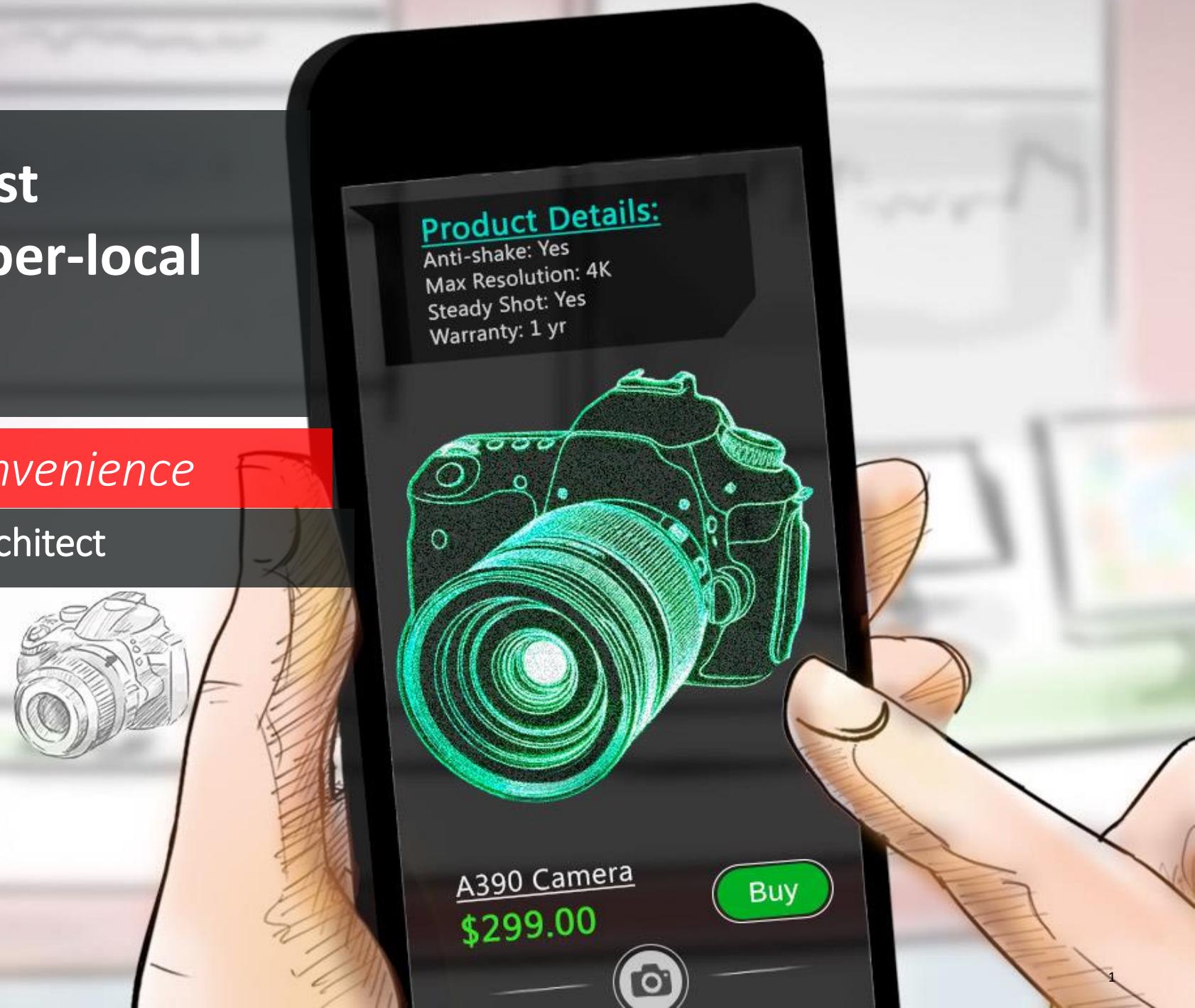


Digital Augmented Guest Experience through Hyper-local Target Stores

Guest Engagement and Convenience

John Andrew – Enterprise Cloud Architect



Innovation Themes

1. **Issues** - what's getting in our way, what could be improved?
 - Points of friction (Pre-shop engagement, finding products, Service and Checkout)
2. **Innovate** - Leverage technologies that deliver value to both Guests and Target store associates
 - Simple, Useful and interactive experience
3. **Insights** - Better understanding of Guests' instore experience
 - Real-time, actionable insights
4. **Impact** - Clear focus on business value
 - Improved Guest experience, basket size and team member up-skilling

Innovation use cases

1. Bring the shelf to life - *Guest Persona*
2. Virtual Showroom - *Guest Persona*
3. Perfect Store Shelf - *Store Team Member Persona*
4. Self On-boarding - *Store Team Member Persona*
5. Reduce Points of friction - *Store Team Manager Persona*

Bring The Shelf to life

Use Case 1 – Guest Convenience and Hyper Contextual Engagement



Alex
Target Guest

Alex's Experience

Engage me
Give me a rich interactive product experience

Empower me
Make it simple and seamless

Inspire me
Be my personal sales associate

Hyper Store Themes

Bring Shelf Products to Life

Experience to Actions (Isle Checkout)

Context Aware Recommendations



Target Store



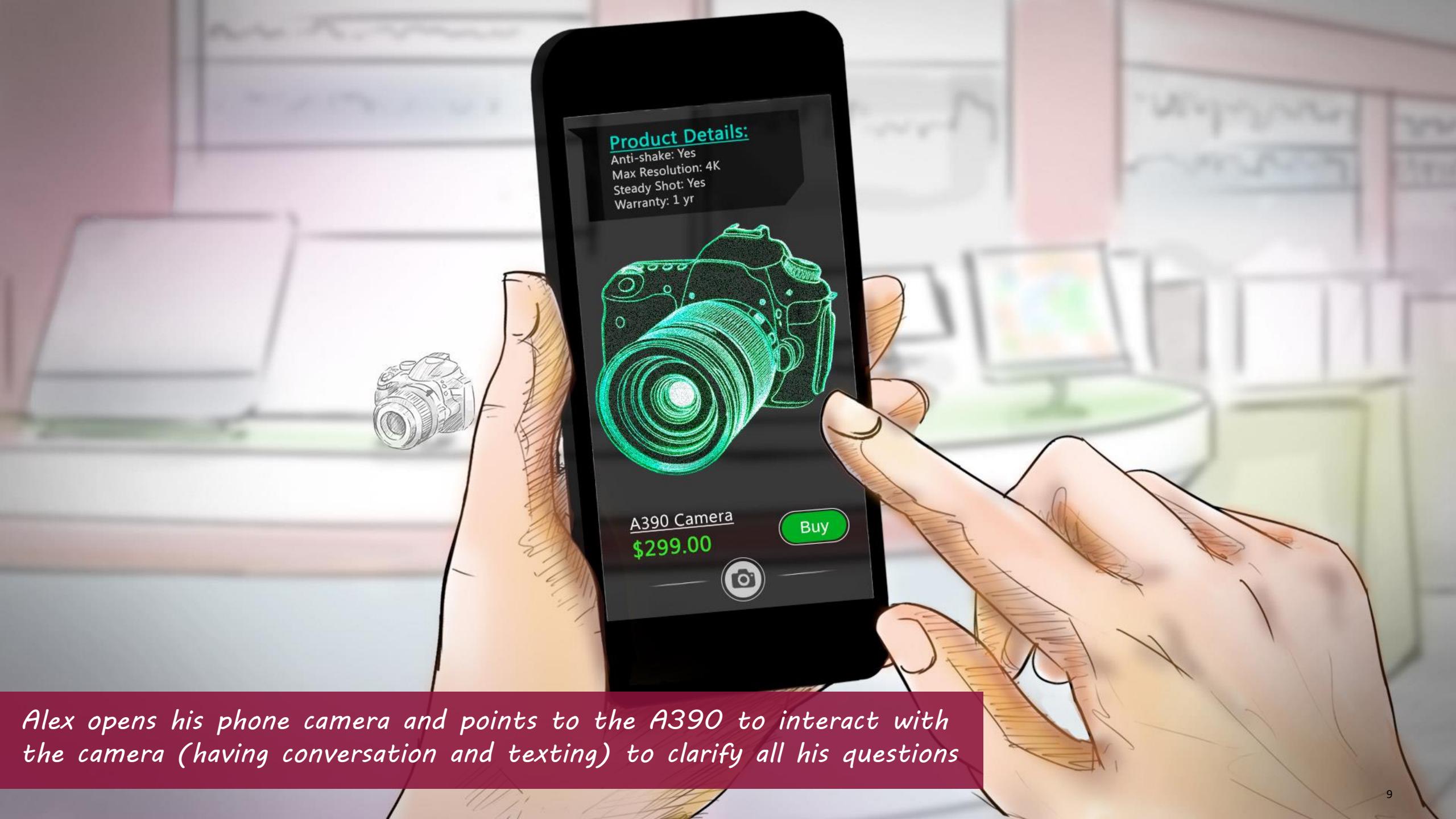
Alex is walking into Target store to buy a Sony digital SLR camera



Alex finds multiple options on display camera's in the Target electronics section, Alex liked A390 model



Alex has specific questions around features (steady shot, resolution, anti-shake), similar product comparisons, usage videos, as well as recommended best fit accessories and sale details



Alex opens his phone camera and points to the A390 to interact with the camera (having conversation and texting) to clarify all his questions



Deciding to buy, Alex clicks the checkout button within the app to initiate and complete the checkout process

Use case 1 – Guest Convenience and Interactive Experience

Challenges & Opportunities

- An intelligent personal shopper that can provide guests with information, recommend products, and even look for special bundle deals and coupons, depending on the guest's preferences and behaviors.
- The ability to have high margin products speak, text, answer questions and emote affectively.
- The ability to simply point mobile device at any store item and complete aisle checkout.
- Ability to drive guest conversations through different channels including speech, text, audio and optical

Capabilities Enabled

- Guest's camera captures product, combines virtual and physical images creates a digital hyper contextual shopping experience on demand.
- Through a mobile device's camera, optical reorganization technology allows any Target item to come to life (Interactions can include conversation, feature highlights, how to explanations, and answering questions).

Target Use Cases

- Product engagement
- Produce Traceability (Field to Fork)
- Virtual Toy interaction

Virtual Show Room

Use Case 2 – Personalized Target brand experience at home



Sara
Target Red Card Holder



Sara bed room
Target virtual show room



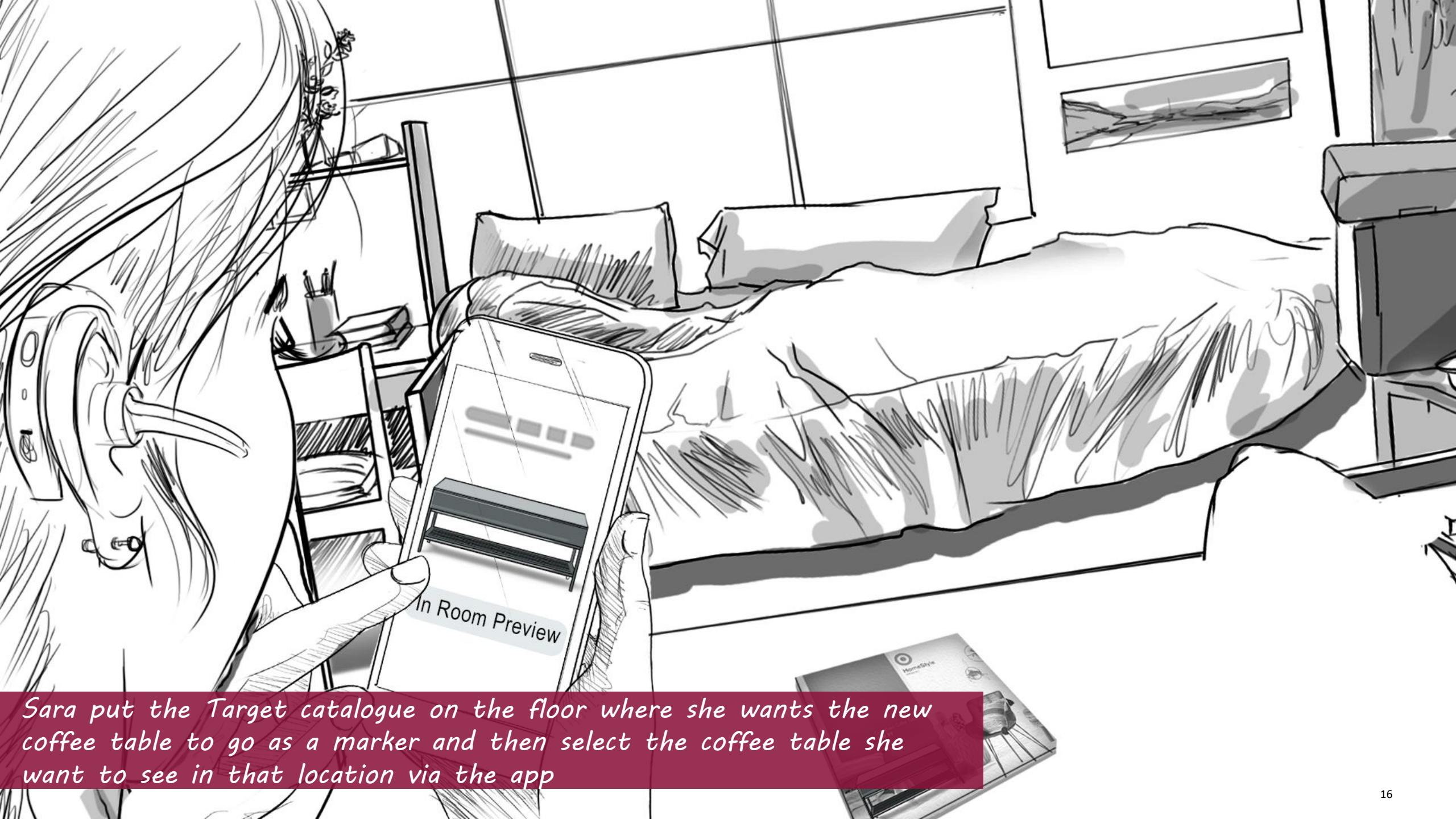
Sara wants to buy a coffee table for her living room



As a Target red card holder, she receives Target catalog and finds a sale on Oak wood coffee table



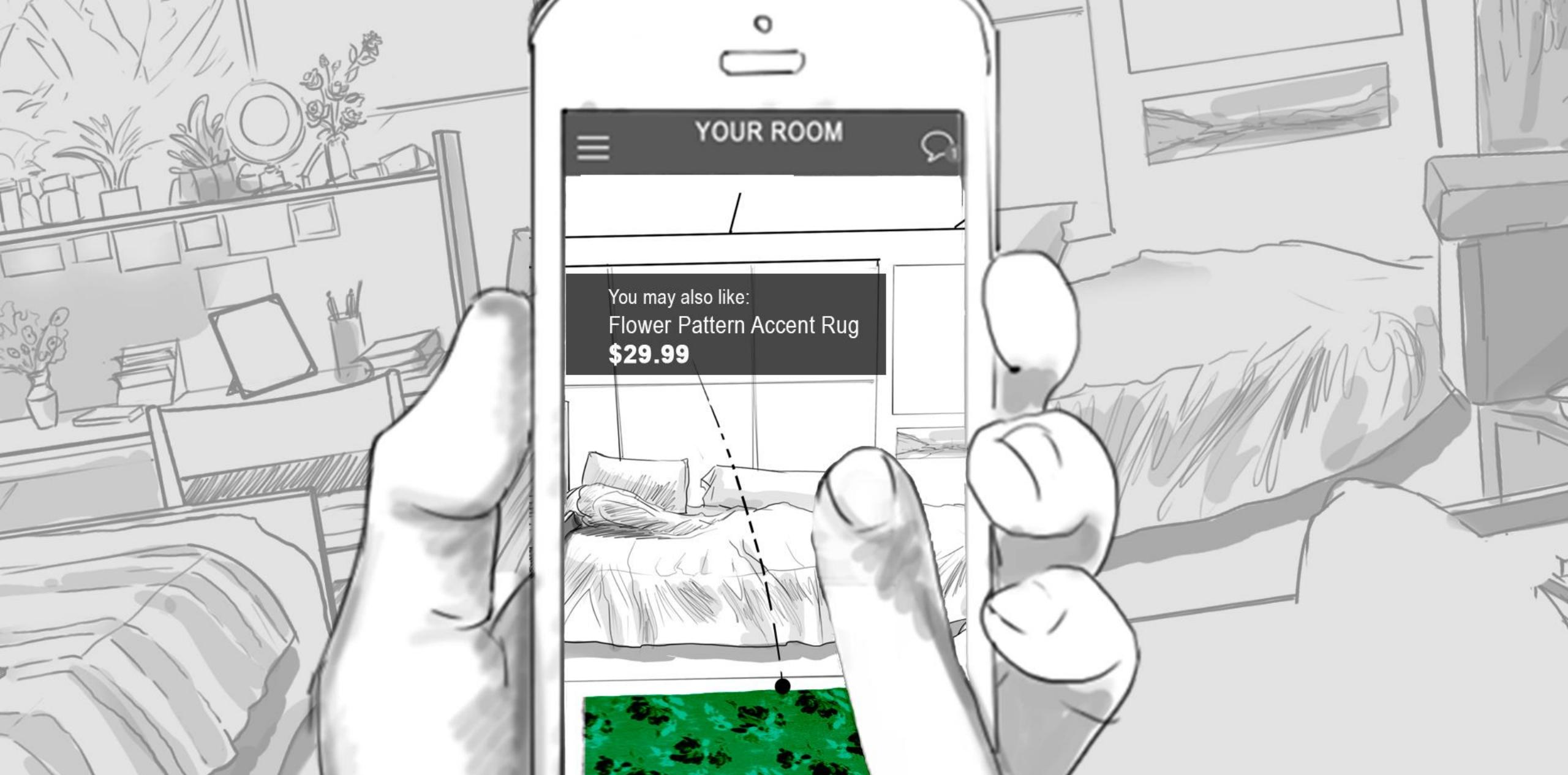
Oak Wood Coffee Table
199.99



Sara put the Target catalogue on the floor where she wants the new coffee table to go as a marker and then select the coffee table she want to see in that location via the app

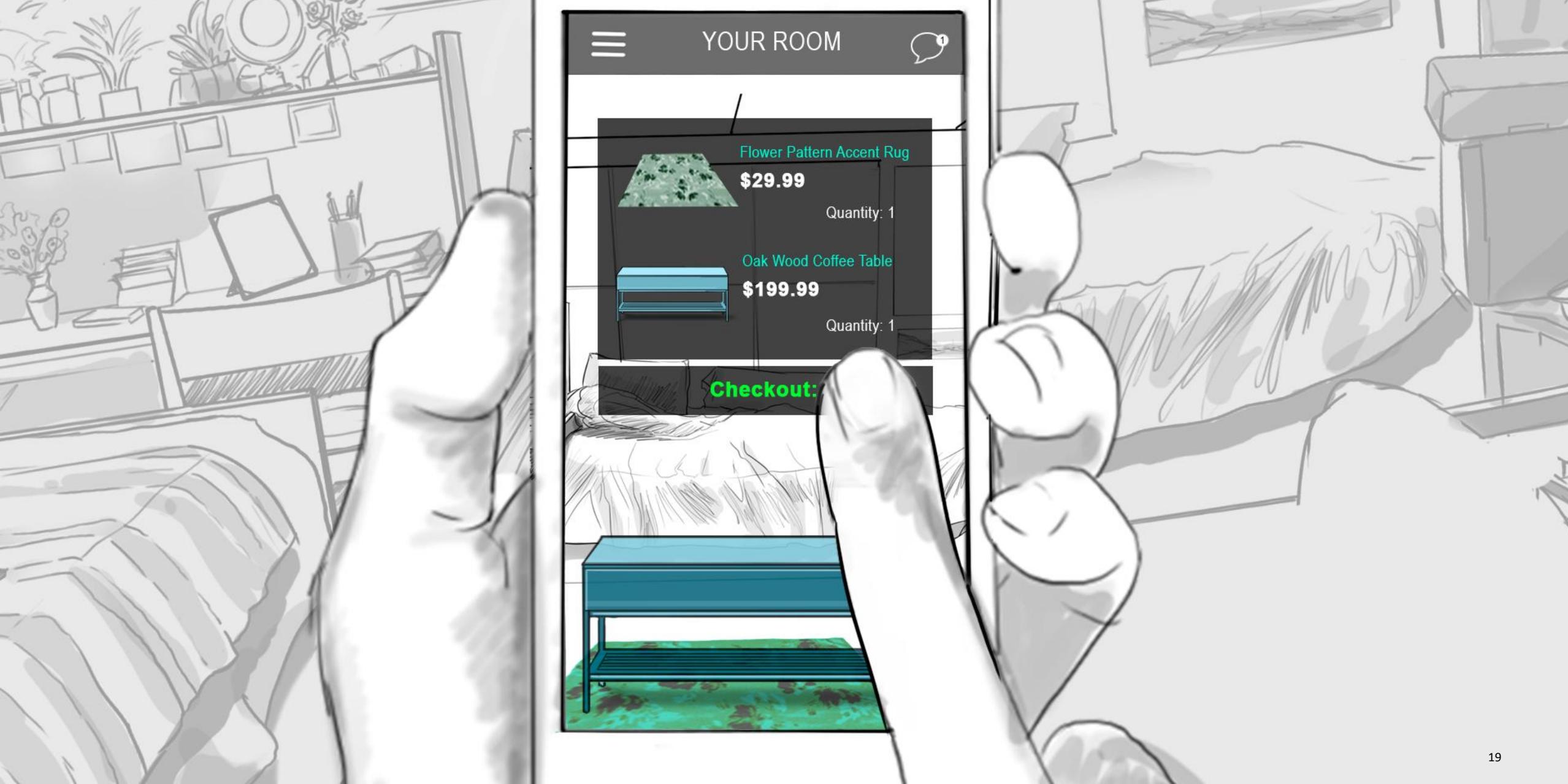


The room is shown on-screen through the camera on the device and superimposed with the chosen object as though in place



The app also suggest Sara about Target accent rug that goes well with the coffee table, and it's on 30% off sale

Sara adds the rug under the coffee table in her Target app and fully satisfied with the look and fit. She click the checkout button in her Target app to complete the checkout, initiating ship-to-home



Use case 2– Personalized **Target** Brand Experience at Home

Challenges & Opportunities

- Encourage Target guests to visualize products anywhere. View furniture and art from a home or office.
- Augmented reality catalogue to enable shoppers to visualize how certain Target catalog items could look inside their home.
- AR to lead guests through four stages: creating awareness; increasing consideration; converting consideration to action at key decision and purchase points; and building enduring loyalty.

Capabilities Enabled

- App measures the size of the products against the surrounding room and fixtures to offer a true-to-life size where possible.
- Augmented reality technology makes it possible for the Target guests to test drive different products in real time in their surroundings before they buy the product.

Target Use Cases

Interactive Target Catalog
Target Virtual Showroom

Perfect Store Shelf

Use Case 3 – Shelf Optimization and Compliance



Lydia
Target Team Member

Lydia's Experience

Efficient
Make it simple and automated

Effective
Automate experience to action

Empower me
Help me to avoid out-of-stocks & non-compliance

Hyper Store Themes

Automated Shelf Compliance check

Restocking, Rearrangement and Optimization

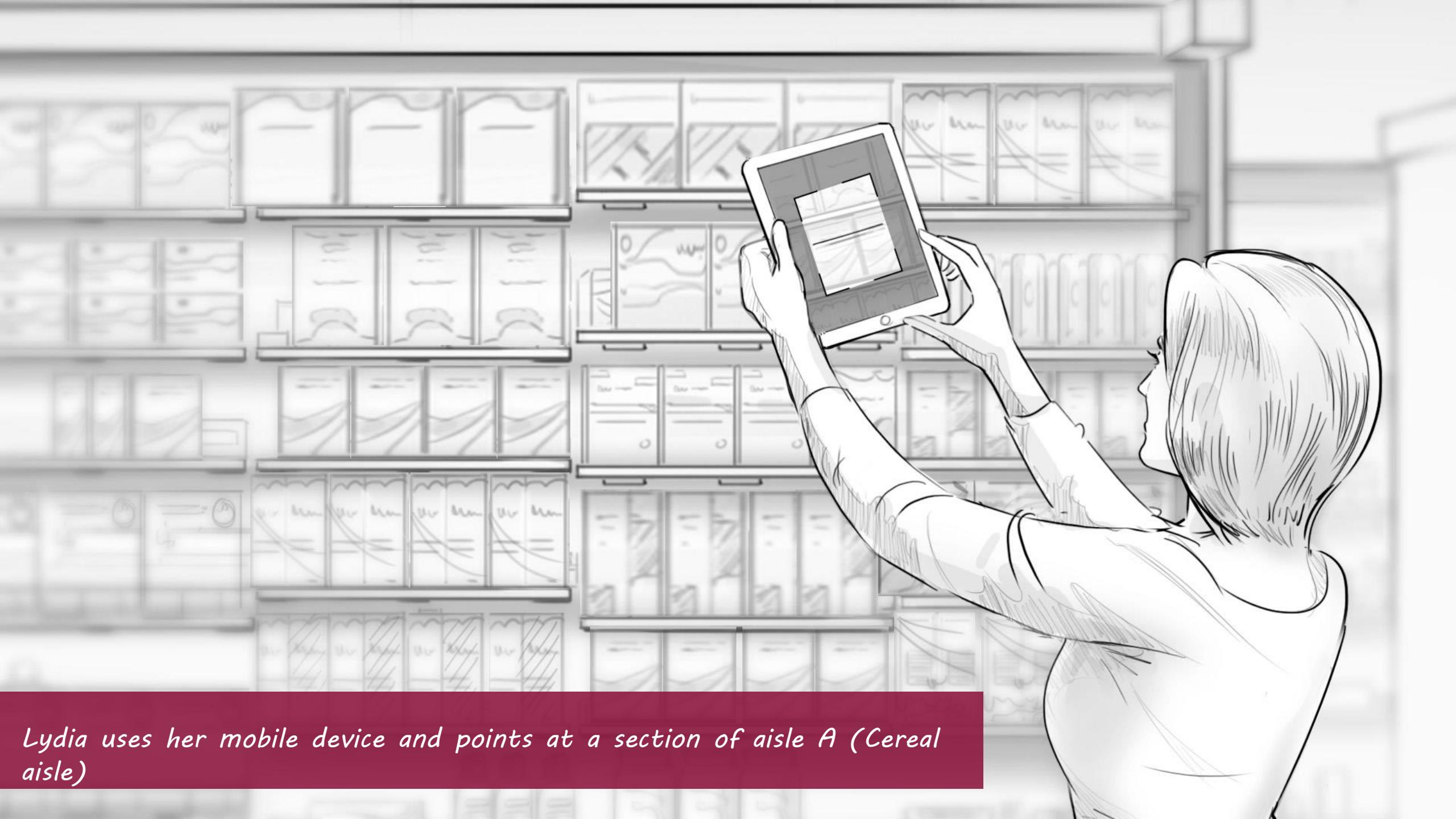
Product presence, misplacement and lack of products on shelves



Target Store
Store nbr 220 EP, MN



Lydia works at Target store 220 in Eden Prairie, MN as store associate and she is responsible for stocking shelves in aisle A, B and C with items



Lydia uses her mobile device and points at a section of aisle A (Cereal aisle)

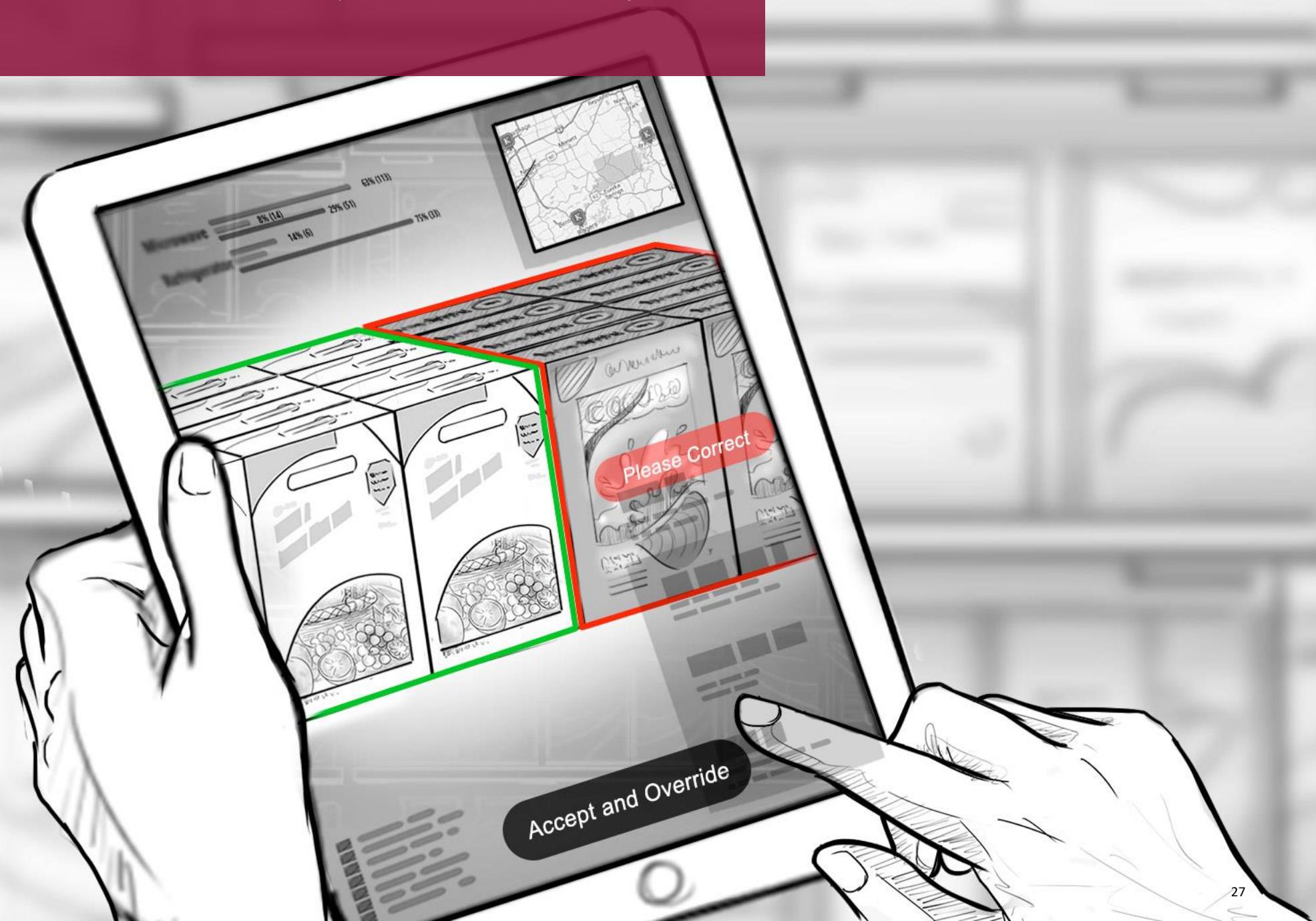


Through optical and image recognition algorithms and technology, the app captures the image of the aisle A section 1 and recognizes the items in the section



App pulls the corresponding virtual planogram image from the database
and superimposes it on the physical captured aisle section image

App reveals the misplaced items, insufficient quantities or missing products



Lydia verified the compliance recommendations and take the necessary actions (accepting some recommendations, overriding others)





Lydia continues her process with other sections in aisle A and soon completes item assortments in all sections within aisle A, verifying compliance with planogram in a timely and efficient manner

Use case 3 – Perfect Store Shelf

Challenges & Opportunities

- Validate merchandising according to display plans, which will create a better shopping experience for Target guests.
- Empty or disarranged shelves mean lost sales and Guest frustration
- Fulfill contractual obligations with manufactures to comply with an agreed planogram
- Report out-of-stock products and instances when conditions on shelves didn't comply with display plans.

Capabilities Enabled

- AR compares the current store isle display with the planned arrangement (planogram) and instantly superimposes information that reveals insufficient quantities, missing products or misplaced items

Target Use Cases

Product merchandising and assortment testing
Planogram Compliance validation

Self Onboarding

Use Case 4 – Team Member Efficiency and Productivity



Jack
Seasonal New Hire

Jack's Experience

Efficient
Make it simple and prescriptive

Effective
Convenience and Control

Empower Me
Make me productive

Target HR Themes

Convert key HR messages to actionable information

Interactive Self on-boarding Process

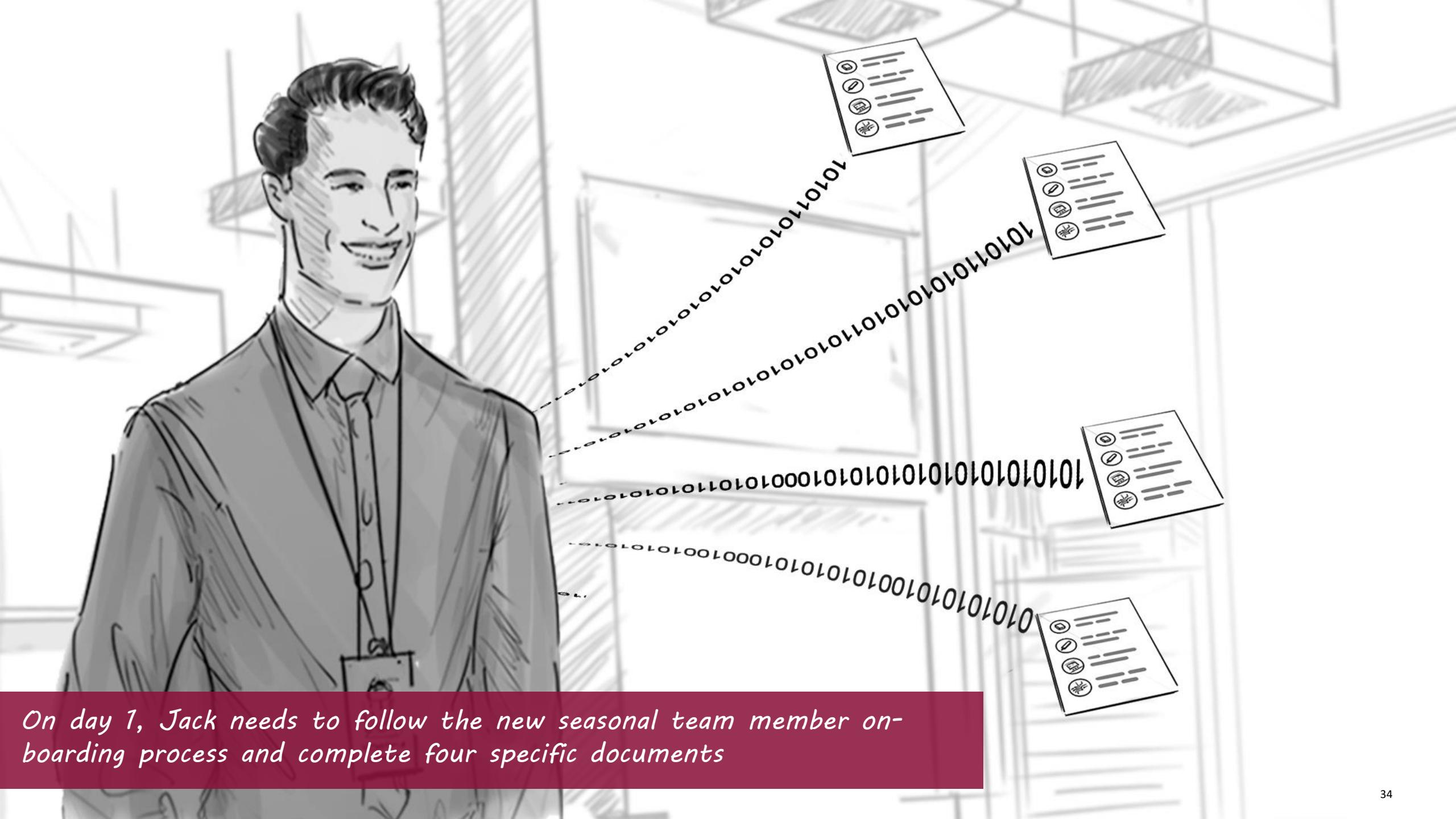
Better Team Member Experience



Jack
Self on-boarding



Jack has been hired as seasonal team member at Target store 220 in
Eden Prairie, MN



On day 1, Jack needs to follow the new seasonal team member on-boarding process and complete four specific documents

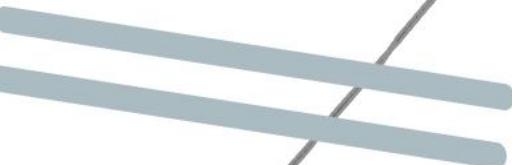


Jack is not sure what specific forms need to be complete and how. Jack points his mobile device at on-boarding poster day 1 stage in breakroom



Welcome to Target

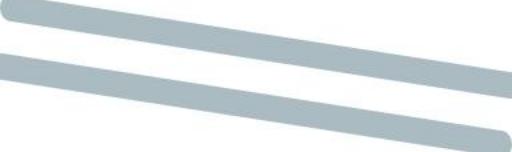
Step 1:



Step 2:



Step 3:



The app brings all day 1 tasks and details (paperwork needed to complete with step-by-step instructions around how)



Jack can also speak to his mobile device to get answers to his questions, helping complete the paperwork timely and efficiently

Use case 4 – Shelf On-Boarding

Challenges & Opportunities

- Vast amounts of data available only via connection to Corporate Systems and understanding of clicks to access.
- Printed media throughout Target Corporate contains limited information, without immediate access and richer content, leaving Team Members frustrated and disconnected.
- Deliver training, education, entertainment and insights for Corporate, Store and Guest users immediately and with richer content.

Capabilities Enabled

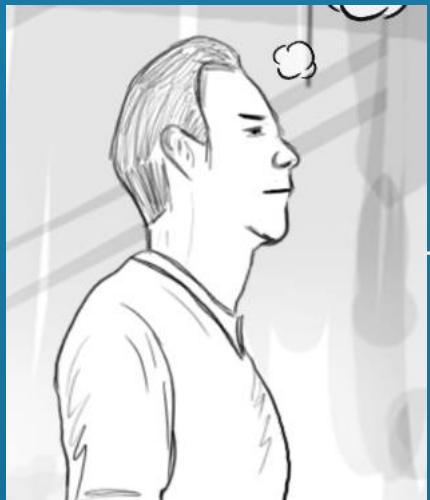
- Deliver Target the option to provide wide variety of information, education and actions from a single mobile user-interface.
 - ✓ Product information and availability
 - ✓ Scheduling, store tasks, corporate communications
 - ✓ Promotions and Marketing programs
 - ✓ Collaboration and Best Practices Sharing
 - ✓ Streamlined Employee & Temporary Associate On-Boarding Process

Target Use Cases

- Team member shelf on-boarding
- Team members product interactions
- Team members Training, tasks and scheduling

Reduce Points of Friction

Use Case 5



Alex
Target Guest

Lydia's Experience

Recognize me
Know me and my store presence

Serve me
Consultative service

Reward me
Provide me special deals and promotions

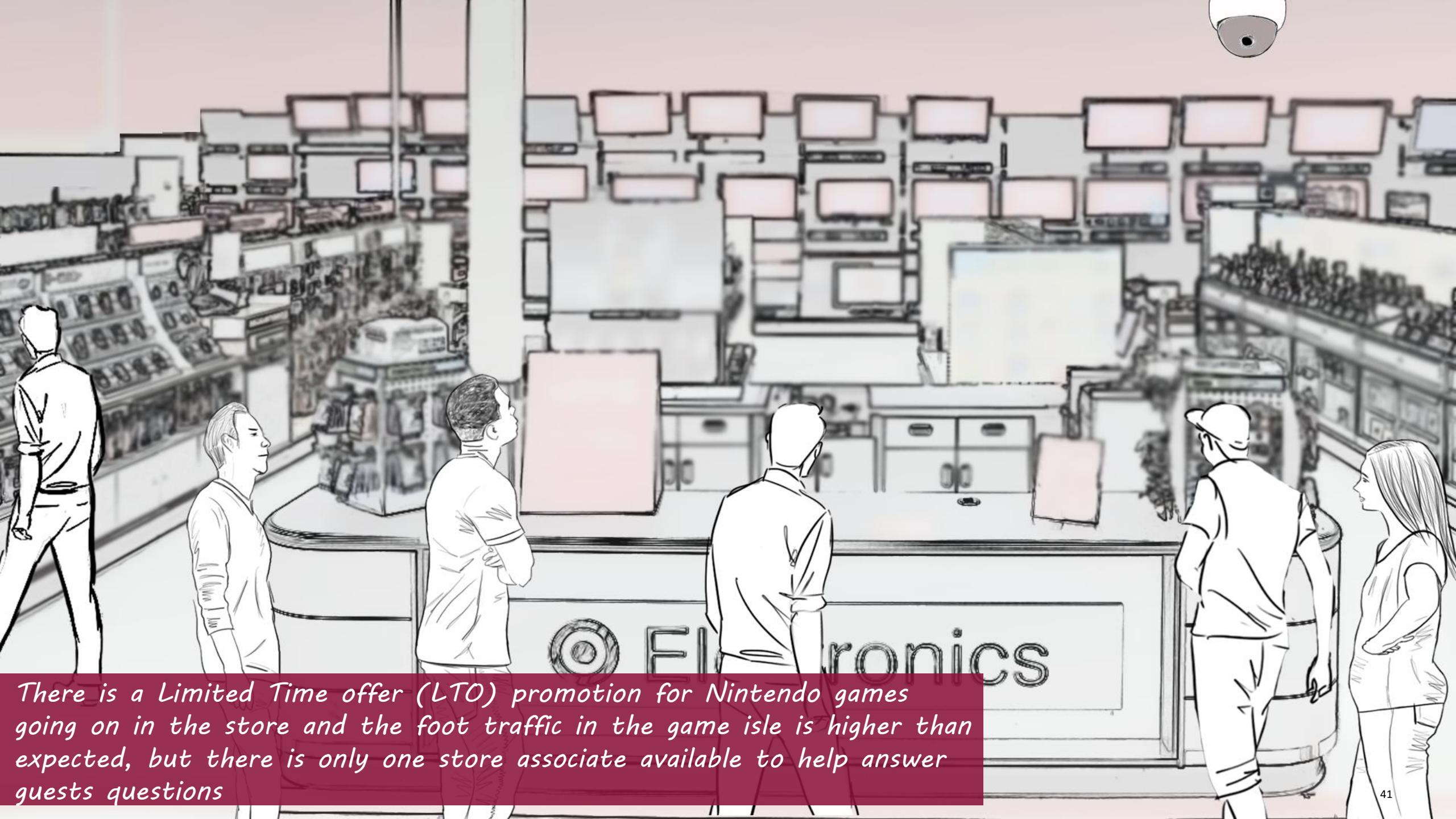
Hyper Store Themes

Add Texture to Store foot traffic

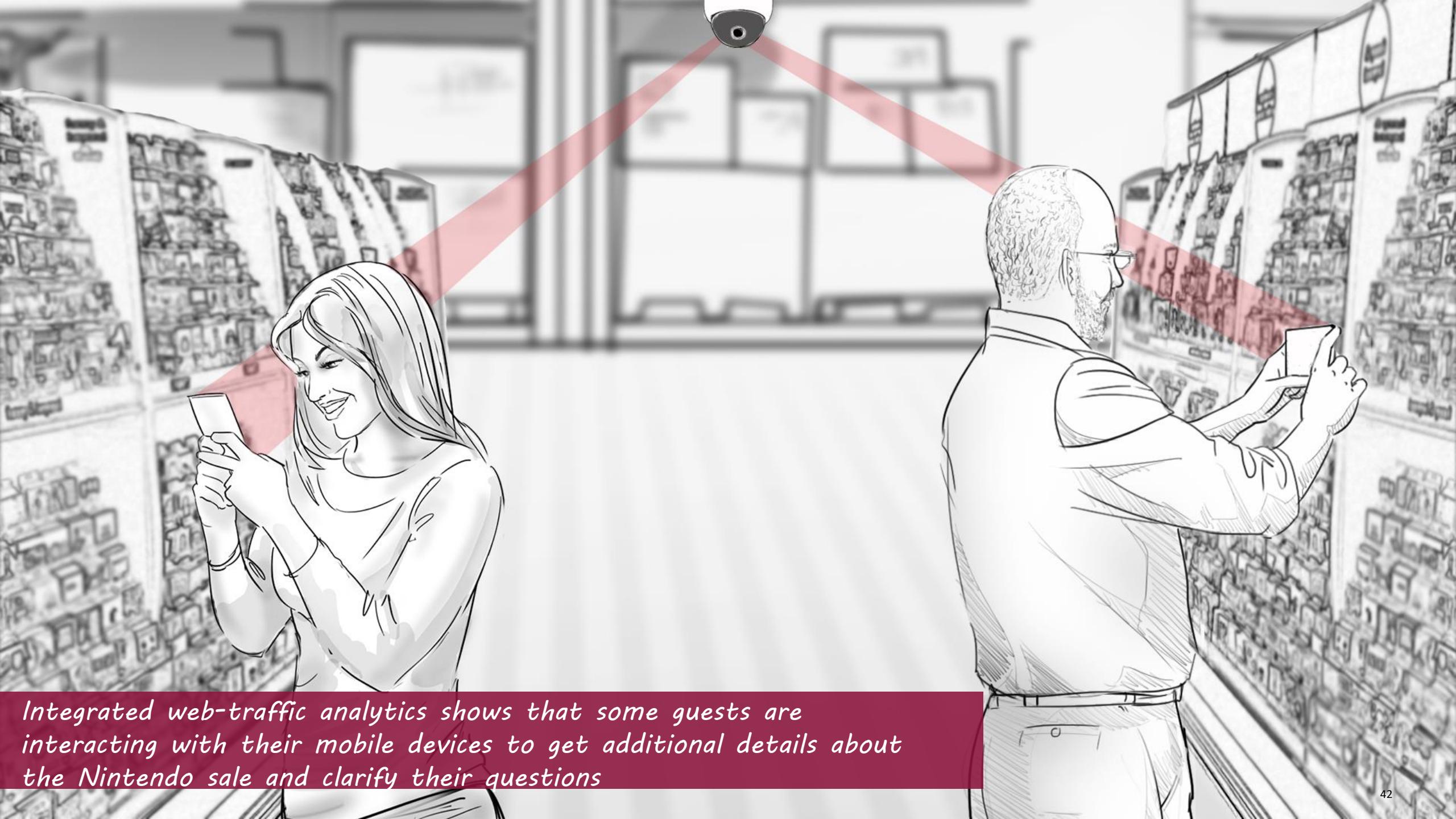
Align Guest-to-store associate ratio with traffic trends

Context aware personalized promotions

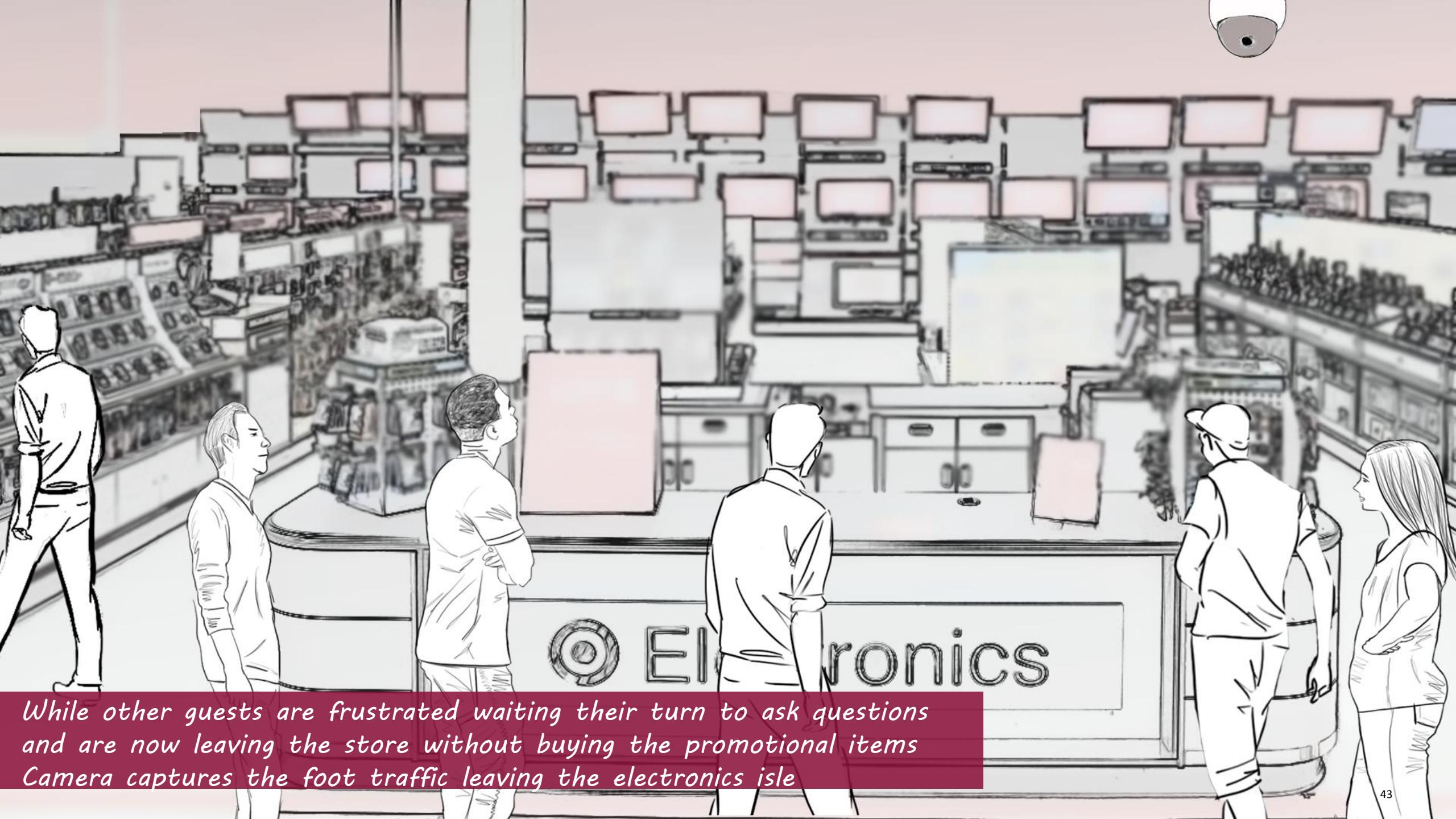




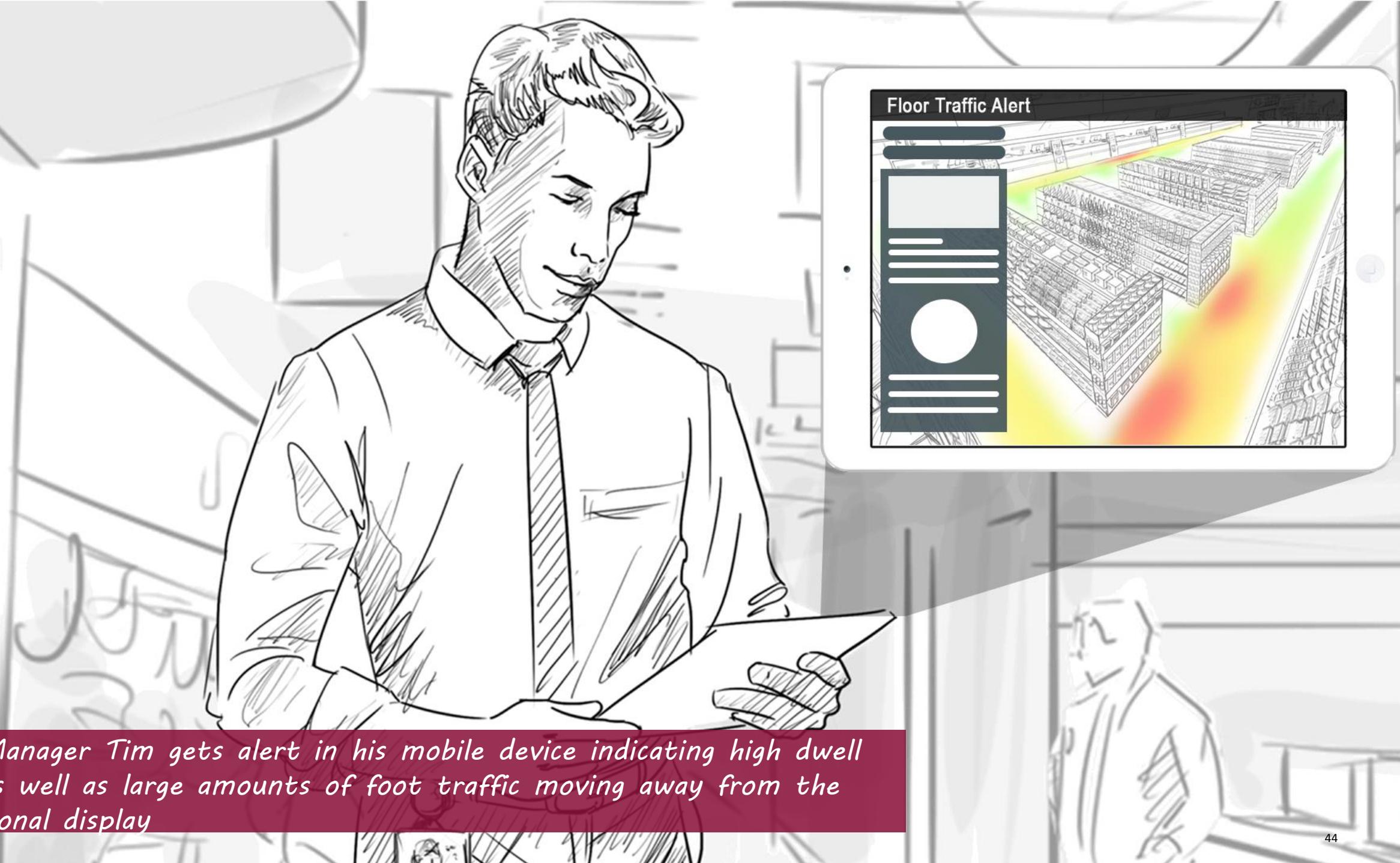
There is a Limited Time Offer (LTO) promotion for Nintendo games going on in the store and the foot traffic in the game aisle is higher than expected, but there is only one store associate available to help answer guests questions



Integrated web-traffic analytics shows that some guests are interacting with their mobile devices to get additional details about the Nintendo sale and clarify their questions



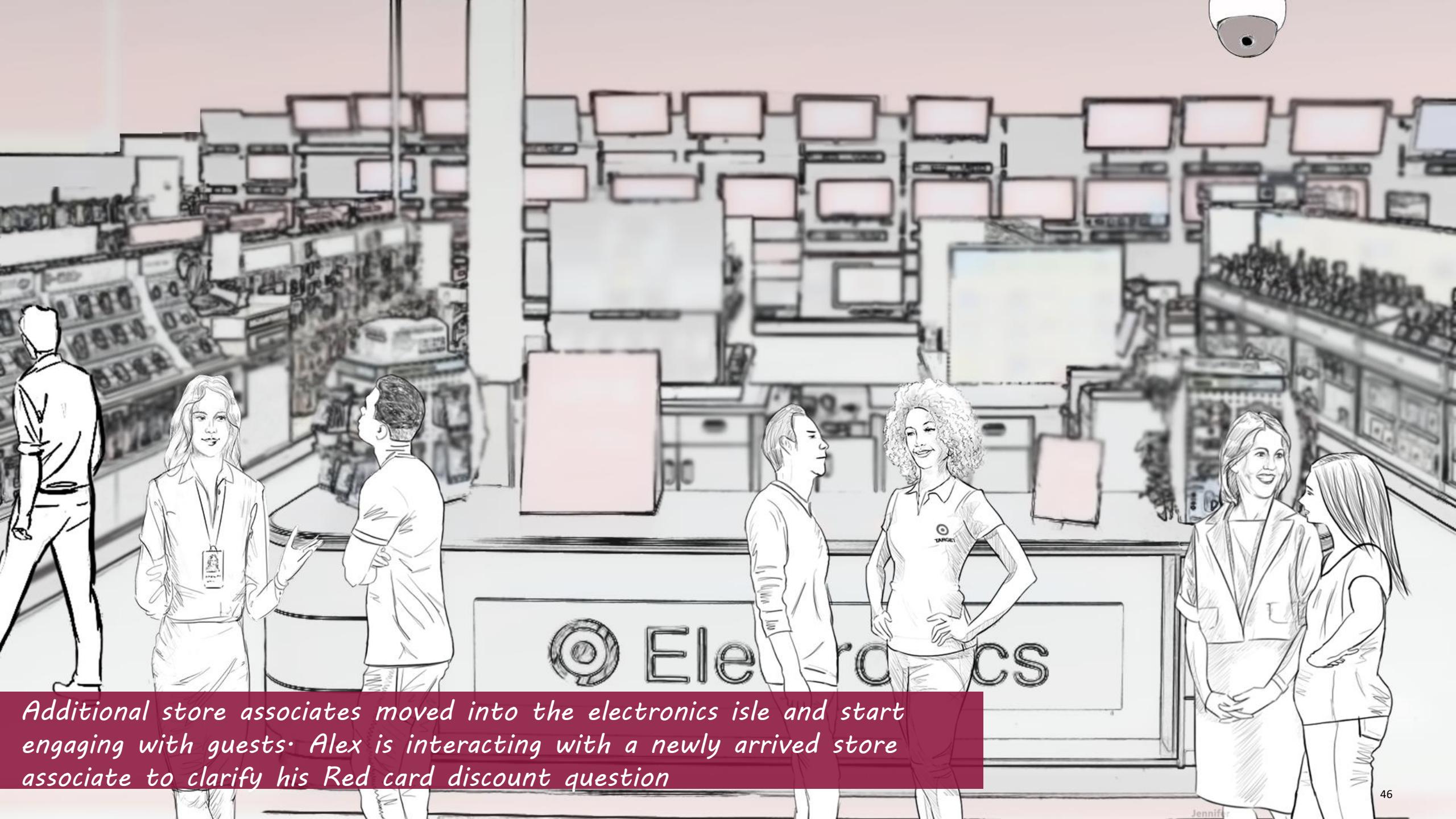
While other guests are frustrated waiting their turn to ask questions
and are now leaving the store without buying the promotional items
Camera captures the foot traffic leaving the electronics isle



Store Manager Tim gets alert in his mobile device indicating high dwell times as well as large amounts of foot traffic moving away from the promotional display



Tim takes a look at his store analytics app, determines the lack of store associates at the promotional isle and assigns additional associates at the isle to handle the volume



Additional store associates moved into the electronics aisle and start engaging with guests. Alex is interacting with a newly arrived store associate to clarify his Red card discount question



Satisfied with his in-store experience, Alex bought the LTO Nintendo game and walks out of the store as a happy guest

Use case 5 – Reduce Points of Friction

Challenges & Opportunities

- How do we bring e-commerce style (digital) guest analytics to Target stores.
- Are localized marketing campaigns driving store traffic?
- Can I optimize schedules and reduce costs by knowing my traffic power hours?
- What could I do if I knew a customer took an item off the shelf AND tried it on? Can I impact engagement through an updated display and / or location?
- How can I measure a new concept before rolling out to 1800 stores?

Capabilities Enabled

- Deep Insights into Guests behaviors and Store Operations
 - ✓ Who are my guests?
 - ✓ How many guests enter my store?
 - ✓ How are guests behaving while in the store?
 - ✓ How does my staff contribute to store success?
 - ✓ How are my stores performing against KPIs?
- Understand and act upon localized traffic patterns following campaigns
- Analyze dwell times, compare to POS
- Align Associates, maintenance, security and others based on localized store traffic patterns

Target Use Cases

Path to Purchase – Guests Path Analytics
Right time and Right place

ORACLE®