CATALYST

Phygital Store Phase II

Theatre presentation
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ORANGE
Catalyst’s origins

A Phygital Store
to blend the physical and digital interactions between a customer and the digital service provider (DSP)
to deliver an omnichannel experience,
to create a trusted ecosystem for end customer and 3rd party
Drivers

• **Retail Distribution**
  Major asset to reinvent and adapt to digital technology

• **Customers with increasing digital expectations**
  Millennials generation

• **Competitive context**
  service providers and GAFA (Google Apple Facebook Amazon)

• **GDPR compliance**
  DSP will have to comply to GDPR (General Data Protection Regulation) starting May 25th 2018
ORANGE: For an unmatched Customer Experience...

An unmatched customer experience

Diversifying by capitalizing on our assets
Supporting the transformation of business customers
Building a company model that is both digital & caring
Offering enriched connectivity
Reinventing the customer relationship

Customer experience

Support customers by anticipating their needs in an ever more efficient and personalized way.

6,000 Orange shops worldwide
45% of interactions via a digital channel in 2017 in France and Europe
327 Smart Stores with 400 planned openings in 2018
100,000 frontliners responsible for customer relations, all countries and channels combined (shops and call centres)

+ 4,000 customers and employees involved in Orange Bank trials
16.6 million users active on the ‘my Orange’ app
80% Resolution rate for customer problems through self-help forums created in 8 countries

A digital, efficient and responsible company
... follow the Digital Relationship Essentials

We want to stand out in the customers’ eyes

#1 Always connected when needed
I can communicate, entertain myself or work. I have network coverage wherever I need it

#2 All Orange from my mobile
I can buy, manage my account or get help. I can do everything easily from my mobile phone and I always have support if I need it

#3 Always a shop to experiment for real
I can test products and get advice in an Orange store, and I know where to find one easily

#4 Always my money with me
I always have my money with me on my mobile phone

#5 Customer approved
I use services that suit me because they have been conceived or improved with customers like me.

#6 Co-created to support business
At Orange, we create digital solutions to develop our business in full confidence
Retail Digital Transformation

- **Amazon Go** – new futuristic convenience store goes cashierless
- **Walmart** buying Flipkart (Indian marketplace)
- Statistics in France (source: OpinionWay)

<table>
<thead>
<tr>
<th>62%</th>
<th>60%</th>
<th>57%</th>
</tr>
</thead>
<tbody>
<tr>
<td>of buyers are interested in brands who know exactly what they are expecting</td>
<td>of people from 18 to 24 like to go to stores where they can do more than just purchasing</td>
<td>of buyers would like brands to deliver unique experiences</td>
</tr>
</tbody>
</table>

- **Orange Opéra** – new concept store
  - An exceptional site for an unmatched experience
  - A living place
    - where technology is a leverage to experience and emotion
    - Each customer can experiment in a personalized way the best high-tech products on the market

- How to leverage the physical store:
  - Customer can **test** new products, **interact** with expert sales representatives
  - Transform the visit into a **memorable** experience: fun, interesting, enlightening
GDPR challenge

GDPR* affects our product design, processes and information systems

A new legal framework:

- Applicable: May 2018
- Single legal framework
- New rights for citizens
- New obligations and risks for businesses

* GDPR = General Data Protection Regulation

Source Data Strategy & Governance Board

NEW

Right to portability
Right to be forgotten
Proven & strong consent
Right to object
Data Protection Officer
Accountability (Data Controller + Data Processor)
Privacy by design & default - Privacy Impact assessment
Register of processing
Increased penalties (Up to 4% of global revenue)
Use Case: Customer Journey at a glance

@home Claim management
- Broken smartphone
- File a claim on Mobile App

In store
- Welcoming by robot agent

Gamification & Consent
- Play a quiz
- Give consent for a marketing profile
- Personalised reward

Privacy Dashboard
- Virtual private vault
- Consent management

Sales Engagement
- 360 view on tablet
- Cross-selling opportunities

• Broken smartphone
• File a claim on Mobile App
• Welcoming by robot agent
• Play a quiz
• Give consent for a marketing profile
• Personalised reward
• Virtual private vault
• Consent management
• 360 view on tablet
• Cross-selling opportunities
High Level solution

Mary
- Orange customer
- Has subscribed to insurance option
- Her son broke its smartphone

At home to in-store journey
Overall Business Values

• Privacy Marketing
With GDPR, we can turn the challenge into a business opportunity:
  – Integrate GDPR as part of a global data strategy to collect and manage more effectively the customer’s data
    1. Upon giving her consent on sharing her quiz’s results, Mary gets a personalized reward
    2. The Sales Rep gets a relevant 360 view of Mary’s account and can efficiently offer upsell options to Mary
  – By controlling his data sharing, the customer can monetize it to 3rd parties

Mary has complete control on her consents: revoke a any time, with whom she shares her information

• Leverage retail distribution
NPS (Net Promoter Score) increase
By delivering an outstanding and personalized experience in store, the customer leaves satisfied and more prompt in recommending the brand to peers
Use and Contribution to TMForum assets

- **Open APIs**
  - Customer
  - Address
  - Loyalty
  - Agreement
  - Privacy
  - Trouble Ticketing

- **Privacy Dashboard**

- **TMForum Metrics**

- **CurateFX capturing the business value**
# Store Front Metrics

<table>
<thead>
<tr>
<th>TMForum Metrics - GB988</th>
<th>Phygital Store impact</th>
</tr>
</thead>
<tbody>
<tr>
<td># Seconds Queue Time (487)</td>
<td>Dedicated queuing agent</td>
</tr>
<tr>
<td># Seconds Interaction Time (489)</td>
<td>Efficient 360 view for Sales Rep</td>
</tr>
<tr>
<td>% Cross-Sell Opportunities Converted (2418)</td>
<td>Accurate NBA (Next Best Action) calculated according to Marketing Profile</td>
</tr>
<tr>
<td>% Up-Sell Opportunities Converted (2415)</td>
<td></td>
</tr>
<tr>
<td>Net Promoter Score (280, 283)</td>
<td></td>
</tr>
<tr>
<td>% Customers Who Can Identify Brand Unaided (1327)</td>
<td>Memorable experience with positive impact</td>
</tr>
<tr>
<td># Brand Evangelists (1362)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>New metrics (on customers registered)</th>
<th>Description</th>
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<tbody>
<tr>
<td>Engagement rate</td>
<td>% quiz taken</td>
</tr>
<tr>
<td>Consent rate</td>
<td>% consent given</td>
</tr>
<tr>
<td>Privacy Marketing rate</td>
<td>Correlation between %consent and %Cross-Sell/Up-Sell</td>
</tr>
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What’s innovative?

• **Trusted Digital Ecosystem**
  – Provide a trusted ecosystem where a master repository facilitates GDPR processes (consent management, personal data to be erased on demand...)
  – Active customer, with complete control over his data, can decide to share his data to 3rd parties, via Orange as a trusted partner
  – This data can be monetized in an innovative way with the agreement of the person

• **Robot interaction in store**
  – Automation in store and relief for sales rep from non-sales activities
  – A fun and personalized customer experience through gamification
  – Ease of use through natural language understanding
    • leading chatbot technology (THE VENTURY)
    • best of breed cloud services (conversational services, text2speech, speech2text via IBM Watson)
  – Intelligent behavior due to emotion enrichment (facial expression, semantic speech)
Personalised Loyalty - Concepts

Gamification

- **In-Store Entertainment**: Entertain customers waiting in store with state-of-the-art robot technology.
- **Build Market Segmentation Rules**: Build rules based on survey answers to classify your customer base.
- **Personality Quiz**: Discover the customer’s interests using Revenue Weaver’s inference builder.
- **Market Segmentation**: Build a market segmentation datasets to aid marketing decisions and build targeted offers.

Rewards

- **Personalised Rewards**: Using the marketing profile derived from the survey data processing, reward the customer with a reward most appealing to them.
Personalised Loyalty - Integration

Survey Front-End

SurveyMonkey

Survey Engine

Survey Completed

Retrieve Survey Structure

Survey Structure

Save Survey after Consent

Plays Quiz

Email Reward Voucher

Sanbot

orange

Commentary on the integration of personalized loyalty:

1. **Survey Front-End**
   - User interacts with the Survey Front-End.
   - Survey structure is retrieved.
   - Survey is completed.

2. **SurveyMonkey**
   - Survey engine hosted by SurveyMonkey.
   - Survey structure is passed to SurveyMonkey.
   - Survey completed.

3. **Revenue Weaver**
   - Revenue inference rules calculated.
   - Loyalty engine (TMF658) used for rewards.
   - Customer interests and market segmentation determined.

4. **Orcha**
   - Service orchestration managed by Orcha.
   - Rating and policy engine ensures compliance.
   - Voucher management ensures redeemed rewards.

The integration leverages technology for business agility, ensuring personalized loyalty through data-driven decisions.
Monetize customer’s data as a trusted 3rd party

Customer subscription to the third party

Validation of third party provider & Customer data to share

Customer service Subscription form & KYC data from Orange

Customer

Electronic signature

Final contract signed

Bill the third party merchant for the KYC data usage

Return the final contract filled with customer data

Contract finished, all systems are notified to erase data
Digital Platform Evolution

Re-think Data privacy as a Business opportunity
Build a new business ecosystem to create new offerings and to monetize data for additional revenue

INTERNAL ECOSYSTEM
- YOUR CUSTOMER & MARKETS

CUSTOMER ENGAGEMENT IT SYSTEMS
- NTS
- globetom

EXTERNAL ECOSYSTEM
- PARTNER IT SYSTEMS
- OTHER PEOPLE'S CUSTOMERS & COMMUNITIES

INTELLIGENCE
- IBM Watson

INTELLIGENCE
- Smart Privacy & Virtual vault
- Smart Data Hub
- Data Monetization

SECURITY
- Data Monetization

DATA
- Cross domain product management & monetization
- Ecosystem management
- Service management & orchestration

SERVICE SPECIFIC IT SYSTEMS
- Your Products, Services & Data
- CEP services
- Order Management
- Billing

YOUR PRODUCTS, SERVICES & DATA
- Product Catalog

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Next Steps

- Analytics coupled with 360° view
- Use of sophisticated Artificial Intelligence in marketing profile calculation
- Beacon capabilities in store
- Third party with bank or insurance company
- IoT integration in personal space
- AI and gamification embedded in mobile application
- Contribution to TMForum metrics

Shop is not dead
Thank you!