Bringing Together Wearable Devices and Speech Technology in the Retail Environment

Mobile Voice 2016

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Sr. Speech Scientist
Overview

• Legacy Retail Communications
• The Theatro Solution
• Use Cases: How Speech Makes a Difference
• Measurable Effects
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Retailer Challenges: Execution

**Strategy Execution**

- *How do you communicate to your strategy & plans?*
- *How agile can you be with your current communications process?*
- *How sure are you that the message is delivered properly?*

88% of Retail Associates do not have a Company Email Account
92% do not have Company Voicemail
Consistent Execution requires Consistent Communications
Retailer Challenges: Visibility & Accountability

**Challenges for Management**
- Poor Visibility
- Weak Command & Controls
- Weak Empirical Data

**Challenges for Hourly Workers**
- No Mobile Device
- Off the Network
- Not Accountable

38 Million Hourly Workers

US Hourly Workers
- Retailers - 14m
- Hotels - 16m
- Manufacturing - 8m

Hourly Employees Underperform versus their Potential
Today’s Legacy Indoor Communications Solutions

• Walkie Talkies
  • Broadcast everything to everyone
  • Non-stop chatter is disruptive to employees & customers
  • One shared channel...everyone has to wait their turn to use it!
  • Breaks down in urgent situations

• Overhead Paging
  • Broadcasts everything to everyone
  • Disruptive to customers – not a pleasant shopping experience

What are the operational impacts of communicating in these ways?
Today’s Legacy Indoor Communications Solutions

- 70-90% of talking is Ear Clutter
- No Private Communications
- Not Connected to IT Network

- Employees tune out
- Must walk to talk one-on-one
- Antiquated solution!

Security Risk...radio transmissions are completely unsecure!
What’s Next for In-Store Communications?

Why Not a Smart Phone or Tablet for Everyone?

Smart Phones and Tablets have significant drawbacks that limit use by indoor hourly workers

- **Display** - Requires heads down operation
- **Size** - Designed to be held in your hand
- **Network** - Optimized for outdoor cellular network

- **Performance** - Battery life, headset volume, fragile
- **Cost** - Cost prevents every user from having one; street value
- **Ownership** - BYOD, Control, Rogue Use

...Even Apple Store associates use 2-way radios for in-store communications, not the iPhone!
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Lightweight Wearable

- Worn on body
- Smaller than a credit card; weighs 1.5 oz.
- Discreet Secret Service Ear-piece
- Voice Controlled
- Always Connected over Wi-Fi
- Platform allows for limitless new Apps

THE FUTURE FOR THE INDOOR HOURLY WORKFORCE
The world’s first Voice Controlled Networked Wearable for Retail
Theatro Associate Solution

Person to Person

- **Instant Communications**
  - 1-to-1, Groups, Announcements & Broadcast

- **Messages & Training**
  - Live, Stored, & Scheduled
    - Local or Remote

Person to Machine

- **Indoor Location**
  - Real-time or Historical

- **Business Systems**
  - Workforce, Inventory, Task, Pricing, etc.

**Wearable Computer + Voice Controlled Apps**

A Mobile Solution for Associates to Increase Productivity
Theatro’s Platform

Enterprise Wide Solution for Industries with large hourly Workforces

Applications

Person to Person Communications
- Real Time
  - 1:1 & 1:Group
  - Store Wide
  - Company Wide
- Non-Real Time
  - Private Msgs
  - Verbal Email
  - Verbal Texting

Person to Machine Access
- Customer Exp
  - BOPIS
  - Loyalty
  - Request/Respond
- Productivity
  - Inventory
  - Task Mgmt
  - Workforce

Devices

Management
- Android & iOS
- Smart Phone Apps

Hourly Workers

Voice Controlled Wearable Computer

HQ Departments
- Browser Based Platform

Human Behavioral & Performance Analytics
Theatro Enterprise-Wide Communication Solution

Merchandise & Buyers
- Automate Product Training and Synchronize Brand Messaging

Regional & Store Managers
- Streamline Communication and Improve Store Execution

Leadership Team
- Increase employee engagement & unprecedented store insights

Connect Hourly Employees & Provide a new level of customer service

Store Associates

Close the Store Level Execution Gap

Wearables to Improve In-Store Customer Experience & Increase Productivity
Theatro’s Enterprise-Wide Solution

Consistent Execution requires Consistent Communications

✓ Everyone is Connected
✓ Everyone is Reachable
✓ Everyone is Accountable
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Common Use Cases

- Reduce Noise Pollution from Radios or Paging
- Enable 1:1 Conversations
- Earbox - Receiving Internal Communications
  - CDM - Sending Internal Communications
- Groups Conversations (functional, organizational, expert, social, etc.)
- Requesting Assistance
- Team Member Location
- Morning Meeting
- Hourly Team Performance Updates
- Team Member Recognition (individualized or team wide)
- BI System Access (e.g. Inventory or Price Look-Up, Task Management, etc.)
  - In the Ear Training – reinforcement
  - Performance Data
  - HR - "Who said what?”
- New Hire/Seasonal Team Members – “Buddy Button”
- Automating Aspects of New Hire On Boarding
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**Theatro System Benefits:**

- Increase Team Interaction by eliminating radio choke point
- Significantly decrease distraction from “Noise Pollution”
- Improve team execution through consistent communication
- New “offline” communications improves productivity
- Dramatically decrease customer wait times (e.g. “Register Backup”)
- Create much quieter shopping environments (esp. for stores that relied on overhead paging)
- Maximize management effectiveness by streamlining their ability to communicate directly to all store employees
- Drive sales with new apps to serve customers faster (e.g. “Check Inventory”)
Communication is Up & Distractions are Way Down!

**Before**
- 100% Broadcast
- 96% Ear Clutter

**Sidney Now**
- Less than 2% Sidney Ear Clutter

**Allen Now**
- Less than 1% Allen Ear Clutter

**Daily Communication Now**
- One to One
  - ALN: 367, SID: 229
- Group Chat
  - ALN: 110, SID: 69
- Messages
  - ALN: 34, SID: 12
- Announcements
  - ALN: 8, SID: 16
- Broadcasts
  - ALN: 36, SID: 30

**Fewer Distractions Improves Focus, Execution & Customer Service!**

ALLEN & SIDNEY 10/25 to 10/31
New Connected Workforce Example

Team Interactions Goes Way Up!

First 30 Days with Theatro

808 Conversations Per Day
- 535 One to One
- 218 One to Group
- 55 EarBox Messages

Using Multi-Channel Radios

146 Conversations Per Day
<table>
<thead>
<tr>
<th>Day</th>
<th>Max 91 Min 10</th>
<th>Max 91 Min 12</th>
<th>Max 91 Min 13</th>
<th>Max 96 Min 15</th>
<th>Max 91 Min 17</th>
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</table>

**Decreased Customer Wait Time**

**Speedy Customer Service**

**Significant Improvement in Register Backup Response Times**

<table>
<thead>
<tr>
<th>Before</th>
<th>Now</th>
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<tbody>
<tr>
<td>183</td>
<td>29</td>
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</table>
Speed of Service

• **BEFORE:**
  – 78% of all requests for help went unanswered
  – Customer Wait Time was 3 to 7 minutes

• **NOW:**
  – 100% of requests for help are answered
  – Customers were assisted at the registers within **28 seconds**

**Top Register Backup Responders**
• Monica Yiu
• Brett Affonso
• Helen Fruck

**Top Carry Out Responders**
• Chris Calle
• Scott Hendry
• Vadim Strizhevsky
**What does it mean?**

- Managers are *engaged with their teams* as they are key communicators in the store.
- Managers are more *effective* on the floor as they are able to communicate *more easily*.
- Employees are empowered to reach out and get *instant* assistance.

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Messages</th>
<th>One-to-one</th>
<th>One-to-group</th>
<th>Interrupts</th>
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<tr>
<td>Cynthia Miller</td>
<td>Managers</td>
<td>117 times</td>
<td>50.5 mins</td>
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<tr>
<td>Carlos Velez</td>
<td>Managers</td>
<td>102 times</td>
<td>86.8 mins</td>
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<tr>
<td>Sue Hammers</td>
<td></td>
<td>111 times</td>
<td>61.1 mins</td>
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<tr>
<td>Hayley Cockerton</td>
<td>Managers</td>
<td>97 times</td>
<td>50.0 mins</td>
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<tr>
<td>Stacey Simpson</td>
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<td>123 times</td>
<td>57.6 mins</td>
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<tr>
<td>Helen Truck</td>
<td></td>
<td>107 times</td>
<td>56.6 mins</td>
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<tr>
<td>Monica Yia</td>
<td></td>
<td>66 times</td>
<td>54.2 mins</td>
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<tr>
<td>Tina Miller</td>
<td>Managers</td>
<td>75 times</td>
<td>50.9 mins</td>
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<tr>
<td>Keta Risty</td>
<td>Managers</td>
<td>71 times</td>
<td>49.0 mins</td>
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<tr>
<td>Nadia Santagato</td>
<td></td>
<td>68 times</td>
<td>47.9 mins</td>
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<tr>
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<td></td>
<td>59 times</td>
<td>44.8 mins</td>
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<tr>
<td>Payman Farzam</td>
<td>Met team</td>
<td>55 times</td>
<td>42.6 mins</td>
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<tr>
<td>Krista Budgell</td>
<td></td>
<td>65 times</td>
<td>42.2 mins</td>
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<tr>
<td>Gem Mercur</td>
<td>Kitchens and bath</td>
<td>63 times</td>
<td>41.0 mins</td>
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<tr>
<td>Jason Font</td>
<td></td>
<td>43 times</td>
<td>40.3 mins</td>
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<tr>
<td>Jacqueline Manson</td>
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<tr>
<td>Gabriella Marzuki</td>
<td>Flooring</td>
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<td>29.5 mins</td>
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<tr>
<td>Rebecca Reynolds</td>
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<td>45 times</td>
<td>28.2 mins</td>
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<tr>
<td>Deborah Walls</td>
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<td>41 times</td>
<td>27.8 mins</td>
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<td>Sunil Casley</td>
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<tr>
<td>Alexander Deguzman</td>
<td>Kimber</td>
<td>36 times</td>
<td>24.6 mins</td>
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<td>Thomas Gilliers</td>
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Company Highlights

- Early Stage Innovation Company
- Experienced Founding Team
- Strong Growing Customer Base
- Market Leader in Enterprise Wearables
Thank You!

Questions?

jesse@theatro.com
www.theatro.com
Significant Decrease in Distractions

100% Broadcast

82% Ear Clutter

~5% Ear Clutter

Fewer Distractions Improves Customer Service
Store Environment Transformation

*Note: Data from Saturday 4/2 at 7:30 pm to 4/3 6:30 am or from Manager App is not captured*

The store environment is transformed for customers and employees...

NO OVERHEAD PAGES are needed and “ear clutter” for all employees is reduced to only 1%!