

Receipt Reoptimization

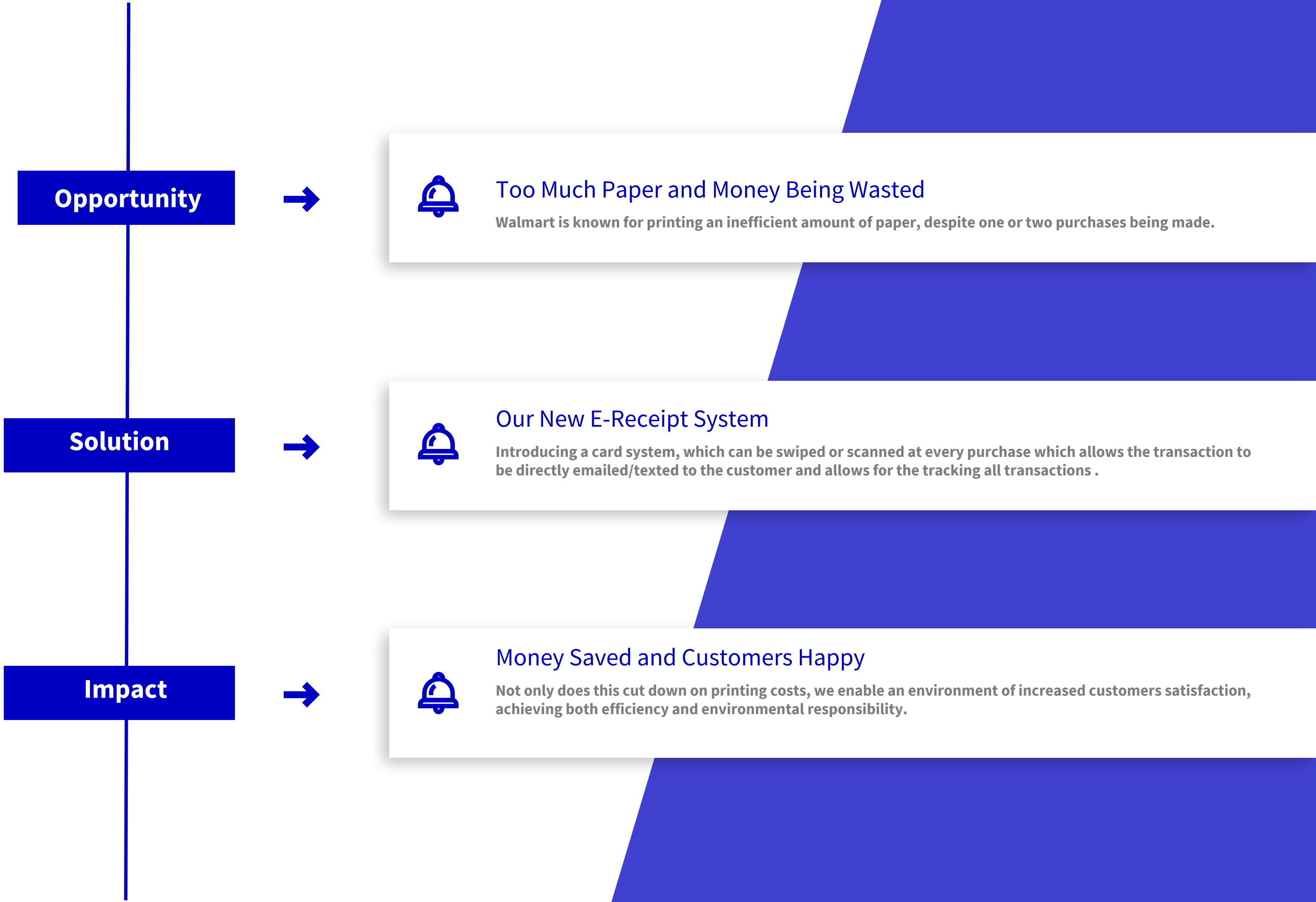
Eliminating an outdated system by bringing it into the twenty-first century.

TKS

+



Executive Summary.



The Challenge.



How do we deliver a great customer experience while maintaining a low cost operating model?



Solution:
A high impact E-Receipt system that will change the way receipts are issued.

Problems that will be Solved with our E-Receipt System.

- **Flaws in the Return System**
Shorter wait times as receipts are very easily accessible.
- **Amount of Money Being Spent on the Receipt System**
With our new E-Receipt System, the need for paper is reduced.
- **Changing Walmart's Reputation**
Walmart will achieve more outcomes if it's geared towards social responsibility.

This incentivizes customers to shop at Walmart, with comfort and ease.




The Opportunity.



“

We shop at Walmart for the low prices but, it feels more like a challenge when we have to wait in lines.

”



Anonymous
Frequent Shopper

Money Being Spent on Printing Receipts.

The amount of money being spent on maintaining the receipt system is absurd.



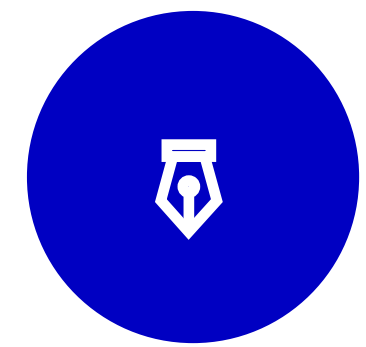
Paper

Paper → in 150-foot rolls = 50¢ per 0.5 feet.
\$37.50 for one roll. Average receipt size is 9"

Roll can only print around **140-200 receipts**

One Walmart store = 2,000 customers/day
Roll changed upward of 10 times a day!

Our improved E-Receipt System can cut down that cost significantly.

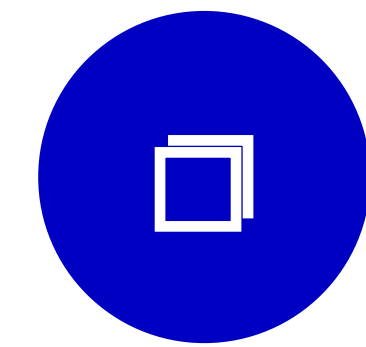


Toner

Walmart uses laser-printers to print their receipts. This uses toner. Toner cartridges cost around \$3 each. This ribbon will print 3,000,000 characters.

Average receipt = **300-500 characters**
One roll = 6,000 - 10,000 receipts

After **5 days**, you need to **change the cartridge**. Our improved E-Receipt System can cut down that cost significantly



Printer

The laser-printed receipt machines Walmart uses are top-of-the-line. They are **Zebra ZQ620**, which costs about **\$1100**.

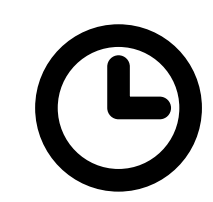
These machines have a lifespan of **5-7 years**. Every Walmart store has about 40 of these - which costs **upwards of \$40,000**.

By not using them as often, we can prolong their life to about 10 years. Which means Walmart won't need to spend so much money more frequently.

Problems with the Receipt Printing System.

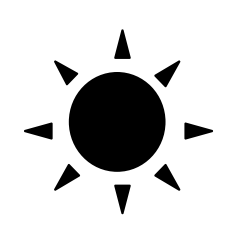
Today - During Peak Hours

➔ **Surplus of Time Spent Maintaining the System**



There are many attributes to a printing system, which require an unnecessary amount of attention.

➔ **System is not Eco-Friendly**



The adapting world, is transitioning into being environmentally friendly causing many customers to be concerned with the amount of paper wasted.

➔ **Employees aren't Trained to Fix the Machine**



Causing delays in the efficiency of transactions occurring, employees have to contact their superiors, which further uses up valuable time. This way the line will go at a quicker pace.

The Solution.

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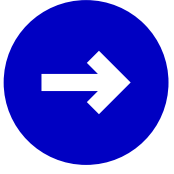
Shopping at Walmart shouldn't feel like a chore, it should feel like a privilege.

”

Dufferin Mall Walmart Customer
Loyal Shopper

Implementation of an E-Receipt System.

A new process unique to Walmart that will revolutionize the way receipts are issued.

-  **Each Walmart customer receives a card.**
Registered on the card will be the customer's name and email address. This will be used at checkout before the receipts is given.
-  **At checkout, this card will be swiped.**
Just like swiping any gift card, customers are able to swipe the card and their Walmart purchase history will be uploaded onto that card. A copy of their receipt will be emailed to them. All transactions will be available to customers and a Walmart database will store transactional information. .
-  **The receipt is loaded on the card, resulting in a digital receipt.**
This decreases line wait times, improves the accessibility of information and less money will be spent to maintain this receipt system.



Walmart would also be very accommodating, if a person wants a paper receipt, one can be provided.



Money Spent on Receipt Paper.

Per Roll

When you buy in bulk, you get a 150-foot roll of receipt paper.
 $50¢$ for $0.5 \text{ ft} \times 150 \text{ ft} =$
 $\$37.50$

Rolls Changed

The roll is changed 5-7 times a day. See slide 5 for reasoning..
 $\$60 \times 5 = \375 ; $\$60 \times 6 =$
 $\$450$; $\$60 \times 7 = \525

Roll Bought

Walmart buys receipt rolls monthly. They buy in bulk since so many receipts are used. Approximately, 200 rolls a month are purchased.
 $200 \times \$37.50 = \$7,500$
 $(\$250/\text{day})$

Walmart spends about $\$91,250$ a year **PER STORE** on receipt paper.



Money Spent on Toner.

Per Ribbon Cartridge

Ribbon cartridges are filled with toner. Toner is used for laser-printing, which is how Walmart prints their receipts.

\$3 per cartridge

Average Lifespan

The lifespan of a cartridge is about 3,000,000 characters. Assuming each receipt has about 300-500 characters, it can print 6,000 - 10,000 receipts.

**\$3 for 6,000 - 10,000
receipts**

Cost per Week

If 2,000 receipts were produced a day, the toner would need to be changed every 3-5 days. This holds up lines and decreases customer experience as employees aren't trained for situations like this.

\$3 x 5 = \$15 (\$2.14 a day)

*Walmart spends about \$781.10 a year **PER STORE** on toner and line wait times increase by up to 5% to repair toner related problems.*

Money Spent on Printers.

Per Printer

Walmart uses a ZQ620 laser printer.
Each printer is \$1100. Walmart purchases 40 printers (30 checkout lanes + 10 self-checkout kiosks)
 $\$1100 \times 40 = \$44,000$

Average Lifespan

A printer lasts about 5-7 years. This is if there is no previous damage and it stays intact for that period of time.
After about 7 years, the printers become slow and start to shut down.
 $\$44,000 / 5 = \6285 a year

Maintenance Cost

The cost to maintain the printers aren't cheap. Zebra gives Walmart a 12 month warranty, which costs them \$100 for every machine they purchase.
 $\$100 \times 40 = \400

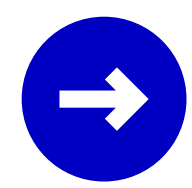
Walmart spends about \$6,685 a year, per store, on the printers.



Customer Incentives for Getting a Card.

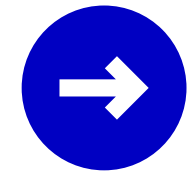
This is what's in it for the customer.

Walmart Financial Integration



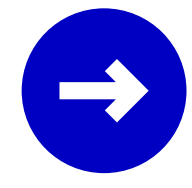
Currently, Walmart Financial gives you **1.25% back on Walmart purchases** and **1% on any other purchases** using the Walmart MasterCard. If customers with Walmart Financial get a card, we can **up the Walmart purchase incentive to 2% for 6 months**. Then it's back to the regular 1.25%. This way, customers will be *more inclined* to purchase more goods from Walmart, resulting in greater returns for Walmart.

Holiday Season Reservations

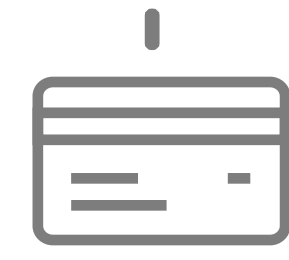


During the holiday season, Walmart is the go to store for most items. If we give card customers incentives for **getting to that item first**, they will be more inclined to sign. We can put policies in place in like the *first 10 card customers have first choice* and then after that everyone is equal. This way card customers will be inclined to purchase the item as well as sign up for a card.

Referral Coupons



If a customer gets **up to 10 people to get a card**, they get **25% off for an item under \$10**. The coupon for this will expire three days after the referral coupon has been filled so, the customer may not even use it in time. This won't cost Walmart a great deal of money because they are losing a maximum of \$2.50 a customer. This referral program will then be abolished *after about one year* because by then, most people will have a card. We will be able to keep this very controlled.

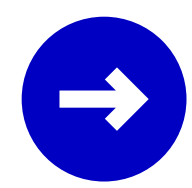


We can provide two options, a card and a keychain with a barcode so, if people forget their card, their keychain card is available for use



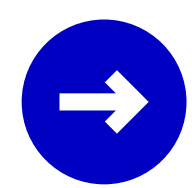
Other Ways to Collect Emails.

Let's face it, technology isn't perfect.



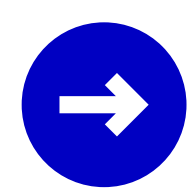
Collecting Phone Numbers Instead

If people don't have an email, we can text them a pdf of their receipt. Also, a phone number is easier to give to a cashier than an email because not everyone's name is John Smith.



Simply Telling the Cashier

You can always verbally tell the cashier your email. This will take longer as some people have long and complicated emails.



Typing your Email Yourself on the Keypad or Pin Pad

We can use the pin pad to easily type phone numbers into the system so, cashiers don't have to do it. To collect emails, the machine to pay could turn into a touchscreen keypad where you can manually input your email.

The Impact.

“

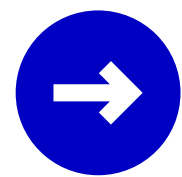
At the end of the day, Walmart is the best superstore for saving money. That's why I shop there.

”

Walmart Greeter
Very Happy

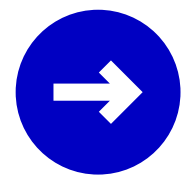
On Walmart.

Based on Peak Hours



Money being saved through E-Receipts

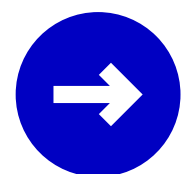
After three years, Walmart will become completely paperless, when it comes to receipts. Our three year plan can almost guarantee that. If Walmart saves **\$98,716.10 per store**, per year, through all 411 of Walmart stores in Canada, Walmart would save **\$40,572,317.10 per year**.



Time saved at the cash register

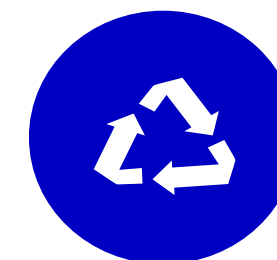
An average transaction takes about **10 minutes**. We calculated that it takes about **10 seconds** for a receipt to print. That means that if we abolish receipts, **the time reduces to 9:50**.

200 people / 60 minutes saves **2,000 seconds an hour**. Which is about **35 minutes per 200 people**. With this theory you would be able to **service about 15 extra people an hour**. In **16 hours, Walmart can efficiently service 240 extra people**. Walmart would be able to lay off some full-time employees and replace with part-time employees. This is average, there will always be anomalies.



Gives Walmart a more eco-friendly reputation

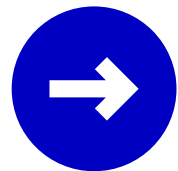
Many people boycott, multimillion dollar conglomerates like Walmart because they don't respect the environment. If Walmart advertises this as a **“green” campaign** then more environmentalists and people who love and support nature will shop at Walmart. Shopping at a green store also makes people feel like they are contributing to the restoration of our planet.



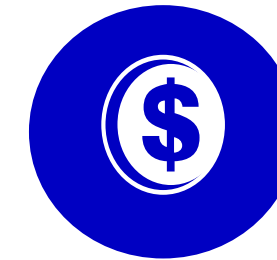
You can also attach the customer survey so, more people would do it.

On the Customers.

Accounting made easier

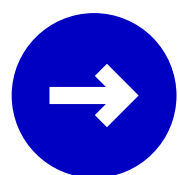


Many people purchase things at Walmart that they can claim for their taxes. From office furniture, to groceries for restocking the fridges, Walmart has made it very easy to get everything that is needed. **E-Receipts make it easy to send to the accountant**, to check over and to send to employers to claim your money back. It also makes returns easier because you can show the E-Receipt because you'll have it with you and it will easily cancelled from your E-Receipt because it's all done electronically. Organization is key. **Accounting will also be easier for Walmart because all their transactions will be nicely organized in a database.**



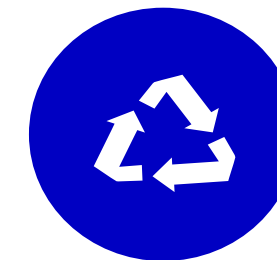
Wait time to checkout is less

Since Walmart will be able to serve 15 more people every hour, lines would go significantly quicker. Customers won't wait too long and employees won't get overwhelmed if something is wrong with the receipt system.



Makes people feel better about themselves

Whenever people walk into Walmart, they think they are slowly killing the planet by all the paper being produced and emission being emitted. Since Walmart's ecological footprint will be reduced, the people shopping at Walmart will have **lower footprints** as well because they will have less paper to deal with.



Next Steps: Phase One

1

Find a store for a pilot project

We suggest the Meadowvale store as it can be easily watched over by head office.

2

Training the employees

Introducing this new concept in the shortest time span, and train them to be able to introduce it to the customers.

3

Getting a few customers to test it

Doing a test run at one branch, and observing the difference for a couple of weeks for feedback.

4

Open it to public and watch it save you money

Applying all the feedback given to release the idea globally and allowing for exceptional customer satisfaction.

Phase One: Three- Year Plan

1**Test the system with customers at one store**

This is very impactful, but will take a little time before receipts can be completely abolished. You may save around \$90,000 the first year.

2**Unveil the system at other locations**

It will quickly gain popularity and soon people will expect in all Walmart stores. You will see a significant revenue gain at around \$200,000.

3**Implement the system in all stores**

After this happens, you will find that more and more people will be using E-Receipts and Walmart will save money on the receipt system.

We can advertise this as, “Walmart’s Go Green Initiative”. This will encourage environmentalists to shop at Walmart and write good reviews about Walmart. Not only will this reduce Walmart’s ecological footprint, it will change Walmart’s reputation forever.

Next Steps: Phase Two

1

Add kiosks for card-making

We suggest the Meadowvale store as it can be easily watched over by head office.

2

Integrate Walmart Financial

The Walmart card holders can view the transactions made on the card itself and can be integrated into the system, where the card holder can also access their receipts online while.

3

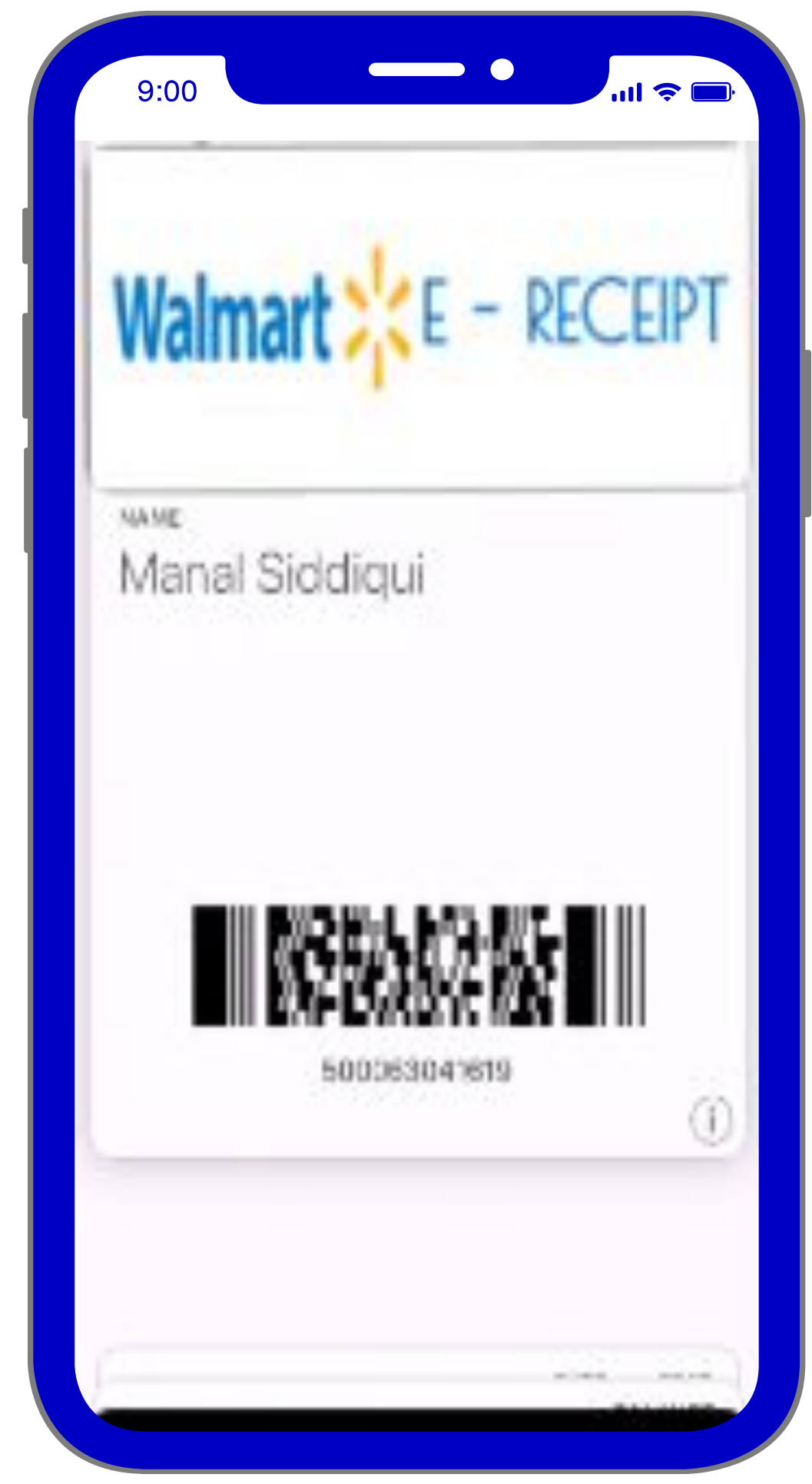
Hire a team

A temporary team who can introduce the idea to the customers as they walk into walmart, helping them out at the kiosks.

Next Steps: Phase Three

Card Compatible with Apple Wallet

Just in case the customer doesn't have their card or their keychain, they are able to use Apple Wallet to store their card. They just hand their phone to the cashier and the cashier can scan the barcode, just like the keychain. The card can also be compatible with Samsung Wallet and passes apps.





On a More Personal Note...

Hi Walmart Canada,

We'd like to personally thank you for giving us the opportunity to help Walmart save money. We find it very important that customers get involved with the day-to-day operation of Walmart because customers are able to experience Walmart in a different way than employees are. That's why we worked hard to bring you our recommendation. We understand the importance of customer feedback and viewing the situation from every perspectives. We'd also like to give a special shoutout to Fareena, Director of Innovation, for presenting us with this once in a lifetime opportunity.

At first, we were just trying to come up with a solution without even understanding the opportunity. We realized, through Walmart's guidance and the help of the TKS team, that we need to identify the problems before we jumped into solutions. That's when we realized that we live in the twenty-first century and there are so many outdated systems that were anxiously waiting for an overhaul. We noticed that the receipt system was extremely flawed due to the unpredictability of the printer and availability of paper and toner. I'm excited to see where this opportunity will take us.

We hope that we are able to make an impact on Walmart's future. We hope to help you "Save Money and Live Better!"

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