

New Retail Solution by Stora Enso



Conventional retail is evolving and looking for new ways to serve consumers and improve profitability. With innovative, sustainable solutions, retail is driving convenience and efficiency all at once. Combining the best of brick and mortar with e-commerce, a fresh approach is making its way onto the shelves: New Retail.

Online, offline and logistics merge in new retail, creating a dynamic new world of retailing. This concept turns traditional convenience stores into self-service fulfilment centres located regionally or locally, close to homes, workplaces, transport hubs and leisure activities. Its rallying cry is to provide supply wherever people are, not the other way around.

New Retail drives non-traditional shopping

New Retail started in China with **consumer convenience** shopping. These days, many claim that the time of mega malls is over and that the next retail revolution will occur in uncovered spaces of so-called people flows. Consumer convenience can be offered in mass transport hubs such as airports, ports, train and bus stations, or in the streets outside the shop, where intelligent cabinets reach out to people who want to buy fast and avoid queueing inside. In such settings, replenishment is made easy.

Kiosks and small convenience stores can be converted into fully digitalized unmanned stores with no personnel. With Intelligent Cabinets, a small store can provide an assortment that represents a typical traditional kiosk.

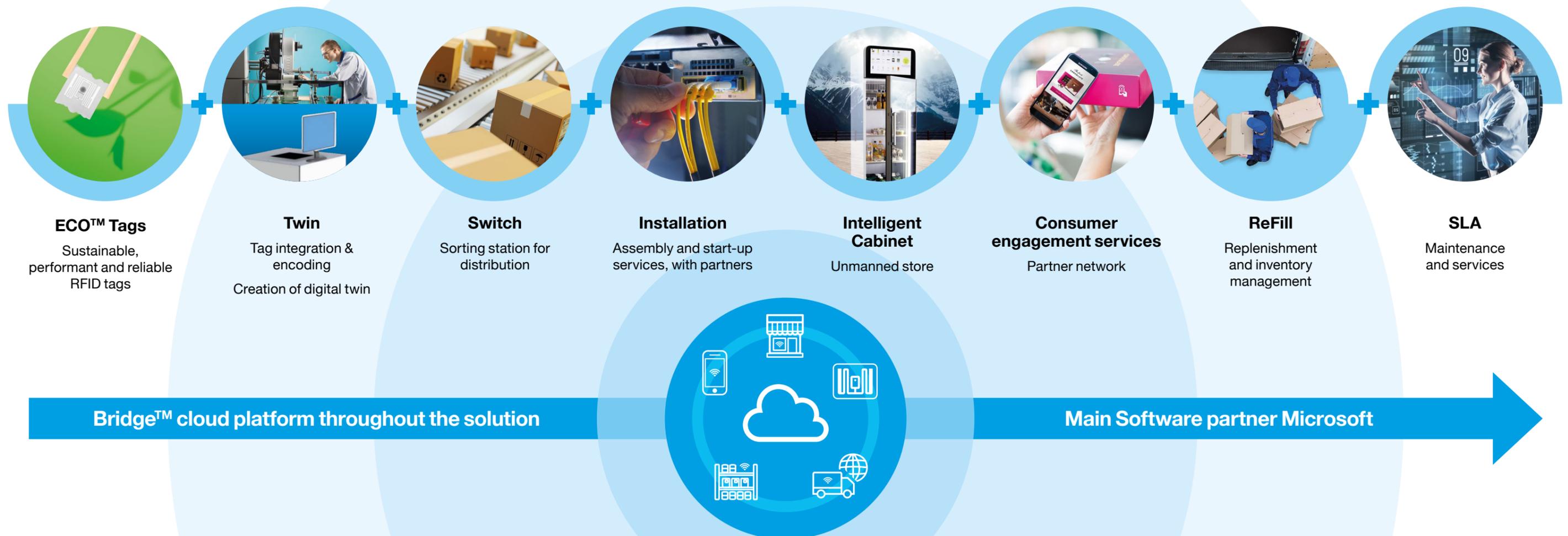
Fitness and sports centres are often automated. Besides offering sport activities, they sell small items for special nutrition, energy and hydration.

Schools, offices and cafés typically have opening hours for serving lunch, and outside peak period the basic offering of food, snacks and daily goods is sold via intelligent cabinets.

Hotels are used to provide minibar service in rooms. Now, new retail services are coming to floors with a more comprehensive offering that provides easy access and convenient on-the-go purchasing.

Gas stations have long offered self-service filling without an adequate self-service concept for selling convenience items. But new retail is now making its way to gas stations, with specially designed cabinets for outdoor use and tough conditions.

Complete solution for New Retail



Unlock better business with Stora Enso's comprehensive solution

Starting a new retail business requires dedicated front- and back-end processes that enable automated sales operations. New Retail by Stora Enso gives retailers an end-to-end solution that covers all their critical process steps. For consumers, this means improved 24/7 service. But the beauty of the solution lies in the backend of your business:

- At the heart of New Retail by Stora Enso, **Intelligent Cabinets** provide self-service kiosks for consumer sales that are always open, fully automated and unmanned.
- The items in the cabinets are RFID tagged with Stora Enso's tamper-proof, sustainable **ECO RFID tags**.
- The RFID tag integration to packaging is done with our **Twin** solution. It consists of tag application and encoding, quality control and data management modules. With Twin, physical packages get digital representation to **Bridge Cloud**.
- The high volume sorting station **Switch** is available to be tailored to automate picking and packing, making replenishment operations efficient and effective.
- **Bridge** connectivity platform provides middleware and a cloud service for managing cabinets online. It contains product catalogues, inventory data and promotions – keeping all the cabinets visible, connected and online for the retailer. Bridge also connects with your chosen payment solution.
- **ReFill** is a mobile app for replenishment teams who manage cabinet refill operations. In a typical urban setting, one replenishment operator can handle 20-30 cabinets independently using intelligent tools we provide.
- **SLA contract** with Stora Enso that defines the required service level assures retailers that the cabinets out in the field are running and operational. Any cabinet failure will be detected, reported and remedied, enabling retailers to focus on what they do best.

Contact us for more information:
www.storaenso.com/intelligentpackaging

Key retailer considerations

Any company running a new retail business benefits from several consumer trends: more on-demand, online shopping, urban growth and related consumption patterns with more on-the-go purchasing, and the rise of convenience shopping. The business case itself is made from improved reach and availability paired with low running costs.

When adopting our solution New Retail by Stora Enso, here are three key considerations you should think about for achieving a successful customer experience:

Product range and locations. In our experience, this consideration is crucial for determining your success. A typical cabinet can manage hundreds of SKUs and products. With a carefully considered product range and locations, you can encourage up-sells and drive your business.

Payment. Because consumers will use their smartphones to access the cabinet, the payment solution should ideally connect to credit card accounts through a standard application like Google Pay, Apple Pay, WeChat or any local mobile payment solution like MobilePay. The payment solution also verifies the customer's identity for the retailer and represents the point of data in the event of any misuse of the cabinet service.

Replenishment. This is organised through cabinet operators and, in larger settings, proper network planning, routing and process management are needed even if all processes prior to replenishment are automated.

How to get up and running with New Retail

The New Retail solution with Intelligent Cabinets is available to be deployed. If needed, your business can first pilot on a smaller scale with low cabinet volumes to develop a proof of concept. In this phase we gather insight, test the customer case and validate it in a trial of a limited number of cabinets. This way, we can determine the fit and key requirements during approximately 2-3 months of use. Next, we ramp up the successful pilot with hands-on experience for how to scale.

Pricing is tailored separately for each case. The set-up fee covers software integrations, cabinet and machinery sales, and installations, while annual fees include the software licence fee, tag consumption and any service level agreements.