GS1 Nederland

The Global Language of Business

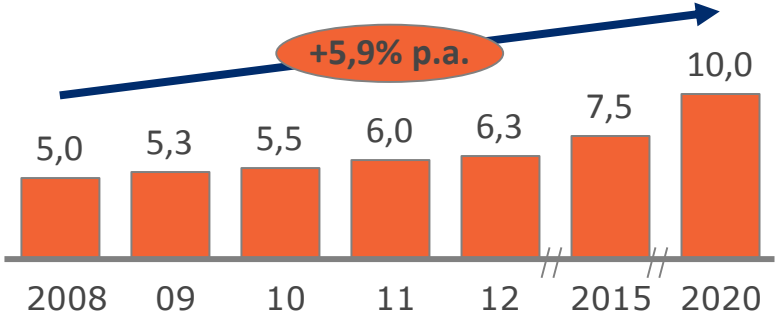
Building the Omni-channel Supply Chain

Frits van den Bos, innovation manager GS1 Netherlands

12 November 2015

Vacant points of sale

Vacant points of sale[1], %



In the UK, the vacancy rate has already reached 15%

"Big chains won't return to high street because of rise of online shoppers", Mary Portas Review

1 - Extrapolated in 2015 and 2020 on the basis over average annual growth 2008-2012; vacancy is defined as a vacant building that is intended for sale. Buildings that used to be shops but are now used differently will not be included.

SOURCE: Locatus, Expert Reports "The New Shopping Street"

Underlying trends

CONSUMER

- Social media
- 24/7 connected
- In control and informed
- Responsible individual

SUSTAINABILITY

- People require sustainability
- E-commerce effects on the planet increase
- Profits leave little room for large investments

Growth e-commerce

NEW TECHNOLOGIES

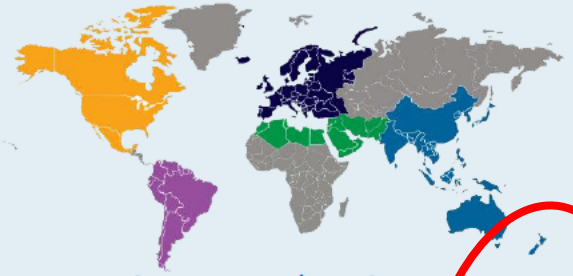
- Mobile, location based, touch points
- Big data
- Digalization (products and services)
- 3D printing
- AutoID: RFID, barcoding
- Internet of things

NEW LEGISLATION

- Privacy
- Consumer rights
- Safety
- Sustainability
- Cross border e-commerce

Ecommerce FOUNDATION

Global Key B2C E-commerce Data of Goods and Services at a Glance 2014



Asia-Pacific	$770bn	+44%
Europe	$567bn	+14%
North America	$523bn	+12%
Latin America	$37bn	+18%
MENA	$21bn	+22%
Others	$25bn	+24%

Global

$1,943bn +24%

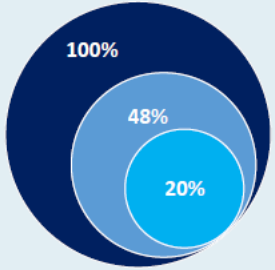
Total B2C E-sales of Goods and Services 2014

Top 10 e-commerce countries in turnover (in billions of dollars)

China	$538*
USA	$483
UK	$169
Japan	$136
Germany	$95
France	$75
Canada	$28
Russia	$27
Spain	$22
Australia	$21

* B2C & C2C goods & services, excluding insurances

USA, China and UK account for 61% of total B2C e-commerce sales in the world



7,223 mi
people live in t

2,737 mi
people use the

1,139 mi
people are e-sh

*excluding people age

GOMSEC

Global
Online
Measurement
Standard B2C
E-Commerce

Forecast 2015

$2,251 bn

Turnover E-commerce Goods & Services

Estimated share of online goods in total retail of g

Average spending per e-shopper

Share of Internet users accessing the web through a mobile device worldwide

72%

Cross-border B2C E-commerce

Most popular countries:

USA	47%
UK	38%
China / HK	31%
Canada	17%

"309 million consumers bought cross-border last year and this

"2.1 billion active social media accounts worldwide"

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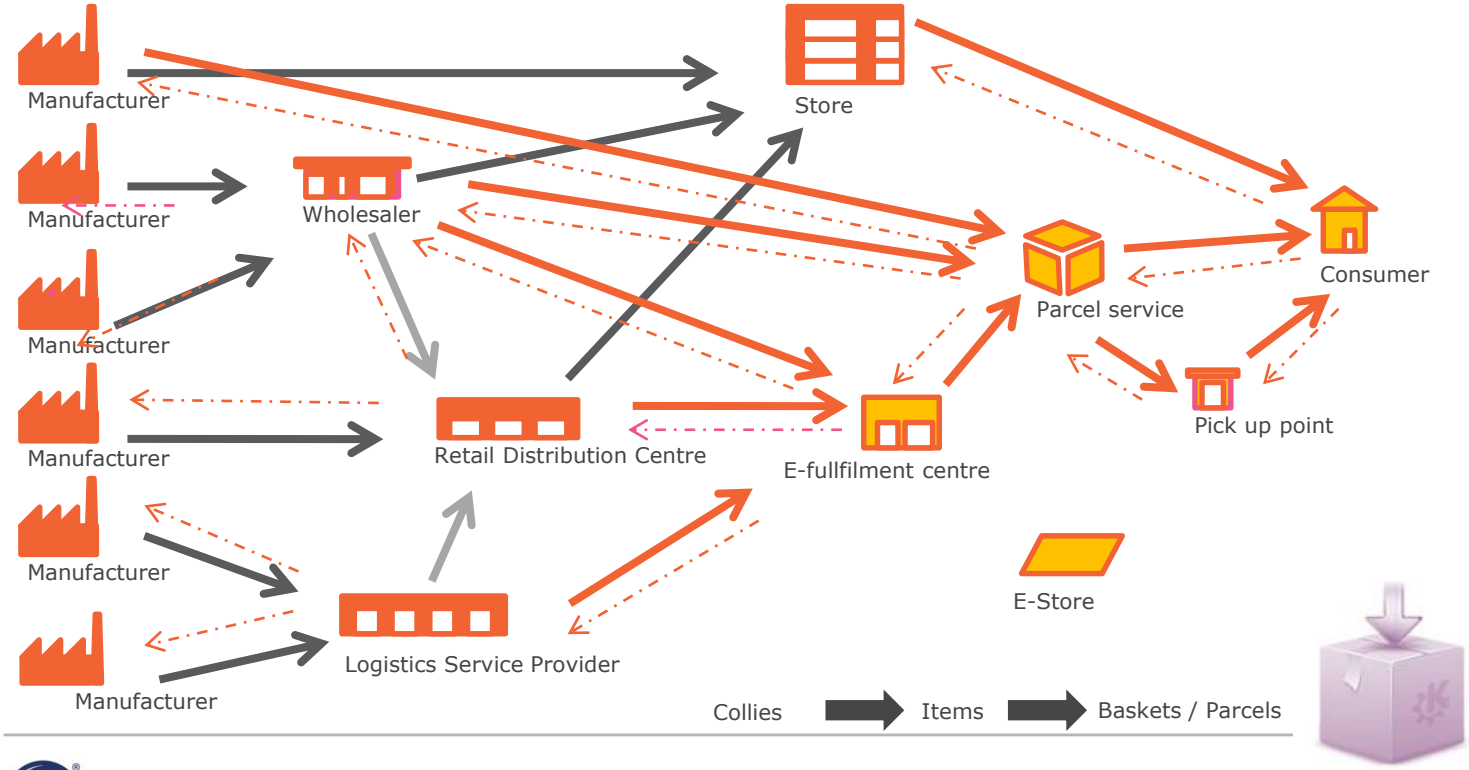
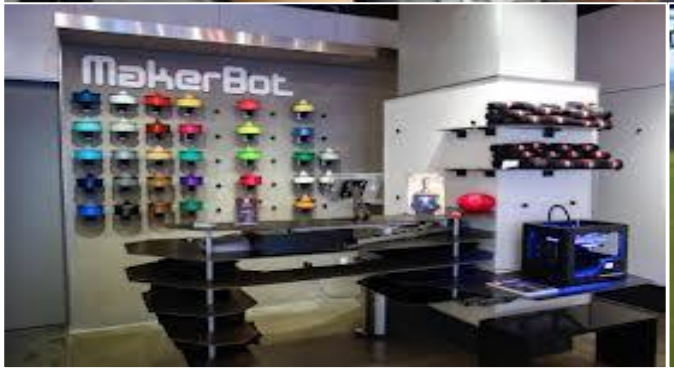
The Omni-channel supply network

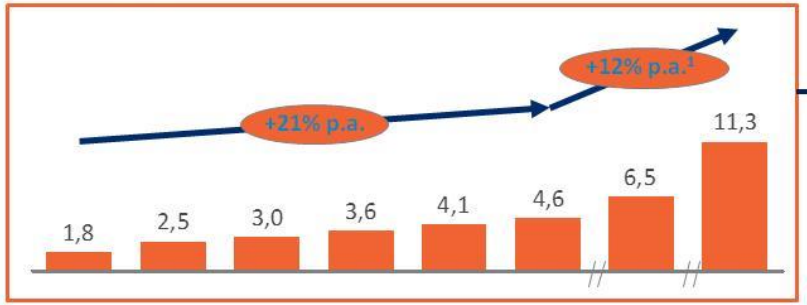


The customer journey 2020?



ROUGH ESTIMATE

Online retail turnover in the Netherlands
Billions of euros



Value per delivery
EUR

X

Number of parcels
Million

- ~1.5 million parcels delivered per day
- ~60 small parcels per year per household[3] in 2020
- 35% of current parcel traffic is air traffic at the moment

1 Based on growth in accordance with the experts in the GfK Expert Report
2 Decrease of 2007-2012 extrapolated
3 based on approx. 9-10 million households in 2020
SOURCE: GfK Expert Research; Expert Report "Cross-border (e-)Commerce"; parcelbox4u.com; PostNL

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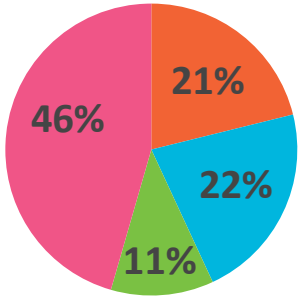
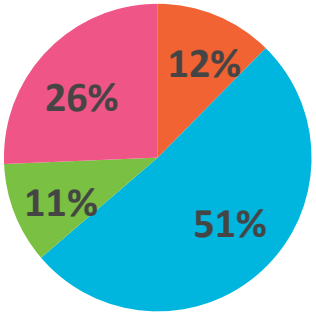
Delivery for free, where and when I want it….



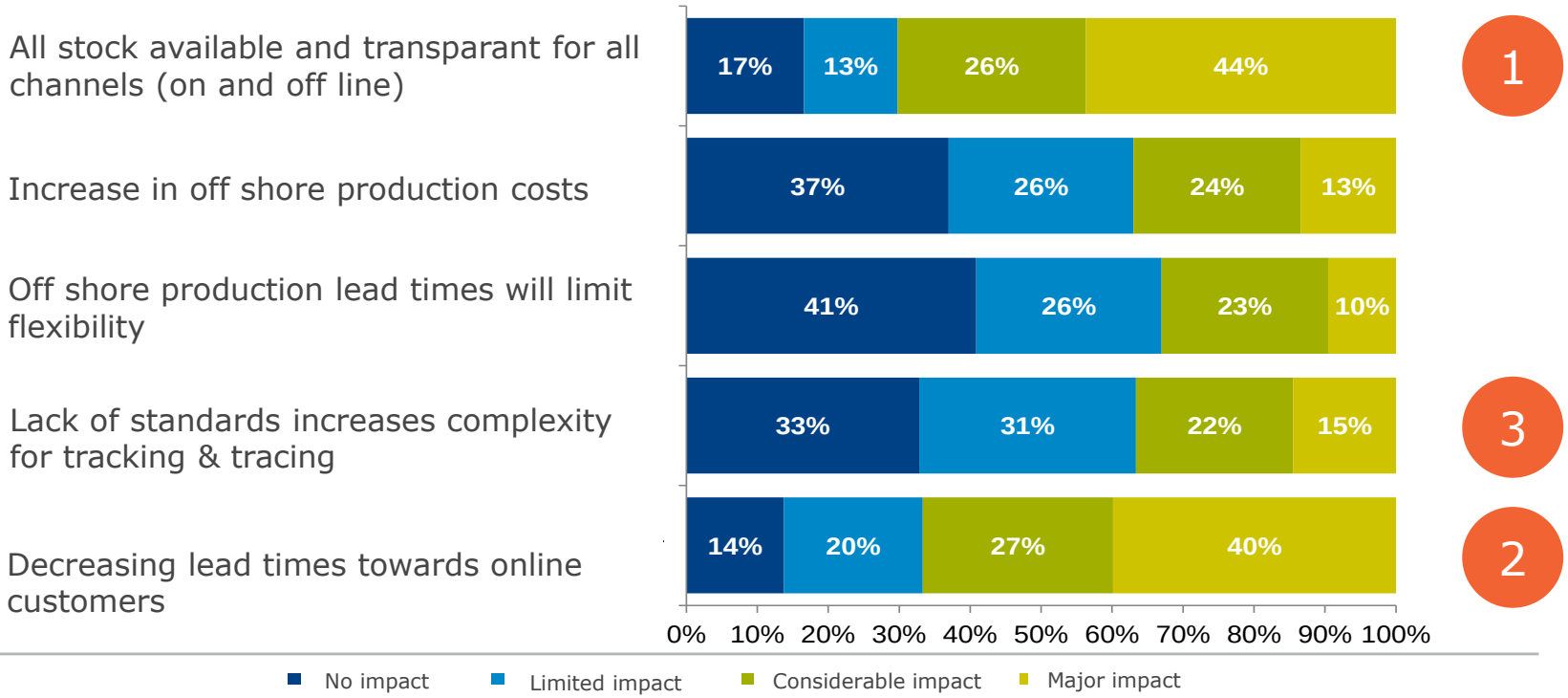
2014
(n= 123)



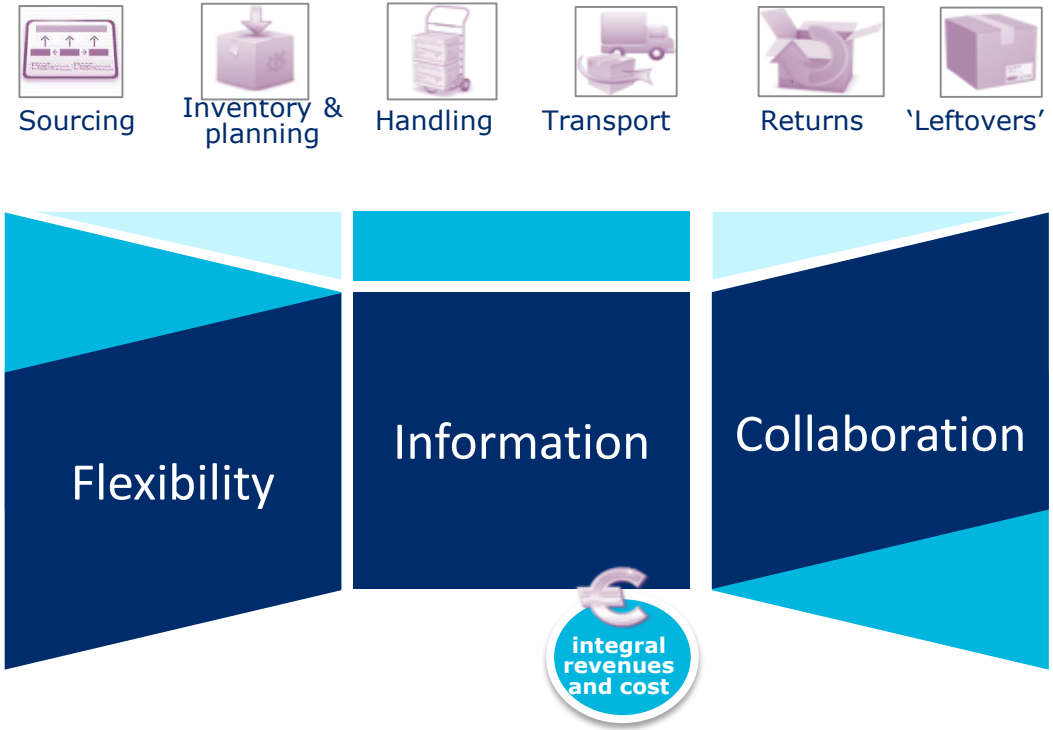
2020
(n= 113)

- Delivery cost are charged separately
- Delivery for free (Delivery costs are included in the selling price)
- Delivery costs are partly charged amd artlly included in de selling price
- Delivery costs are charged seperately, unless the order amount exceed a minimum amount and delivery costs are dropped.

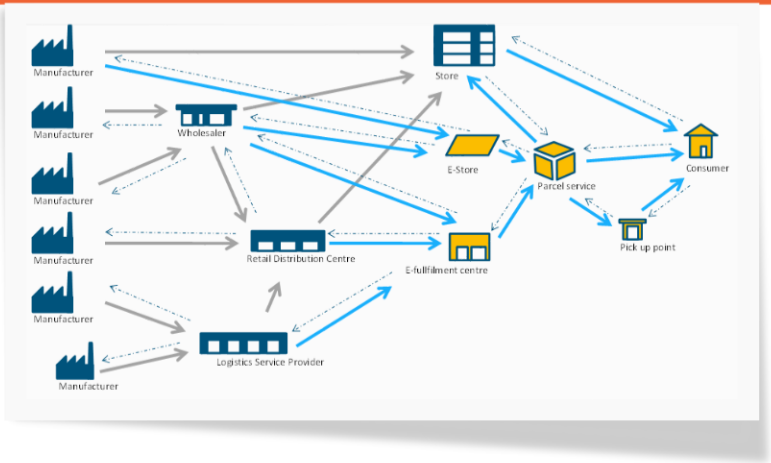
What will have the biggest impact on the supply chain?



Required capabilities



Collaboration: where to add value



Sourcing

Inventory & planning

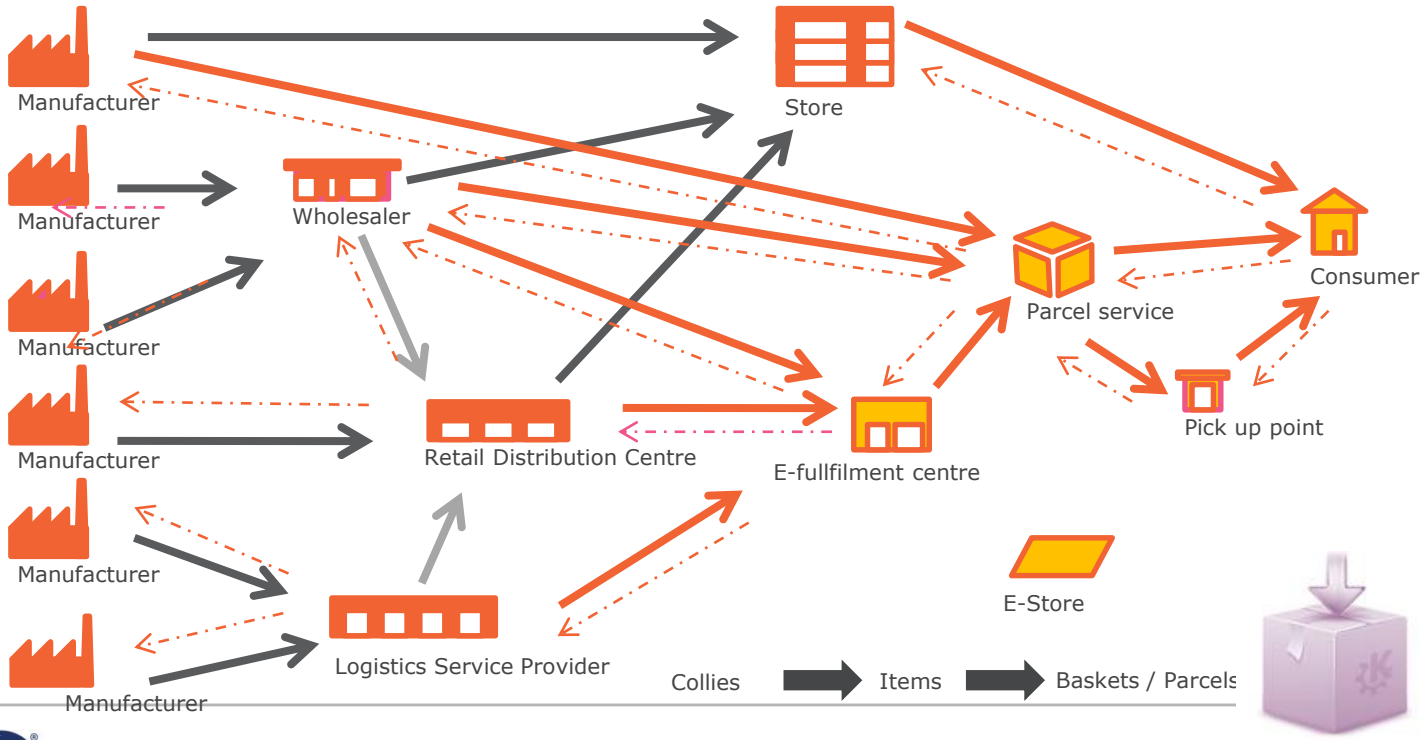
Handling

Transport

Returns

'Left overs'

Flexibility: on time delivery at low cost



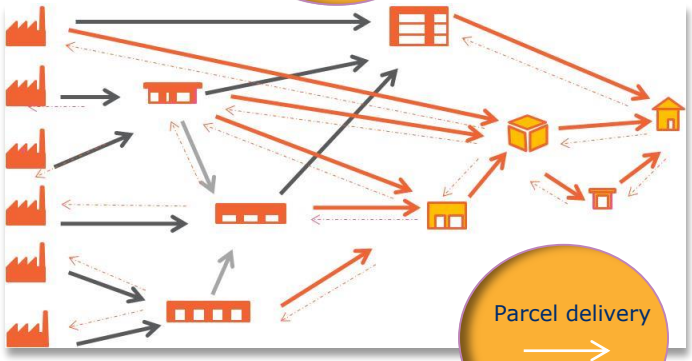
Information

98

Stock accuracy

60

Product data



Parcel delivery

Sourcing

Inventory & planning

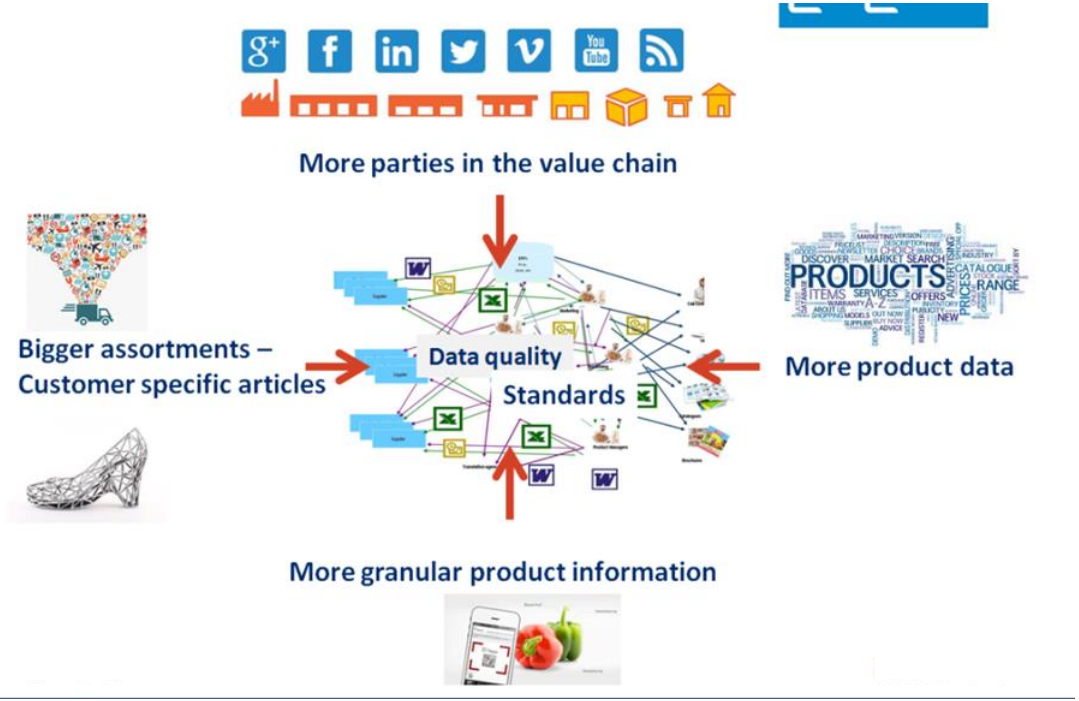
Handling

Transport

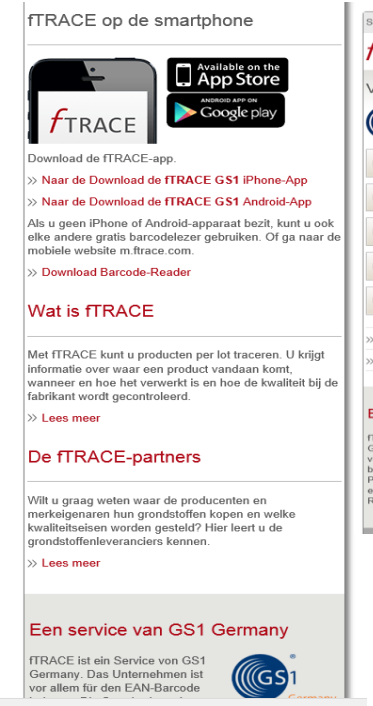
Returns

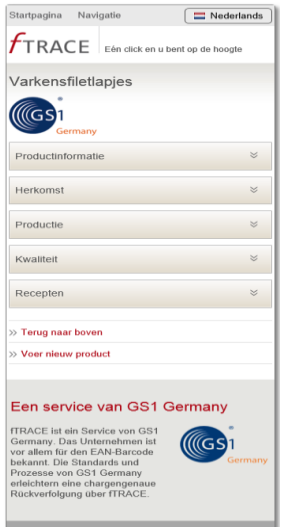
'Left overs'

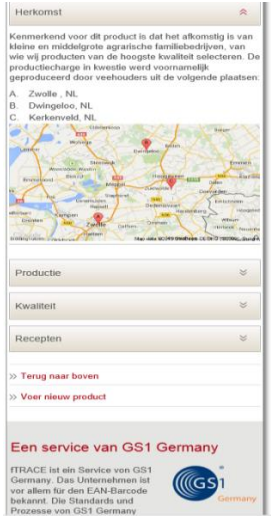
Product data



Example: Product data at batch level







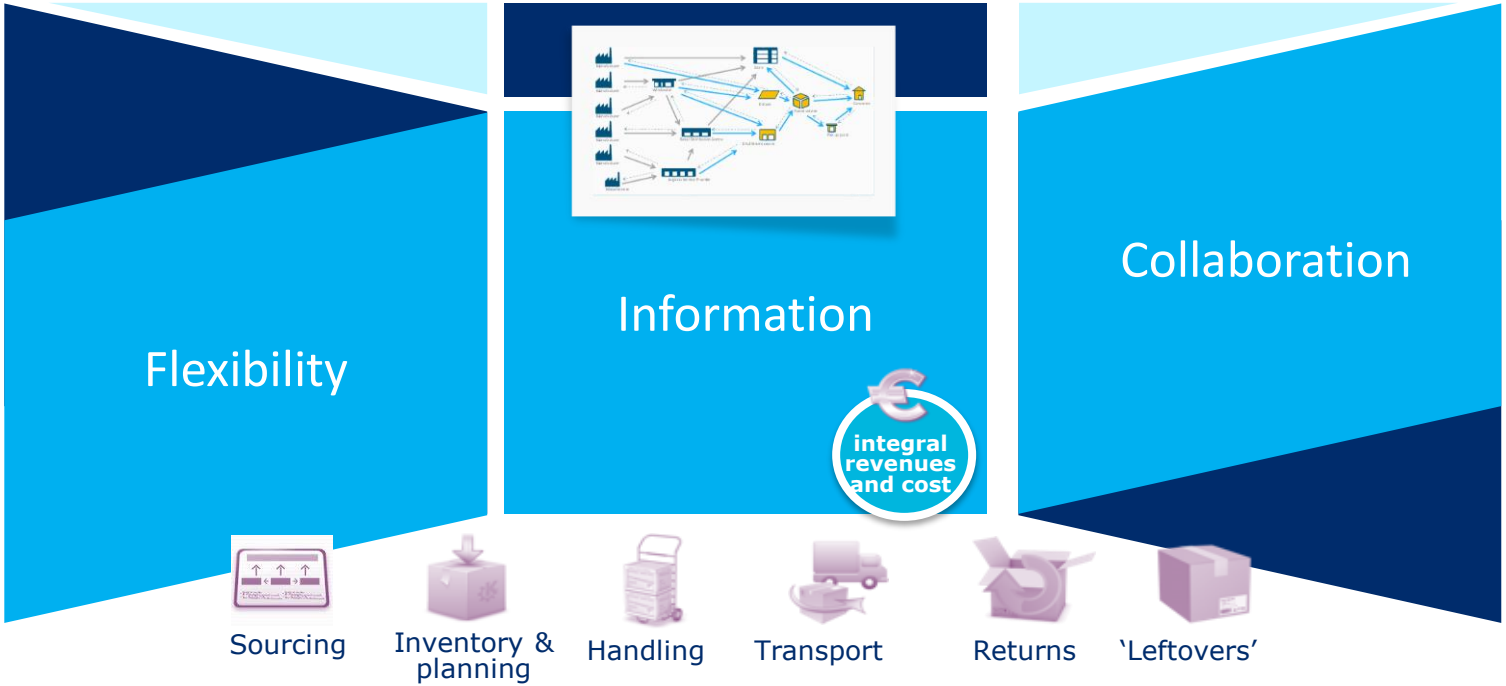
Parcel delivery: need for standards

- Collaboration can reduce costs
- Cross border delivery costs obstruct Single Digital Market in Europe
  - More transparancy in delivery costs needed
  - Lower switching costs needed

- Market is dominated by postal companies with their own interoperatebility system
- Many E-retailers act local
- Many E-retailers have a limited number of parcel delivery services

- return processes

Building the omni-channel supply chain



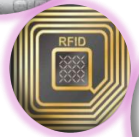
Omni-channel retail and GS1

EDI
API
RFID

More granular,
unique
everlasting
authenticated
identification

GS1 Standards
&
Services

Last mile
delivery
standards



Product
data

Adapted to
omnichannel

Summary

- Omni-channel supply networks: More parties, increased complexity
- Collaboration, Flexibility, Information are required key capabilities
  - Identification: unique, everlasting, authenticated and more granular,
  - Product data: more data, more data quality
  - Last mile delivery: need for standards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