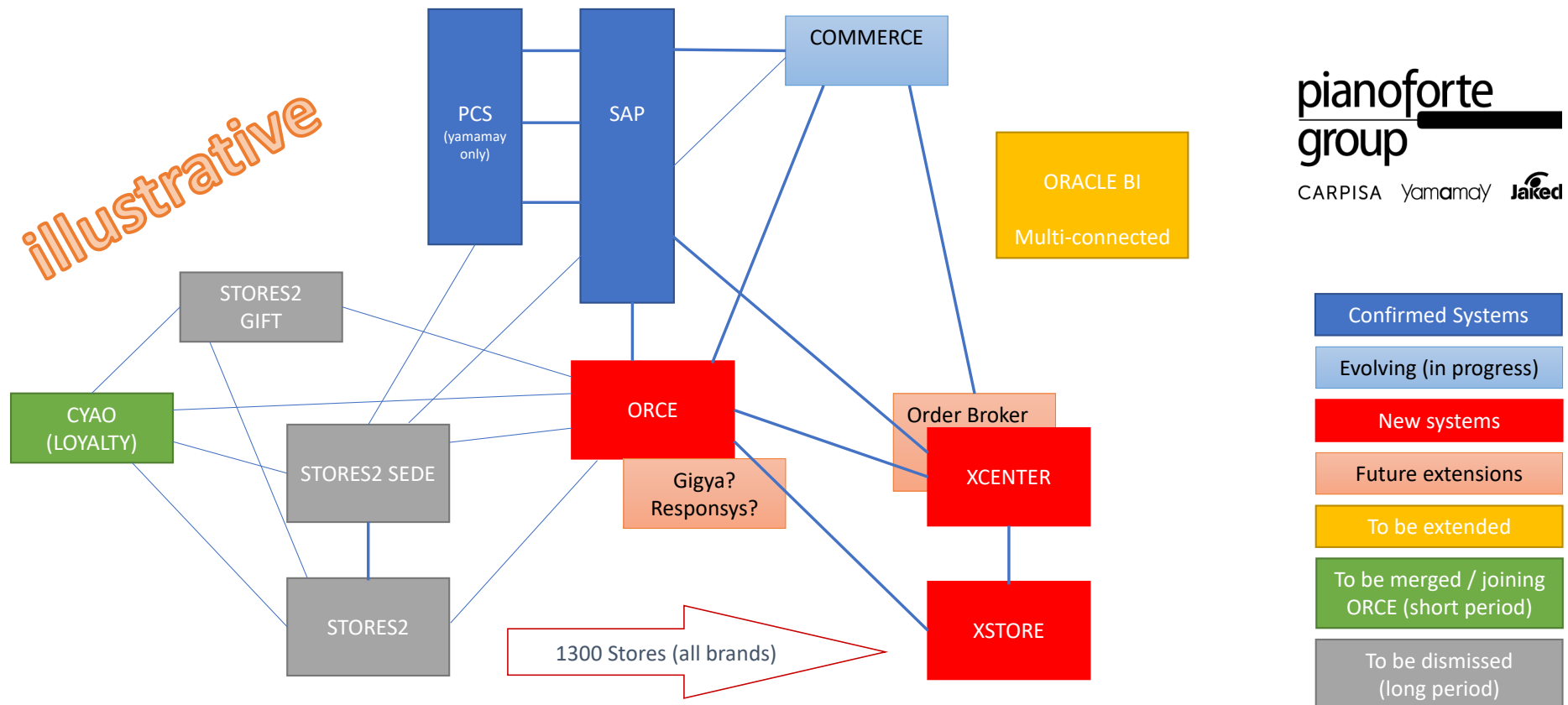
Legacy Systems	PLM and Logistics	Reporting & Planning	Retail Area	eCommerce	CRM & Loyalty
• SAP FPM merging two distinct previous SAP Retail (yamamay) and SAP AFS (carpisa) solutions • Still distinct and very different processes flowing through a number of satellite systems by brand	• Distinct and completely disconnected processes for PLM • 2 fully disconnected logistics supporting the 2 main brands	• BI solutions by brand • Limited usage of historical data and analytics in planning	• 3 slightly different (and fully customized) versions of the former Oracle solution (Stores2) • Application of the commercial strategy passing through discounts' structures that are different by brand	• Fully outsourced ecommerce for the 2 main brands • NO omnichannel capabilities • Loyalty schema with basic / limited application	• NO CRM • Loyalty schema with basic / limited application

Yamamay: PLM Processes review & tool upgrade

Carpisa: Warehouse and distribution optimization

Cross: Oracle BI & Analytics

Yamamay: Oracle RPAS for buying

Yamamay: studies for Cordusio Flagship

Yamamay: mobile for Cordusio Flagship

Cyao multibrand Stores

Jaked: online site

C+Y: Reserve & Collect

Cyao Card app

C+Y: Digital Signage

Cross: DEM with multiple sources

The challenge is huge:

- continuing to focus on providing our customers with a great **consumer experience**

- **recovering delays on the retail part** while removing un-necessary solutions by brand

- putting **CRM-Loyalty and Digital Marketing** at the core

- progressing on the **full omnichannel** path

- getting the good from previous initiatives...

- ...expanding them where needed

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CARPISA yamamay Jaked

- expand the usage of the new in-store mobile sales features (Xstore)

- provide our stores with a single retail solution on all the value chain (SAP-ORCE-Xstore)

- **ORCE as master for all CRM, customer db and commercial processes by 2019**

- connect Online with CRM-Loyalty and Retail operations (ORCE, Order Broker later)

- extend the Analytics coverage (Oracle BI)
  - retiring the former BI solutions by 2019
  - establish a single powerful x-brand solution to better manage In-season and commercial strategies

- extend the Planning features (RPAS)
  - to involve the other brands by 2020
  - to manage all the Commercial Budgeting process

Oracle Customer Experience, now supporting only promotional activities for Yamamay Cordusio flagship will play a pivotal role in the next couple of years, while all the stores will join Cordusio on the new omnichannel platform

illustrative

COMMERCE

PCS (yamamay only)

SAP

ORACLE BI
Multi-connected

STORES2 GIFT

CYAO (LOYALTY)

STORES2 SEDE

ORCE

Gigya? Responsys?

Order Broker

XCENTER

STORES2

1300 Stores (all brands)

XSTORE

Confirmed Systems

Evolving (in progress)

New systems

Future extensions

To be extended

To be merged / joining ORCE (short period)

To be dismissed (long period)

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CARPISA   yamamaY   Jaked

Key takeaways

- **"Mind the step"** vs **"bridge the gap"**

- Both a **clear vision** and a **step change** will be key to succeed

- From **tailored by brand** to **enabling personalization** (for the customers!)

- **True omnichannel** is needed to **survive** (without having retail and online to compete)

- "**Not negotiable!** It's just the price for staying in the game" (Geoffrey Moore – Best selling author)

Let me add three final pills I got yesterday from Mike Webster's keynote

(SVP Oracle Retail)

- *Digital kills mediocrity*

- *Pivot to Customer*

- *Invest with intent*

yamamay

Yamamay.com