



Lagardère
TRAVEL RETAIL

CEETRA
Travel Retail Association

FrictionLESS Commerce

Elevating the customer experience with autonomous checkouts

JIMMY MOTTE

Global Head of Digital & Innovation, Lagardere TR

AGENDA

- The evolution of shopping experience
- Definition of automated store
- Implementation & benefits of automated store
- Lagardere Travel Retail concepts
- Challenges and considerations



THE EVOLUTION OF SHOPPING EXPERIENCE

1



THE WAY WE SHOP IS CHANGING AT A GREATER RATE THAN EVER BEFORE

2



CONVENIENCE - ADOPTION OF NEW TECHNOLOGY

3

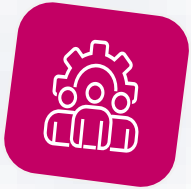


HOLISTIC RETAIL CONFIGURATION



GETTING TO KNOW YOUR CUSTOMERS

TRAVEL RETAIL SPECIFICITIES



9 in 10

Consumers are more likely to choose a retailer **based on convenience**



83%

Say convenience while shopping is more important now **than 5 years ago**



41%

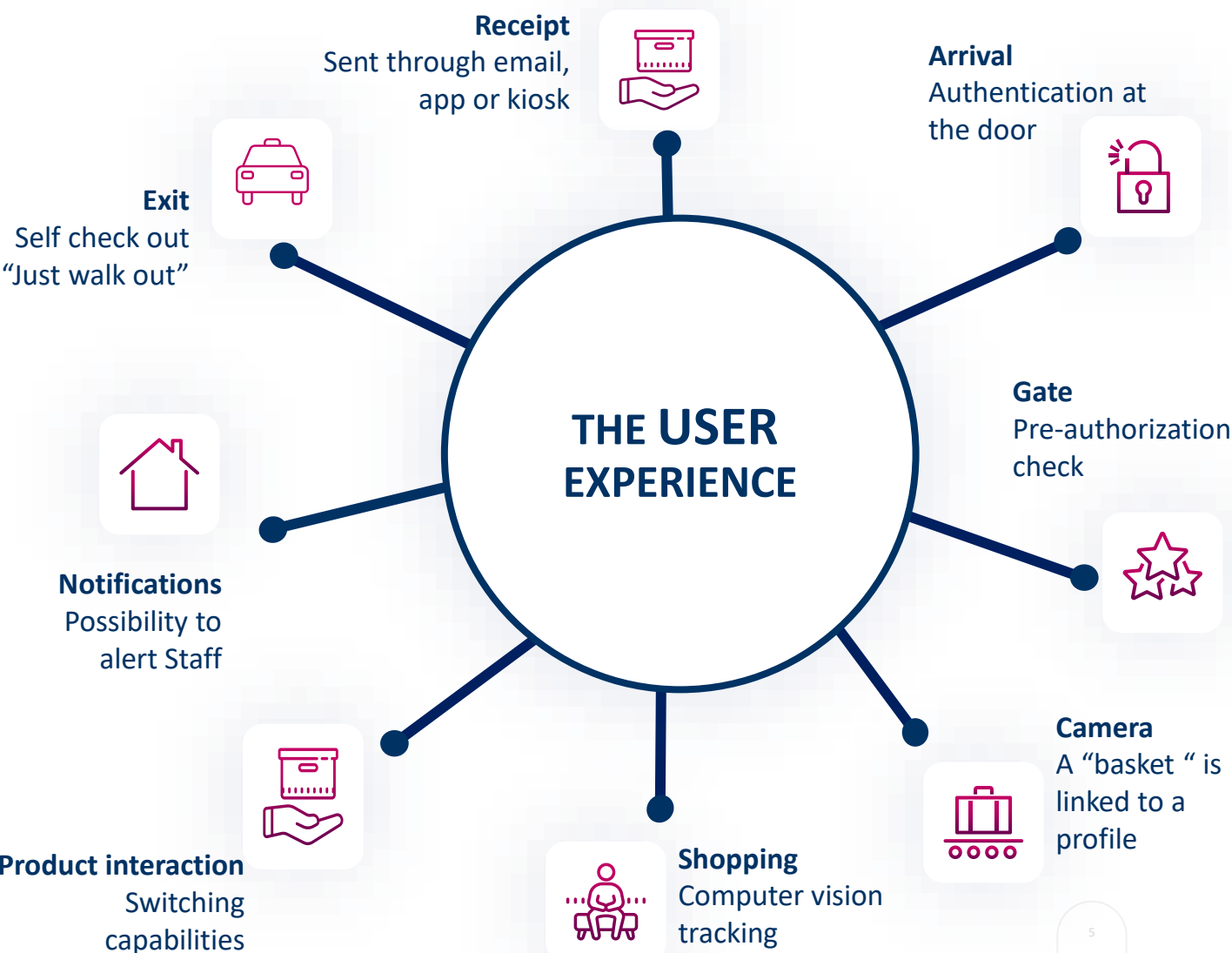
Willing to pay more for a product if they can purchase them **more quickly and conveniently**



22%

Convenience is one of the key reasons why travellers shop in Duty Free

DEFINITION OF AUTOMATED STORE



IMPLEMENTATION OF AUTOMATED STORE

SERVICE MATRIX

RETAILER

ONE-TIME HARDWARE SETUP FEE

Site design & construction
Store Infrastructure
App development (if needed)

PROVIDER

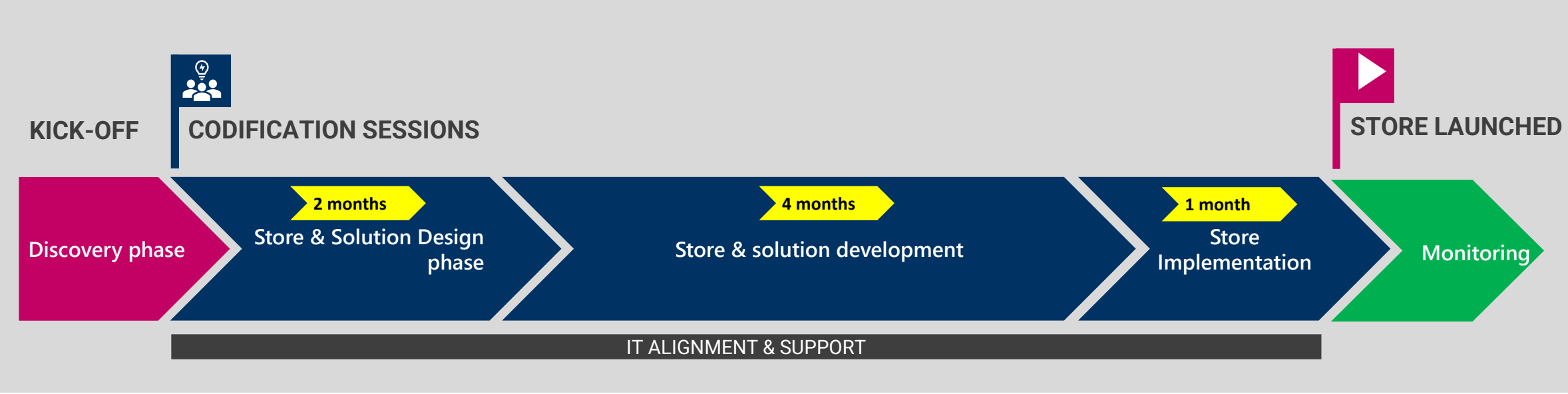
Cameras, sensors entry/exit gates
Receipt kiosk, training

ANNUAL TECHNOLOGY & SERVICES FEES

Product data
Staffing

Payment processing
24/7 support
Warranty & connectivity

TIMELINE AND KEY DEPLOYMENT STEPS



Key highlights

Store design
Retail integration
Engagement model

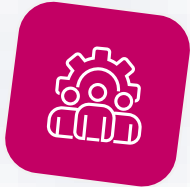
Alignment on
merchandise and
equipment

Team workshops

Tech deployment and
calibration of the
technology

BENEFITS OF AUTONOMOUS STORE

4 REASONS TO ADOPT AUTONOMOUS CONCEPTS



Reason #1

Math, Data is
king



Reason #2

It creates better
advertising
relevancy



Reason #3

It leads to better
omnichannel
operations



Reason #4

It better
aligns supply
to demand

Lagardère Travel Retail footprint

QUICK N' EASY



- Launch date : January 2023
- Size: 50 sqm
- Airside located – 50 meters from our Aelia duty free store
- Product range: spirits, cosmetics and confectionery

—Bruxelles Quick N' easy



- Launch date : April 2023
- Size: 88 sqm
- Airside located across the Sky Bridge which connects Terminal 1 and Satellite Concourse
- Product range: best sellers, convenience items but also local souvenirs and Food to go

—Hong- Kong Travelwell



- Launch date : January 2023 - Size: 50 sqm
- Partnership with Amazon Just Walk Out
- Airside located. Was originally a vending machine space
- Product range: snack, beverage, Grab-n-go food
- GREAT RESULTS: Sales **increased by 50%** when Grab-n-go food were added

—Charlotte **The goods express**

THE CHALLENGE AND CONSIDERATION

IMPLEMENTING FRICTIONLESS STORES WILL NOT GO WITHOUT ITS CHALLENGES



Location, layout and product mix are key



Understand the customer profile



Store Integration , retrofit , hybrid concept, competitive landscape



Consider end-to-end process, communication is critical



Operating model (Capex and Opex)

LAGARDERE IS GETTING BEST PRACTICES AND KEY LEARNINGS

- ➞ Global roll-out: great understanding of the concept (Multi-activity) and better approach to the offer, what works what does not
- ➞ DOS AND DON'TS
- ➞ Flexibility and agility in deployment

Any questions?