



# Surprising and delighting customers

**Self-service kiosks have provided Taiwan's FamilyMart, an island-wide convenience store operator, with a platform to pursue new growth opportunities and greater customer satisfaction.**

In the past, offering simple daily necessities like bottled water, candy and newspapers was a top priority for most convenience stores. But now technology is playing an equally important role in helping stores find alternative sources of revenue.

Few understand this shift better than Taiwan's FamilyMart, which operates a chain of 24/7 convenience stores across the island. Established in 1988, the Taiwanese arm of Japanese convenience store giant FamilyMart has become a top player in the country by focusing on a strategy to "surprise and delight" its customers.

FamilyMart convenience stores offer customers innovative products and services that keep them coming back for more. For example, the launch of its popular chilled noodle line marked the first-ever partnership between a convenience store and a local restaurant chain. The product has been a hit with young adults in their 20s and 30s, as well as working women and baby boomers. In addition to its line of traditional food and beverage products, FamilyMart is keen to use new types of technology to enhance the overall convenience store experience. In 2007, the company installed its first Wincor Nixdorf's self-service kiosks.



## FamilyMart facts

- The chain opened its doors in 1988. Japanese parent company FamilyMart operates about 14,000 stores across Asia.
- Now in six countries, the chain is 44 percent owned from Japan. Its other main shareholders are three large beverage companies from Taiwan.



- Approximately 20 percent to 25 percent of the stores' profits come from utility and other bill payments through self-service kiosks.
  - Customers can order books via the Internet, pay and pick up their orders at any FamilyMart.
- [www.family.com.tw](http://www.family.com.tw)

FamilyMart branded Wincor Nixdorf's iCORE kiosk as the "Famiport," a combination of the company's name and the concept of a portal full of information and services for customers. The convenience store has more than 2,000 kiosk systems installed island-wide.

Taiwan's FamilyMart President and Chief Operating Officer, R. D. Chang, recalls that the executive team thought long and hard about the business case for self-service kiosks before making a decision. Ultimately, he and his team determined that in order to sustain long-term growth in a competitive convenience store environment, they needed to find new revenue streams with the help of advanced self-service technology.

Chang sought an easy-to-use system that could be operated by consumers and staff for a range of processes, such as ordering specialty food and beverage products, monitoring and updating loyalty reward points, printing tickets and vouchers as well as adding credit to telephone cards and Internet game cards.

Customers who order products at FamilyMart self-service kiosks must pay at the POS device. Chang believes this strategy benefits the company in two ways: the ordering process is streamlined and customers are encouraged to stay longer in the store and shop.

"The service offerings through the kiosk have certainly boosted our brand awareness among consumers, especially when compared to rival convenience stores," says Chang.

The stores have worked hard to market the kiosks along with various products and services that tap local tastes and idiosyncrasies. All marketing campaigns are executed over the kiosks and supported by traditional

## Taiwan FamilyMart milestones

- **2008:** More than 2,300 convenience stores island-wide
- **2007:** FamilyMart becomes the No. 2 convenience store chain operator in Taiwan
- **2004:** With a store debut in Shanghai, it becomes the first Taiwanese convenience store to gain a foothold in China
- **2002:** The company is listed on the GreTai Securities Market, an over-the-counter stock market in Taiwan
- **1988:** Taiwan FamilyMart established



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## FamilyMart Kiosks

- Kiosks have been in Taiwan for a decade. But in 2006, less than 10 percent of the island's convenience stores were equipped with self-service terminals.
- Today, Wincor Nixdorf iCORE kiosks, branded Famiport by FamilyMart Taiwan, are installed in around 90 percent of the more than 2,300 stores operated by the convenience store chain.

advertising signage around the stores as well as LCD screens.

As one of the FamilyMart's most successful initiatives, customers are able to pay utility bills and other types of bills at kiosks using barcode reader technology. Each month, the total value of bills paid at FamilyMart kiosk systems is approximately New Taiwan(NT) \$6 million (around US\$180,000) from which the company takes a small percentage for processing the transactions.

Previously, customers paid bills with cashiers in the checkout areas but transferring this process to the self-service kiosks has helped cut queues for customers and, at the same time, freed up staff to perform other productive functions in the store. "The speed and convenience of the kiosk has certainly helped to boost customer store visits and transaction levels," Chang adds.

The number of transactions at FamilyMart kiosks per month currently ranges from 300 to 550 per kiosk depending on the store location. On average, about 15 customers per day use the self-service terminals. The company has reported an average 3 percent to 4 percent increase in customer store visits after the kiosks were installed. "We hope to increase the value of these kiosks to customers by using them as a platform to provide further services and product features in the future," Chang notes.

The services could include the ability to purchase train or bus tickets, theme park tickets, make hotel reservations or order seasonal products, such as special dumplings for Chinese New Year. "We are using kiosks as a core part of our technology strategy, which will help us become a service provider for the local community," R. D. Chang says. ■

