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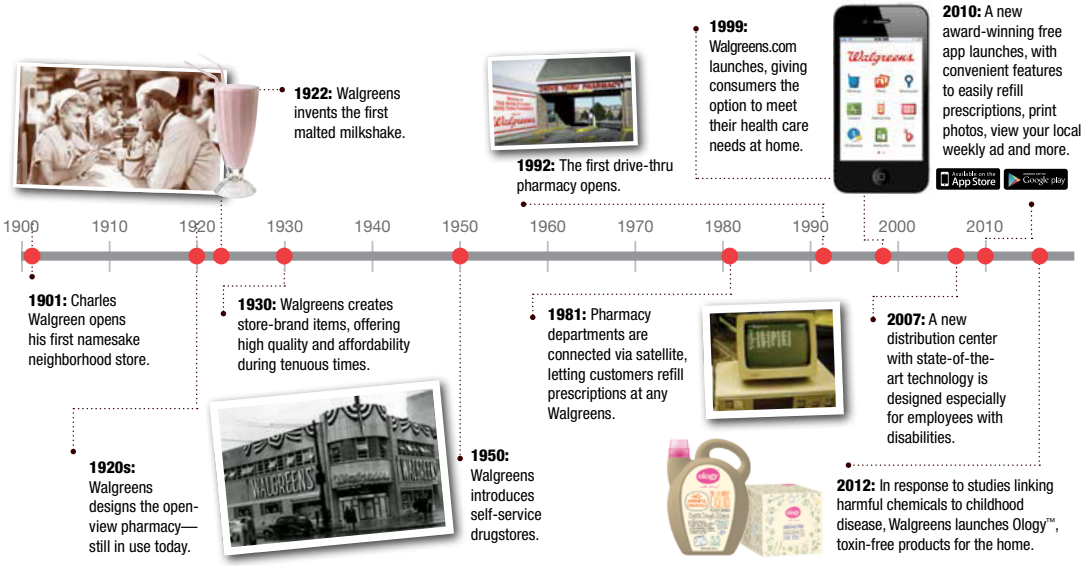
Walgreens Builds Healthier Customer Relationships Through Innovation

Advanced Customer Engagement Platform Extends Company's Technology Leadership

A History of Innovation

In its first century of operation, Walgreens grew from a single Chicago drug store to one of America's most trusted brands, with more than 8000 locations in the U.S. and Puerto Rico. The company has a long history of pioneering new innovations – from the first malted milkshake (1922) to self-service retail (1950) and child-resistant caps on medications (1968).



Now well into its second century, Walgreens is advancing both retail and healthcare industries as it furthers its vision of becoming "America's first choice for health and daily living." To support this vision, the company has accelerated its pace of innovation, with:

Fast Company named Walgreens as one of the healthcare industry's most innovative companies for the third time in 2013.

Well Experience stores: Walgreens is rethinking how pharmacies work to increase interaction between pharmacists and patients. In the company's new Well Experience stores, health guides equipped with iPads help customers navigate services and resources, including immunizations and health tests, and streamline consultation with pharmacists.

Walk-in clinics: Walgreens offers more than 300 Take Care Clinics at select Walgreens stores, expanding access to affordable health care for customer around the country. In addition to preventative care, the clinics offer services for managing chronic conditions, such as diabetes, hypertension and asthma.

Energy efficiency innovations: Walgreens has announced plans to build the nation's first "net zero energy" retail store, which will produce at least as much energy as the store consumes. The new store is part of the company's ongoing commitment to energy efficiency and sustainability in its retail operations.

Steps with Balance Rewards Program: Walgreens gives its customers opportunities to earn points for healthy behavior through Steps with Balance Rewards. Members can now earn loyalty points by setting goals and logging physical activities such as walking, running, and other individual frequent activities. Activities tracked by wireless devices like Fitbit, Withings and BodyMedia can be synched to the Balance Rewards account to automatically load the number of steps taken.

Whether building 'green' stores or forging more personalized relationships with its customers, Walgreens is using technology innovations to shape its path moving forward.

Technology Enables Transition from Transactional to Relationship-Based Business

The next major, multi-year innovation initiative, which is being driven by Walgreens' Chief Information Officer Tim Theriault, leverages new technology to forge stronger, more personal relationships with customers. Named "Walgreens 2.0", the initiative ranges from behind-the-scenes improvements, such as the internal data center infrastructure, to solutions visible to Walgreens' customers, like mobile point of sales systems in the stores and mobile applications.

Walgreen's CIO Tim Theriault was named a Computerworld Premier 100 IT leaders for 2012 based on his commitment to technology excellence and leadership.

In 2011, Walgreens employees began piloting new mobile touch-screen devices that serve as a phone, scanner, and mobile point-of-sales. This lets employees who would traditionally stay located near a register to now be out in the store engaged with and supporting customers.

Innovative features also now in Walgreens' popular mobile applications for iPhones, iPads and Android phones include:

- Printing photos from Instagram to the local Walgreens
- Pill reminders
- Ordering prescription refills
- Using mobile coupons and loyalty program points
- Viewing in-store maps
- Accessing health information

Walgreens won an Appy award for the Best Retail Mobile App at the 2013 SXSW Interactive Conference.

These innovative solutions demonstrate how Walgreens is completely re-thinking the retail business model to transition from a purely transactional to a more personalized, relationship-based experience with their customers.

New Customer Engagement Platform Launches Continued Innovation

To fully realize its new relationship-based business model, Walgreens is now deploying a comprehensive, cross-channel customer engagement platform using the most advanced solutions from Genesys, Nuance Communications, and other partners. The new platform puts Walgreens significantly ahead on the innovation adoption curve relative to their competition, and it enables Walgreens to continue to advance customer relationship capabilities well into the future.

According to Troy Mills, Divisional Vice President, Customer Care Operations at Walgreens: "From our Well Experience stores to our mobile apps to our contact centers, we want to make it easy for our customers to do business with us. Genesys and Nuance have helped us build a platform that lets us optimize and enhance the customer experience."

Specifically, the new platform offers a centralized telephony infrastructure to streamline and enhance service offerings as well as an improved, more personalized customer service experience across all service channels.

A fully integrated, centralized telephony infrastructure

The new Genesys Voice Platform replaces independent Interactive Voice Response (IVR) systems in each store with a state-of-the-art, centralized infrastructure, providing for a consistent and exceptional experience for all of Walgreens customers. The solution supports an intelligent self-service 'front door' with advanced capability to determine and address caller need and intent within the IVR or provide context for routing interactions to a qualified pharmacist. Alternatively, an associate may receive a proactive notification alerting them to photo ready or web pick-up status in preparation for a customer visit. Genesys solutions enable seamless, high-quality experience from first point of contact through the IVR to efficient in-store customer transactions.

"We have essentially created our own communication network that handles all voice traffic for Walgreens, with all of the availability and reliability you would expect from a phone company. The IP-based call routing gives us more flexibility and extensibility going forward than our old systems based on traditional phone lines," said Jim Kerr, Director, Customer Service Technology at Walgreens.

This centralized model is an innovative approach for retail stores offering a number of operational benefits. It ensures business continuity when there are localized issues like power outages that disable individual store services. With a standardized end-to-end service experience for all 1.2 billion annual calls, Walgreens is able to deploy new technologies and services more rapidly than would have been possible with discrete phone systems in each store. However, it still provides the flexibility to uniquely service particular markets or customer segments as needed.

These operational benefits help lower the overall cost to serve customers, but the centralized approach also enhances their customer service offering. For example, Walgreens is able to offer their customers specialized resources, such as pharmacists who uniquely focus on a particular disease or drug therapy. Call traffic going unnecessarily to the store can be reduced, giving store employees more time to spend with customers in the store. Consolidation and automation means customers can expect to receive the same high-quality care every time they engage with Walgreens, while maintaining that personal connection with their local pharmacy.

Improved customer service experience across all service channels

The new platform also provides the technological foundation to enhance how Walgreens interacts with customers. Interactions will be more personalized, put the customer in greater control of their healthcare, be simple and easy, and be available in their preferred service channel.

Genesys solutions enable Walgreens to offer the same level of care delivered in traditional phone channels to web, chat, social and mobile interactions in one seamless conversation between customer and company. For example, Walgreens can include a 'talk with a pharmacist' capability within its mobile applications.

The platform also enables proactive outbound notifications. For example, Walgreens can automatically contact a customer over the phone, email, or the channel of their choice when it is time to refill a prescription or when a prescription is ready to be picked up. This supports Walgreens' initiative of helping customers manage their healthcare.

Another example of how Walgreens is delivering improved services through seamless technology is the Web Pickup offering. When a customer places an order online, an outbound call is placed to the store staff to notify them to pull the order and have it waiting in the front of the store. When the customer arrives, they don't even need to enter the store. They simply call the toll-free number posted on a sign in the parking lot and their order is brought directly to them in their car.

"Using these technologies, Walgreens can expand its role in our customers' lives, making it easy and convenient people to get the medication and services they need," said Jim Kerr. "Convenience isn't only good for our business; it also helps our customers lead healthier lives."

Working with Nuance Communications, Walgreens aims to transform their automated interactions into intelligent systems that are more natural and easier to use. Nuance's experienced professional services team designs and develops solutions for IVRs, Web sites, and mobile applications that use advanced natural language understanding (NLU) and proven dialog design to automate conversations with customers. With Nuance solutions, Walgreens customers would be able to speak or type their requests in their own words. The application would understand their intent and engage in an automated conversation to address the customer's need or connect them with a live agent.

"Our pilot tests of newly designed customer service telephone applications proved the value of speech recognition to our business and our customers," said Jim Kerr. "Nuance provides clear leadership in designing innovative, automated customer solutions. Their comprehensive offerings across service channels makes them an ideal partner for Walgreens."

Overall, the new customer engagement platform will provide Walgreens customers with the most comprehensive care possible and support the Walgreens 2.0 initiative.

Summary

Walgreens has traveled far from its early 20th century roots as a traditional drug store serving malted milkshakes. While the company's first century brought growth and expansion in numbers of stores, future growth will come from expanded relationships with its customers. Today Walgreens is continuing its retail leadership while expanding its healthcare role by helping its customers maintain healthier lifestyles. And technology is playing a key role in this business transformation.

Working with Genesys and Nuance, Walgreens has built a best-in-class customer service infrastructure that fits well with its advanced-technology data centers and cutting-edge retail store technology. According to Jim Kerr: "All of our technology innovations are aligned with creating a stronger, deeper relationship with our customers – serving people efficiently and consistently with the information and products they need to be happy and healthy."

Genesys and Nuance: Partners in Innovation

Genesys and Nuance Communications are both focused on providing innovative solutions for seamless, personalized customer experiences.

Genesys is a leading provider of customer service and contact center solutions. With more than 2,700 customers in 80 countries, Genesys orchestrates more than 100 million customer interactions every day across the contact center and back office, helping companies deliver fast and optimal levels of customer service with a highly personalized cross-channel customer experience. Genesys also prioritizes the flow of work to back office personnel resulting from any customer interaction, internal workflow or business application, optimizing the performance and satisfaction of customer-facing employees across the enterprise. Walgreens selected Genesys for its scalable voice platform, innovative omni-channel capabilities, and overall dedication to the customer experience. www.genesyslab.com

Nuance Communications is a leading provider of voice and language solutions for businesses and consumers around the world. Its technologies, applications and services make the user experience more compelling by transforming the way people interact with devices and systems. Every day, millions of users and thousands of businesses experience Nuance's proven applications. Walgreens is taking advantage of Nuance's proven expertise and market-leading capabilities in speech and natural language understanding to design a compelling multi-channel customer experience. www.nuance.com

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