


ISS45's Big Success at Big Y

March 16, 2000

We're happy to report that at MarkeTechnics the press suddenly discovered that the "Store of the Future" isn't just visionary talk — it's real and it's here today.

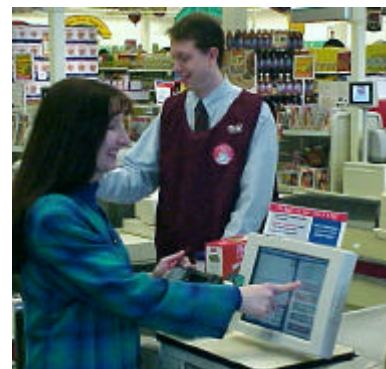
Big Y World Class Markets went live on Valentine's Day with an innovative 21st Century retailing concept, and instead of just a consultant's prophecy it's actually up and working in Springfield, Mass. It was a reporter's dream come true.

News media were quick to jump on the story from the ICL press release announcing Big Y's plans for rolling out ICL's **ISS45 V8** with Customer Relationship Marketing and some really novel customer-interaction concepts. In the news business, of course, the "proof is in the printing," but we've already heard from **Supermarket News**, **Executive Technology**, **Grocery Headquarters**, **Supermarket Business** and **Retail Technology Magazine**, all of which discussed upcoming articles and case studies. Big Y and ICL even got interest from **CIO Magazine** and **ComputerWorld**.

 Why all the attention? First, Big Y is known in the supermarket business as the merchandising leader, responsible for a history of creative — and technically difficult — marketing strategies. Big Y is also considered as the leading edge in customer-specific promotions, and has been the most closely-watched chain in the industry when it comes to novel uses of technology put to use in service of their shoppers. Big Y chose **ISS45 V8** because of its tremendous expandability on standard platforms. No other system on the market had the features, performance and bandwidth — and the industry standards needed — to manage their unique requirements.

The Big Y system is the most sophisticated in-store technology that has ever been attempted, let alone installed:

- Big Y already uses "Express Savings," a legacy CRM system for shopper promotions and data, but for the ultimate in sophistication Big Y is moving to ICL's Corema. But during Corema and **ISS45's** rollout period, **ISS45** needed to interface simultaneously to **both** Corema and the old Big Y CRM system, and with absolute consistency.
- Big Y felt that touch screens for the cashiers was a necessity. And, like many chains, they also felt that a separate screen for the shopper was also important. Fine — **ISS45** has supported dual screens with separate data for a long time. But then Big Y took a bold next step, making the Shopper screen **fully interactive** using Microsoft Explorer. This means that shoppers can freely scroll their receipts themselves, but even better, Big Y shoppers can also browse multiple screens of promotions and their own on-line frequent shopper information in real time.



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Technically, this is required having two “mice” and two monitors simultaneously operating two different applications on a single PC — an enormous software challenge,¹ but with special help from Microsoft and some powerful ICL drivers, all the barriers were overcome to provide a great experience for the shoppers. In fact, there is nothing technically preventing shoppers from browsing the internet from the checkout counter.

- From their **ezSCREEN** interactive screens, shoppers can also take a look at Big Y’s “Recipe of the Day,” which a customer can instantly print out on an in-lane color printer. Shoppers can even get “Homework Help,” linking to a community on-line help desk for assistance with a multitude of schoolwork subjects.



- One complex special promotion **ISS45** needed to handle was Big Y’s special sweepstakes giveaway. Each night, exactly ten Express Savings customers are selected at random and their accounts are electronically tagged at host. When the first tagged customer shops at a Big Y store the next day, bells, sirens and flashing lights are activated. This shopper earns immediate special pricing, but is also entered in an exclusive grand prize drawing for winners only — one prize was a million dollars. To make this work, **ISS45** must immediately access shopper status at the very beginning of the order, apply the proper discounts and device activations, plus instantly notify the CRM systems to shut off eligibility to all the other nine accounts — there can be only one winner per day.

- Another unique Big Y promotion is “Coins.” Depending on purchases, shoppers get special coins — there are four different colors — that the shopper can redeem for a selection of free or discounted items. There are several different items offered per color of coin every promotion period, and the different coins then act as a sort of “wild-card coupon.” **ISS45** must not only dispense these coins, but also account for their usage and redeem them against the right mix of items in the shopper’s basket to automatically optimize shopper value.

- Big Y also uses “continuity promotions,” where shoppers qualify for customer-specific items based upon past items and purchase levels. But Big Y’s continuity promotions are infinitely more complex since they also must operate seamlessly with simultaneous “basket” promotions where shoppers can earn free items depending upon purchases of other items on the same shopping trip. Plus, of course, Coins and a wealth of other promotions, offers, reductions and sale items.



ICL delivered the Big Y system enhancements on schedule and on budget in less than eight months. A press release further describing the system is attached. All features, for all customers — including those accomplished for Big Y — are available in the General Release of **ISS45 V8**.

To Your Success,

Tony
 Tony van Seventer
 Director: Supermarket Systems

¹ Just try this at home sometime.

Big Y Supermarket Selects ICL for 21st Century Stores

POS, CRM technologies advance loyalty and interactive, personal experience for customers and cashiers

SAN FRANCISCO – Feb. 21, 2000 — ICL, a \$4.5 billion global IT services company, announced today that Big Y World Class Markets is using a 21st century, multi-vendor, in-store system developed with ICL that seamlessly connects point-of-sale, store operations, customer loyalty, Internet and corporate systems. The 45-store, family-owned chain, based in Springfield, Mass., expects to implement the system chainwide this year. The technologies are being shown at MarkeTechnics '00 in San Francisco, Feb. 20-22, at the Moscone Center, ICL booth #1426.

"Customer interaction is at the cornerstone of our competitive advantage," said John Sarno, Big Y vice president of information systems. "Everything we do ties back to our communities, shoppers and employees, and how we can engage them over the long term. We chose ICL because it shared our vision and showed us how technologies could further enhance our customer commitment. It has successfully created a system that offers user-friendly, dynamic PoS interaction for shoppers and cashiers, while boosting the power and potential of our overall systems and customer relationship management capabilities."

The pilot store for the new Microsoft Windows NT[®]-based system, located in East Longmeadow, Mass., is a Big Y World Class Market grocery store with 23 check-out lines. It introduced the new system to shoppers on Feb. 14. Every lane of the 42,000-square-foot store includes a Fujitsu TeamPoS 5000 PoS terminal running Windows 98, and a cash drawer; ICL's **ISS45** software provided by PoS Ltd.; Fujitsu touch-screen and keyboard for the cashier; Fujitsu Prism touch-screen for the customer, plus a small customer display, Axiohm receipt printer, Hewlett-Packard DeskJet printer and Verifone payment terminal with keyboard and card swipe. Big Y also uses in-store Microsoft SQL Servers as its primary databases.

"This integrated solution positions Big Y as one of the first supermarket chains – national or otherwise – to fully integrate in-store systems with sophisticated functionality that boosts their community presence, position and profitability," said Austen Mulinder, executive vice president at ICL. "It leverages in-store technologies for increased in-store efficiencies and interaction, as well as advanced CRM. With ICL's ISS45 and Corema[®] customer relationship marketing solution, Big Y continues its technology innovation to better serve and understand its customers."

ISS45 is a supermarket-specific, point-of-sale software solution from ICL ideal for chains with two to 200 lanes. This fully PC-based solution is flexible in architecture and design, offers seamless performance and reliability, and includes an easy to use interface. ICL's Corema allows retailers to identify customers by providing data warehousing systems that collect and maintain customer data and their buying patterns. It also allows management of loyalty programs.

For customers, the center of the new Big Y PoS system is the "EZ Screen," an interactive touch-screen available during check out. The left side of the screen shows costs of goods as they are scanned, including item name, unit cost, running total, total and total savings from their Big Y Express Card membership. Customers can also receive a customized receipt that tallies totals by in-store departments such as produce, health and bakery. This is **ISS45** functionality.

On the right side of the EZ screen are several customer reward/service buttons running in Microsoft Explorer, which allows a connection to ICL's Corema software for targeted promotions and messaging.

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The reward/service buttons include a Recipe of the Day, which is printed from the nearby HP DeskJet and given to the customer; a Homework helpdesk for insights about a call-in community service for parents and kids struggling with homework questions about virtually any subject, from algebra and biology to physics; and an in-store Cookie Club and Birthday Cake give-away, among others. Customers may also check their Big Y loyalty card totals and summary using the screen.

For cashiers, the new system eases and quickens the transaction process, said Joanne LaPlante, store manager at Big Y's East Longmeadow location. "It automates so much of what we do and it's as easy as touching a screen," she said. It is already reducing training time from approximately eight hours to three. She expects additional labor savings, especially since the system eliminates manual reports and analysis. It will soon incorporate comprehensive inventory management functions as well.

"With ICL, we are able to create a system that parallels our vision for an open-systems, customer-driven infrastructure with virtually no limits in capability," said Sarno. "We're now moving toward chainwide technologies that were reaching their limits with a system that has virtually no limits."

About ICL

ICL is a global IT services company. It designs, builds and operates information systems and services for customers in the retail, finance, government, telecommunications, utilities and travel markets. The company has operations in over 40 countries and employs over 22,000 people.

Transformed from a manufacturer of computers, today ICL improves business performance and competitiveness through services focused on electronic business, enterprise applications and the implementation and outsourcing of IT infrastructure.

For the 12 months to March 31, 1999, the company's revenues were \$4,458.4* billion (£2.735 billion) which generated a profit before tax and exceptional charges of \$105.1* million (£64.5 million). Headquartered in London, ICL is a wholly owned subsidiary of Fujitsu and plans to float on the London Stock Exchange in 2000.

Web site: www.icl.com

NOTE: Exchange rate for restating ICL's revenues in US dollars: £1 = \$1.63

Ref: US 00/12

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