



# Digital Commerce: From pureplay to omnichannel

WITH PIET COELEWIJ

# From pureplay to Omnichannel

Business

Transformation

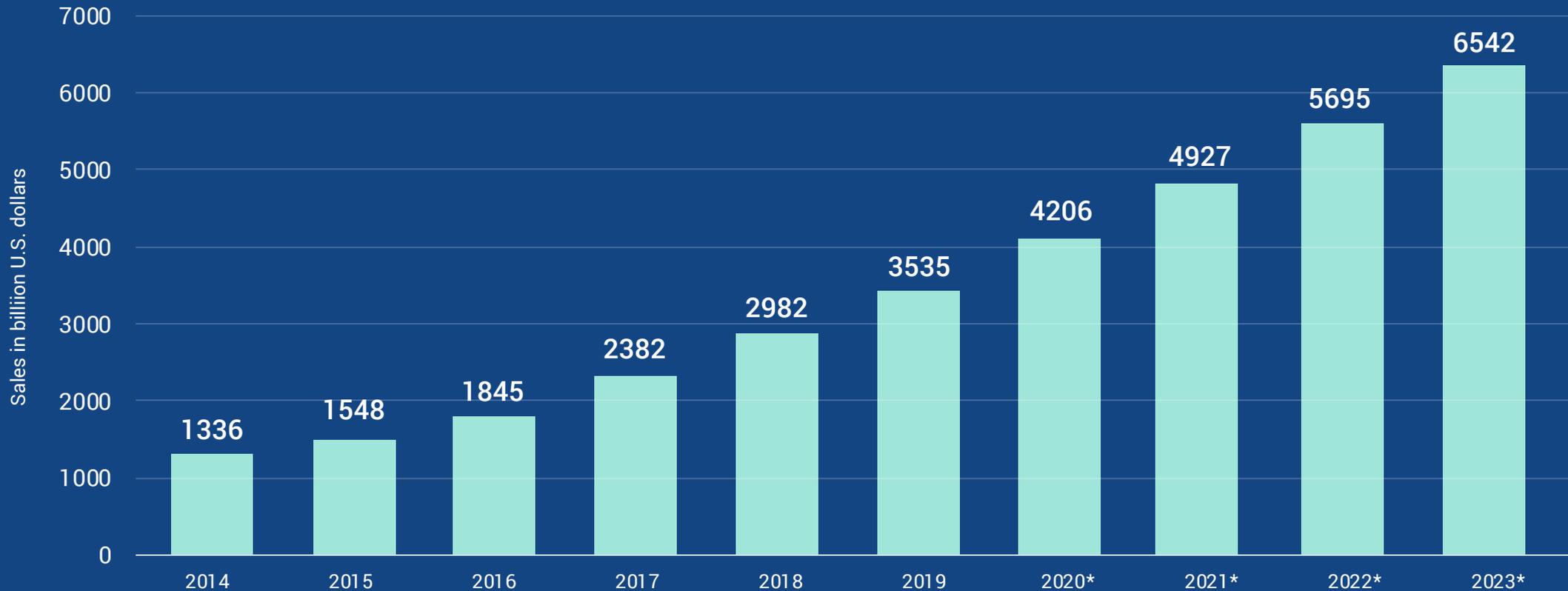
**01.** Phases of e-commerce

**02.** Why omnichannel?

**03.** How to overcome gaps

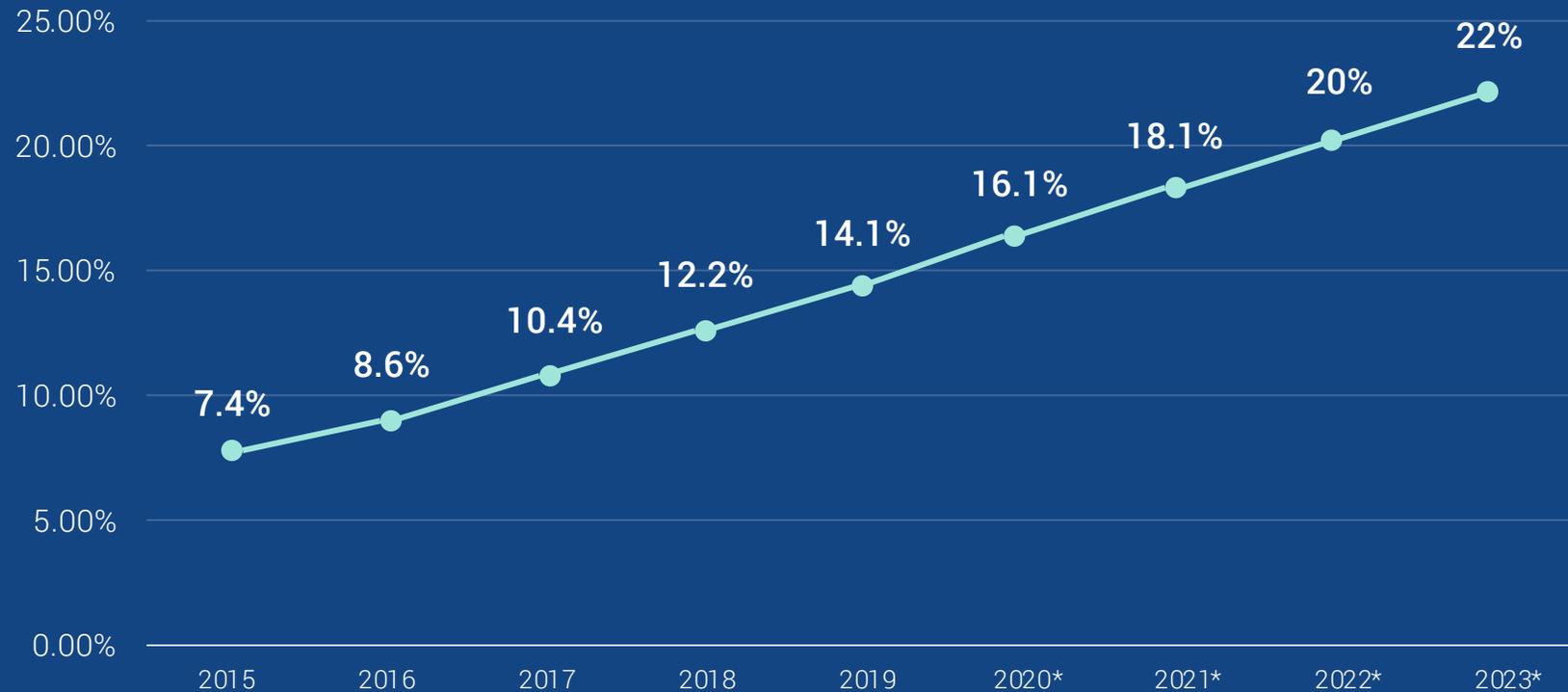
# World e-commerce market *is steaming ahead*

Retail e-commerce sales worldwide



# World e-commerce market *is steaming ahead*

E-commerce share of total global retail sales



# Ecommerce is entering *the fourth stage of development*



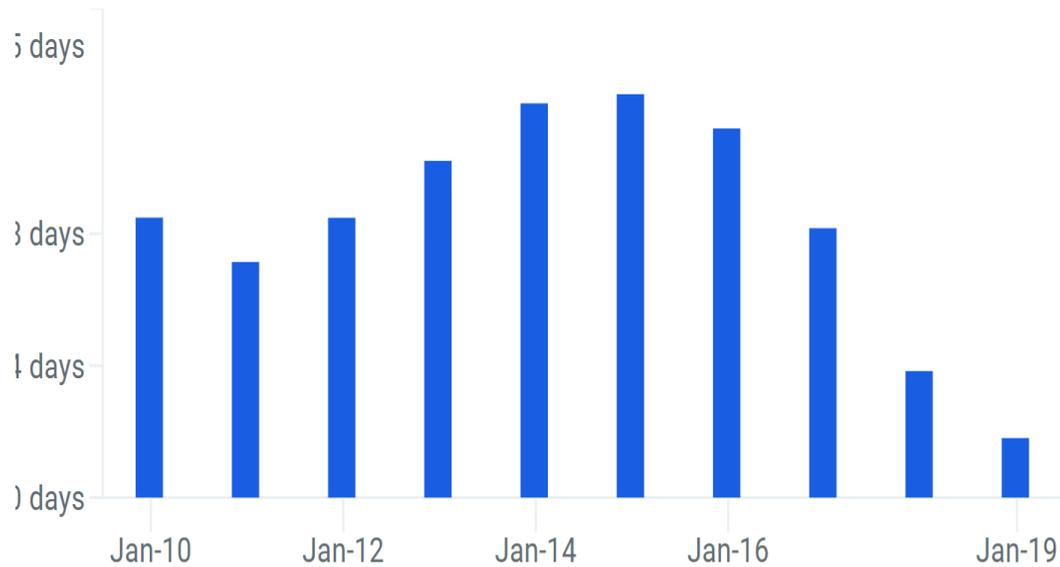
# Ecommerce is entering *the fourth stage of development*



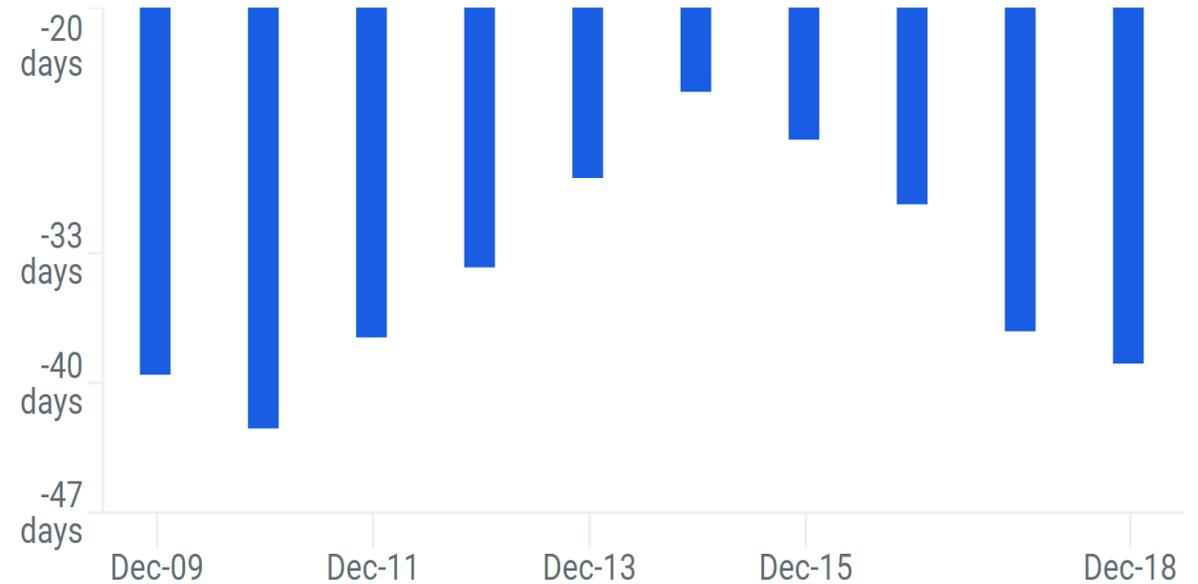
# Phase 1: Efficiency;

## *Cash Conversion Cycle*

The following section summarizes insights on Walmart Inc.'s Cash Conversion Cycle:

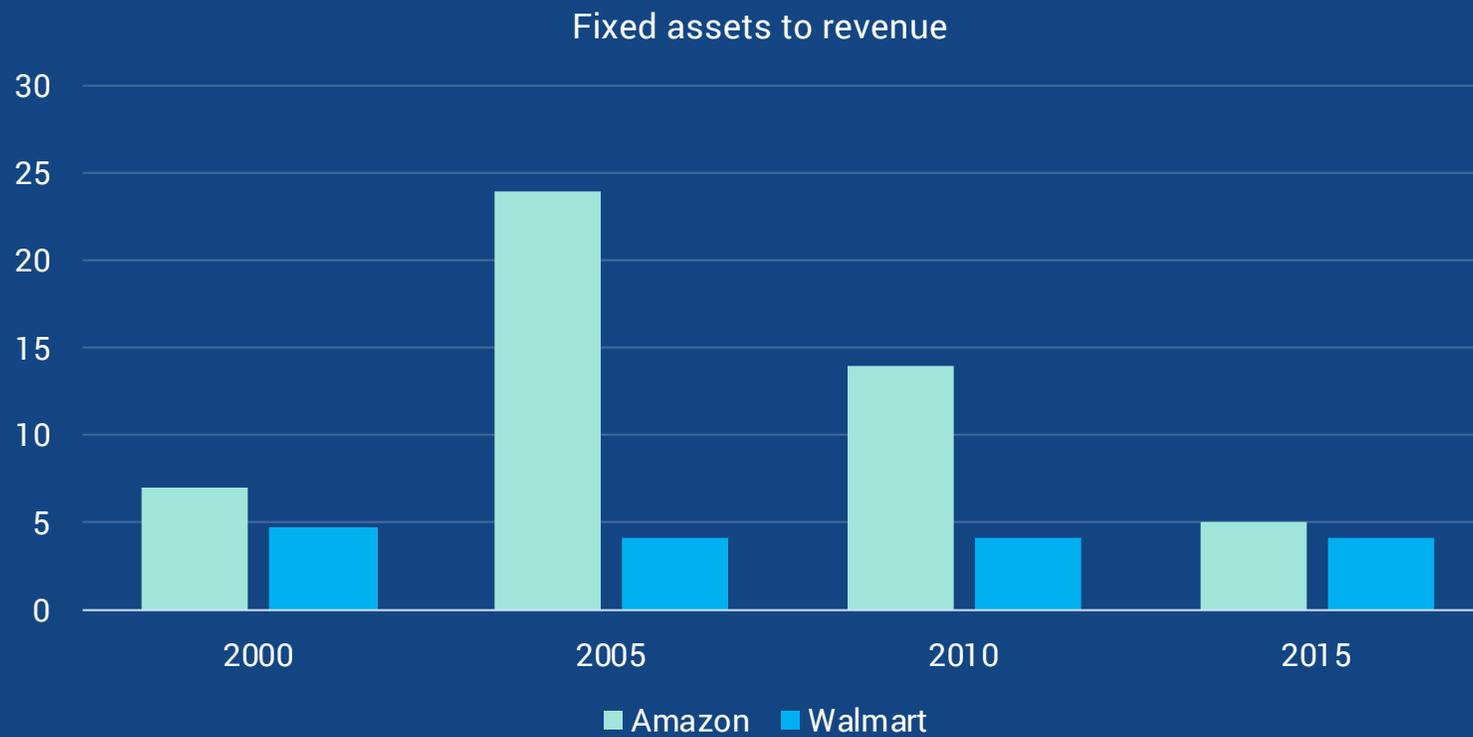


The following section summarizes insights on Amazon.com, Inc.'s Cash Conversion Cycle:



# Phase 1: Efficiency;

*Assets to revenue ratio, free cash flow*



# Phase 1: Efficiency;

*Variable cost significantly lower*

## Comparison Between Retail and E-commerce Cost Structures for a \$150 Apparel Piece



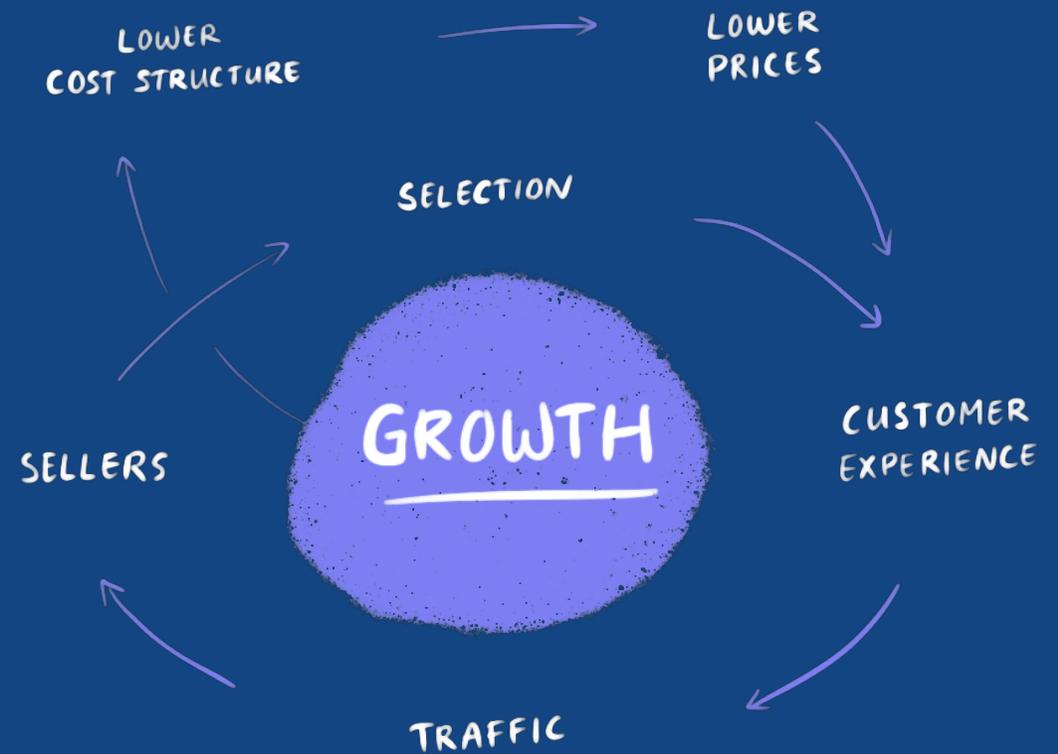
Comparison Between Retail and E-commerce Cost Structures for a \$150 Apparel Piece

*Source: Adapted from the Wall Street Journal and Onestop Internet Inc.*

# Ecommerce is entering *the fourth stage of development*



# Phase 2: Customer Experience; *The Amazon Flywheel*



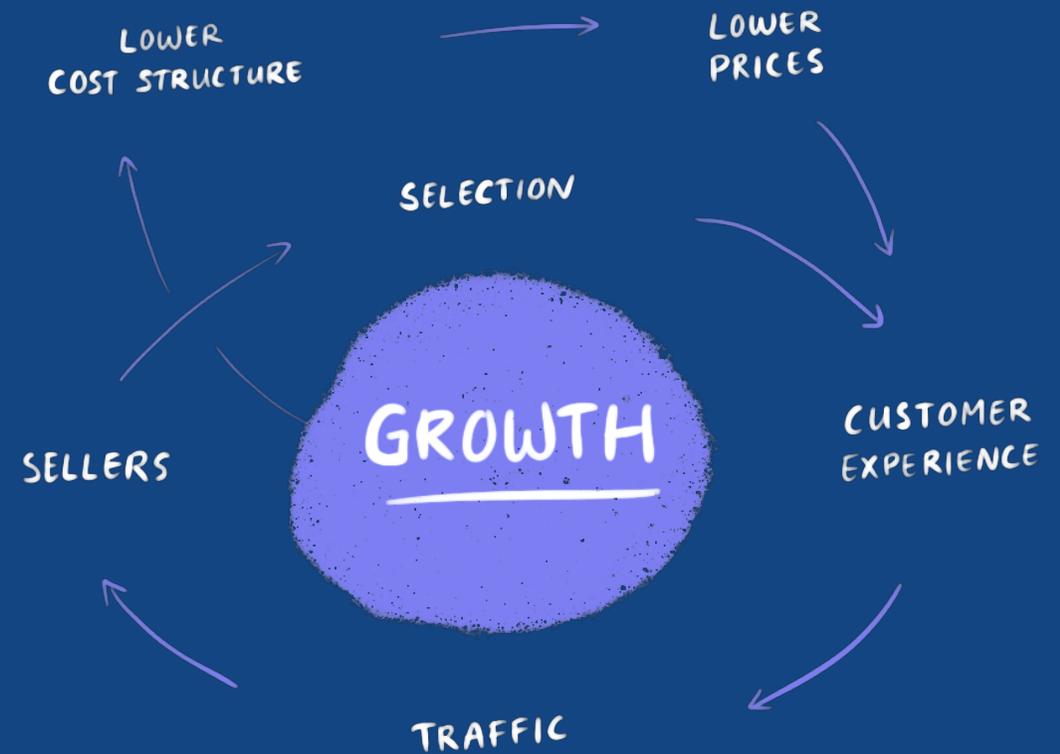
Selection Price Availability

Reviews

Personalization & Prime

Click to deliver time  
Fulfilment by Amazon

Customer service



# Phase 2: Amazon consistently

*consistently ahead of others (Q1 2018)*

	RETAILER	CSAT	NPS
1	AMAZON	83.6	46
2	BATH & BODY WORKS	82.9	39
3	COACH	82.8	39
4	VICTORIA'S SECRET	79.6	36
5	APPLE	81.1	36
6	NIKE	80.5	36
7	COSTCO	80.6	35
8	L.L. BEAN	80.5	35
9	SEPHORA	80.0	35
10	BJ'S WHOLESALE CLUB	80.8	34
11	HOMEGOODS	80.3	34
12	DISCOUNT TIRE	81.0	34



	RETAILER	CSAT	NPS
1	AMAZON	79.3	28
2	APPLE	72.9	12
3	MARKS & SPENCER	74.7	12
4	DEBENHAMS	75.7	8
5	WILKO	74.9	8
6	JOHN LEWIS	74.2	7
7	BURBERRY	72.4	6
8	B&Q	73.3	5
9	NEXT	73.4	5
10	BOOTS	73.2	2
11	HARRODS	72.5	1
12	CURRYS	71.8	0
13	SPORTS DIRECT	72.3	-2
14	DOROTHY PERKINS	71.5	-5
15	TOPSHOP	69.1	-7



	RETAILER	CSAT	NPS
1	AMAZON	79.2	26
2	DYNAMITE	72.5	12
3	CANADIAN TIRE	75.7	11
4	CHAPTERS/INDIGO	76.3	11
5	REITMANS	72.6	9
6	MARK'S	75.4	8
7	THE HOME DEPOT	75.3	8
8	BEST BUY	71.8	6
9	ROOTS	72.5	3
10	SHOPPERS DRUG MART	73.6	3
11	THE SOURCE	70.7	1
12	LOWE'S	71.7	-2
13	HUDSON'S BAY	70.6	-2
14	SPORT CHEK	72.4	-6
15	WALMART	70.0	-12



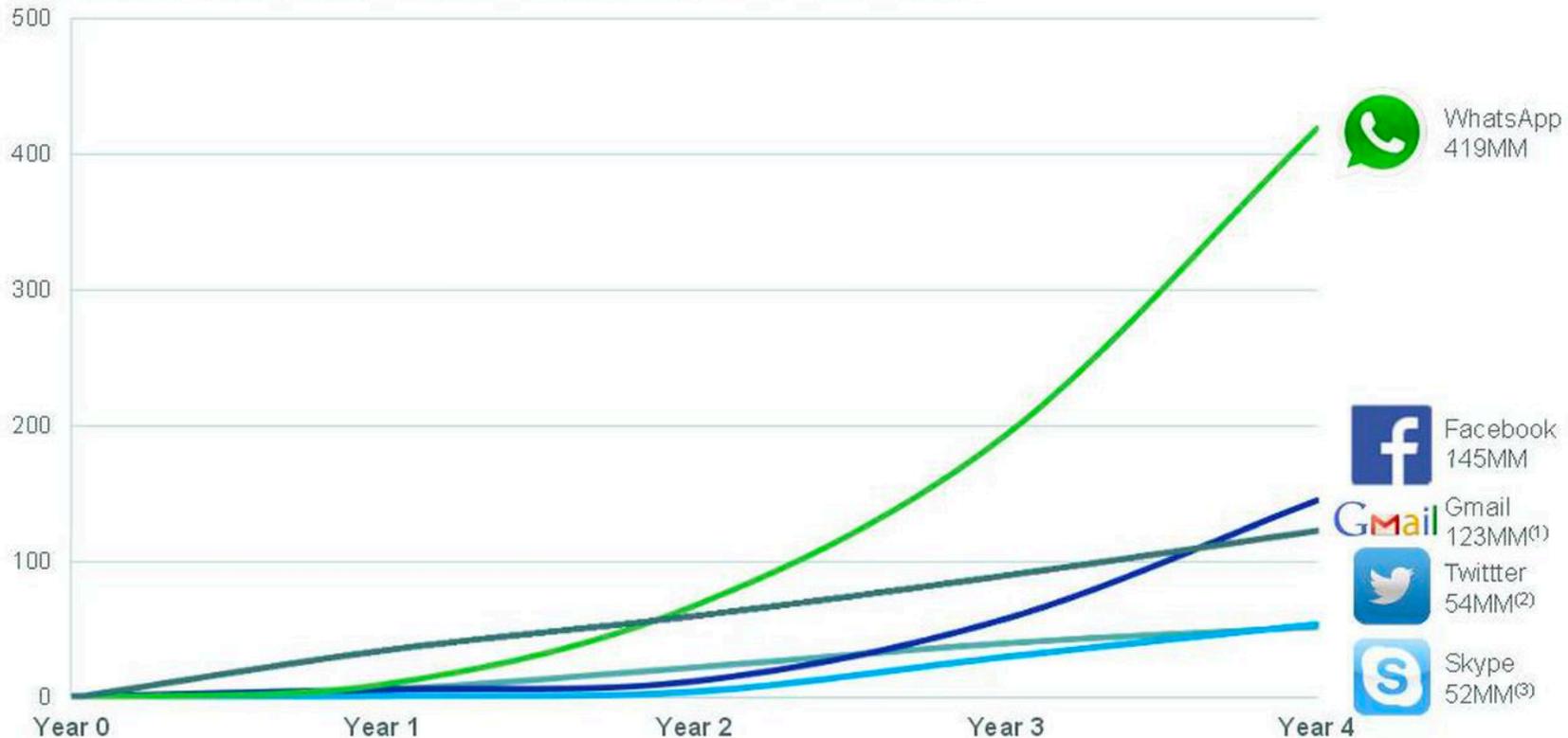
# **Ecommerce is entering** *the fourth stage of development*



# WhatsApp Extraordinary Growth in Users

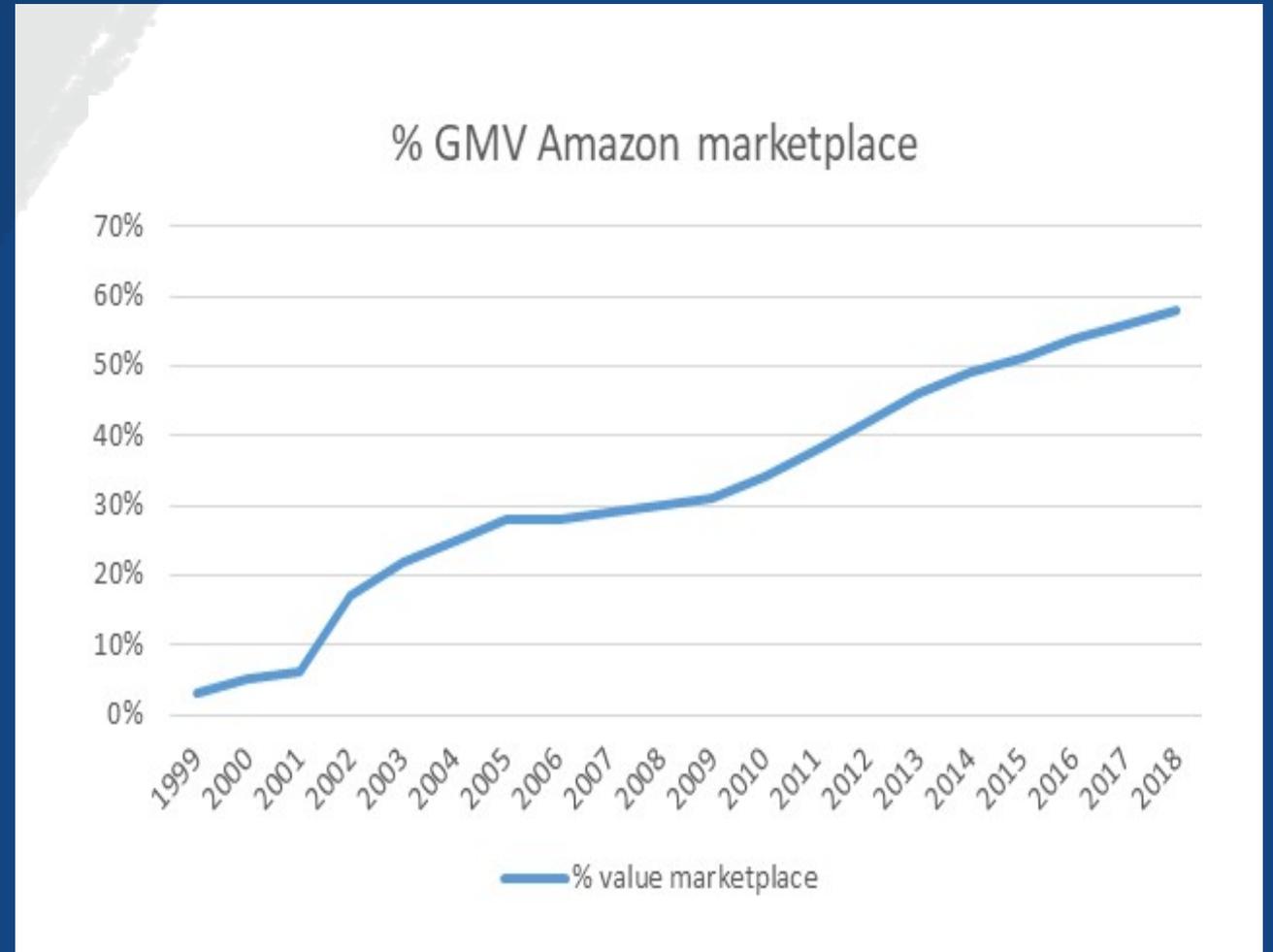
## First Four Years Growth after Launch

Monthly Active User Accounts of Selected Services that are 4+ Years Old, in Millions

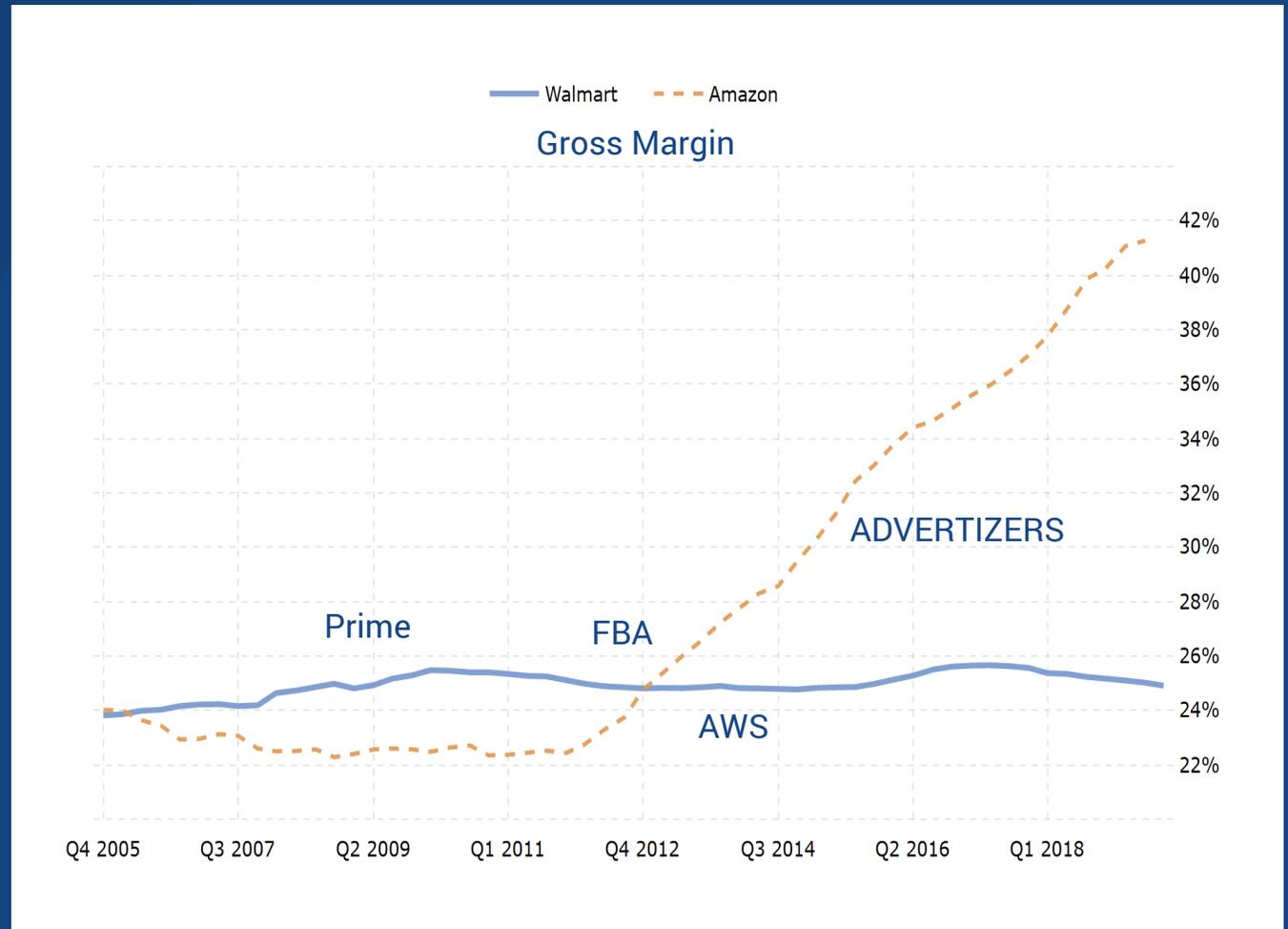


Source: (1) comScore Media Metrix  
(2) comScore Media Metrix, news, and company filings  
(3) News and company filings in addition to estimates derived from these sources

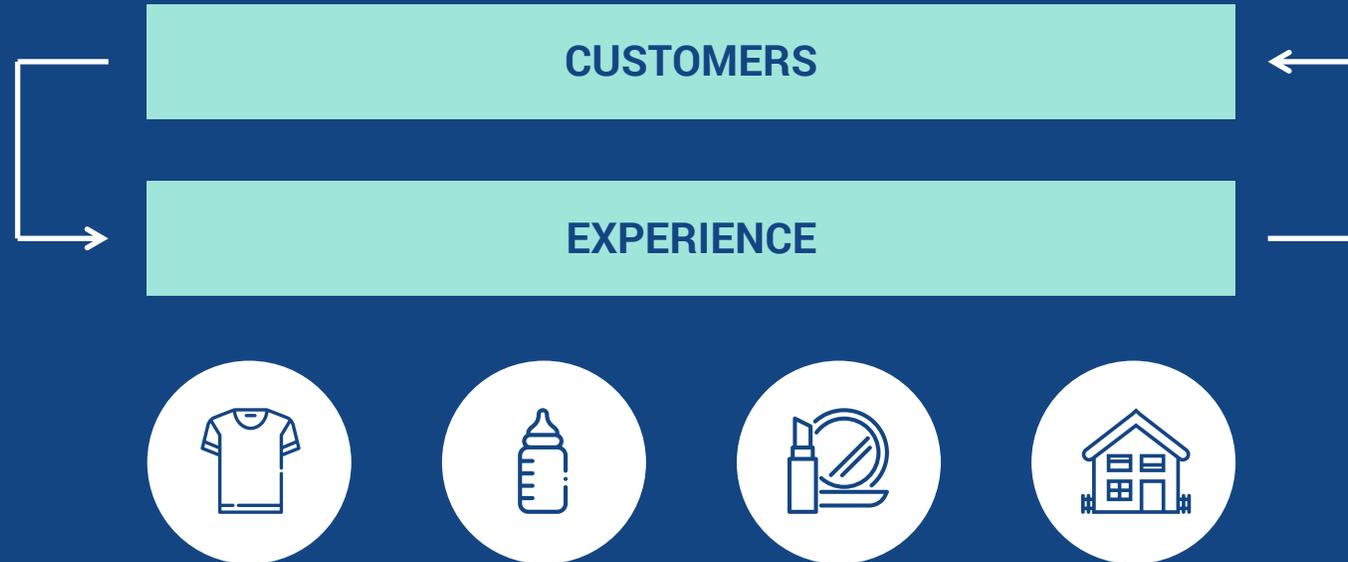
# Phase 3: The Network *Effect*



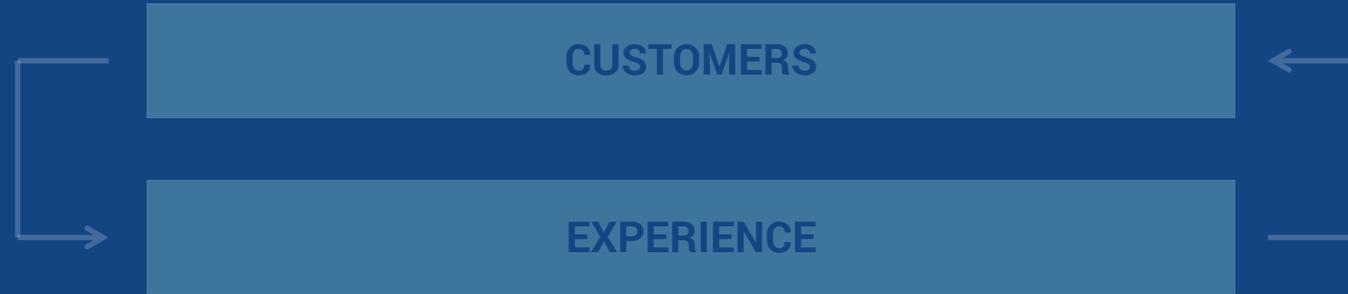
# Phase 3: The Network *Effect*



# Platforms applied *in Wehkamp*



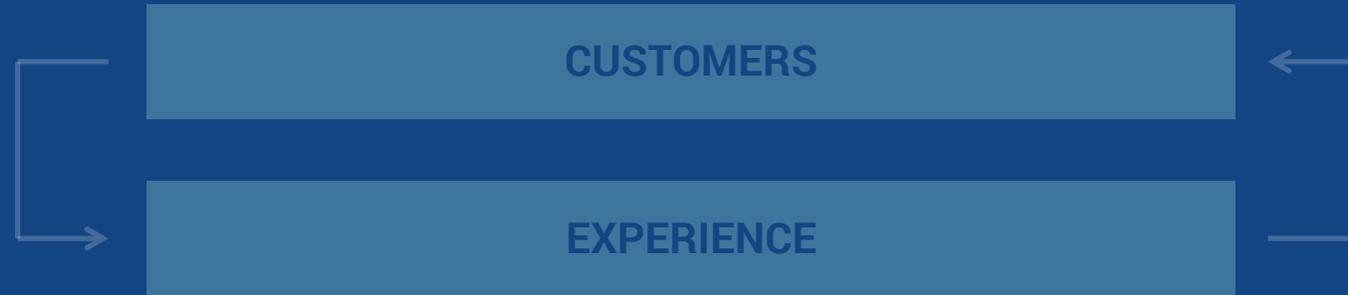
# Platforms applied *in Wehkamp*



Focus on  
destination  
categories



# Platforms applied *in Wehkamp*



Create  
partnerships  
in adjacent  
categories



ALLIANCES ECOSYSTEM

# Platforms applied *in Wehkamp*



# Platforms applied *in Wehkamp*



# **Ecommerce is entering** *the fourth stage of development*



# Phase 4: Omnichannel > *The big guys go "bricks"*



# Wehkamp

*Business Transformatie*

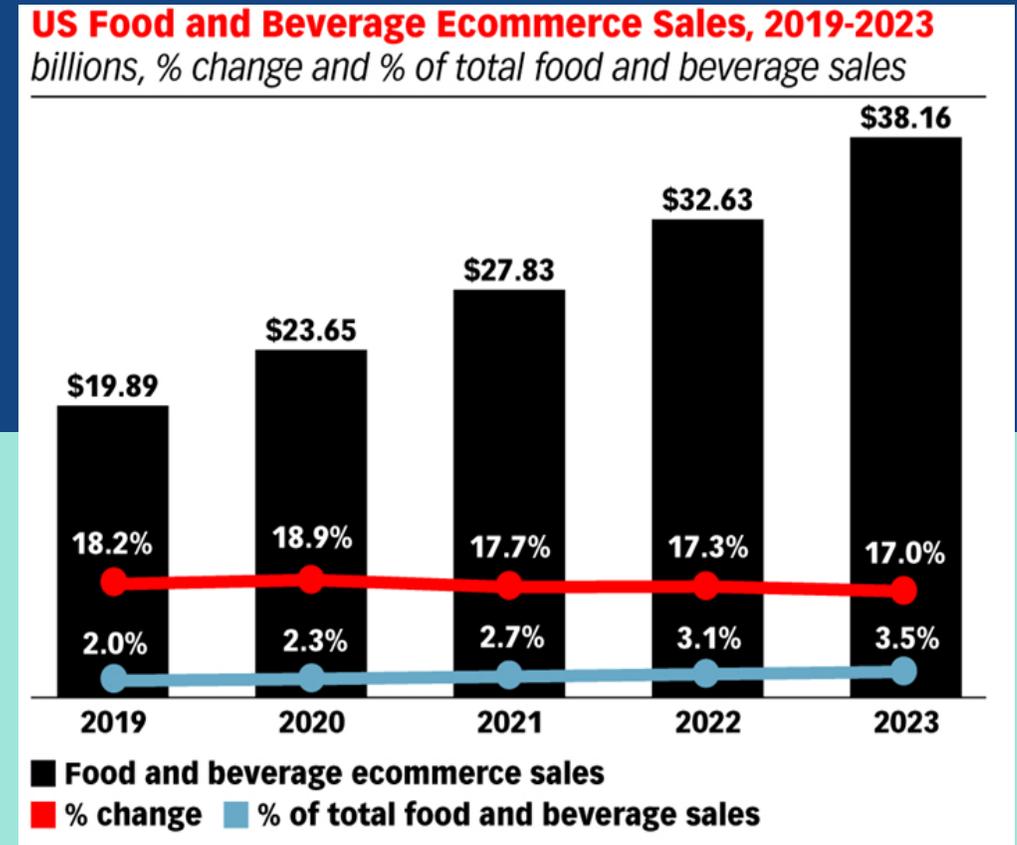
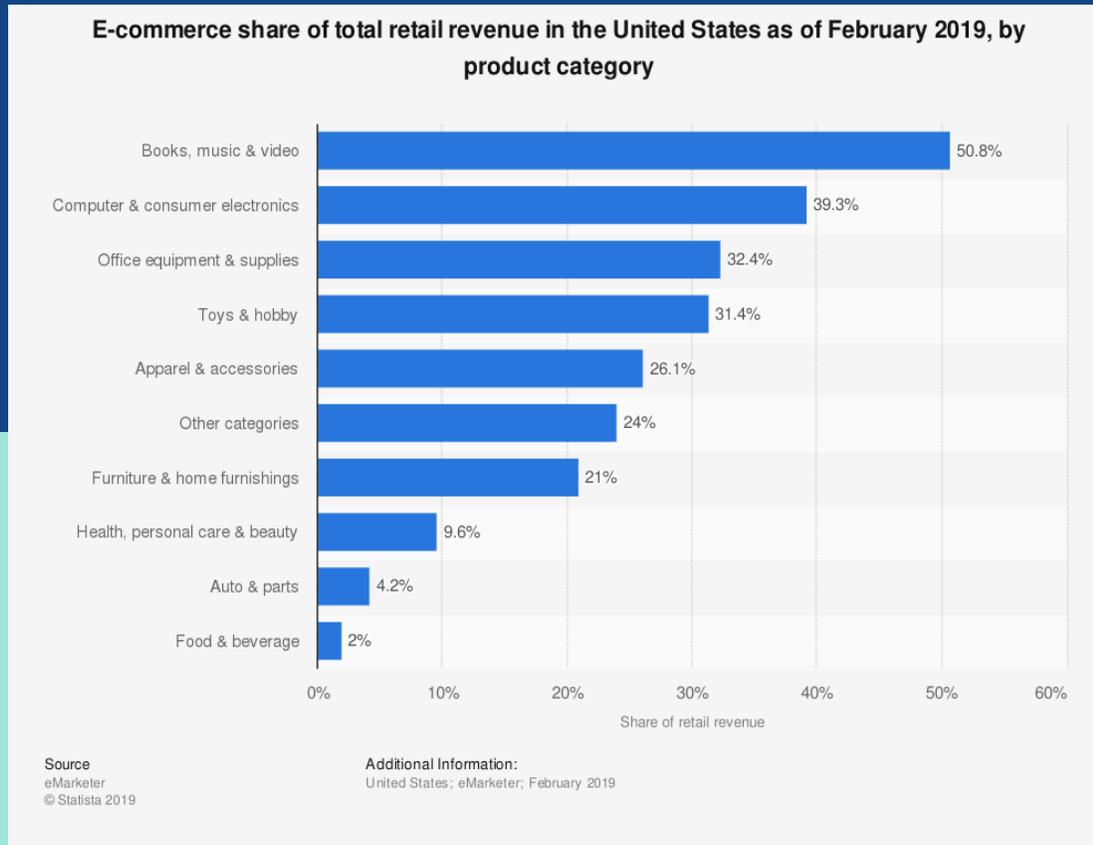
**01.** Phases of e-commerce

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# Phase IV; The big guys go 'Bricks'... *Why?*

Feeling, touching and seeing critical in selected categories



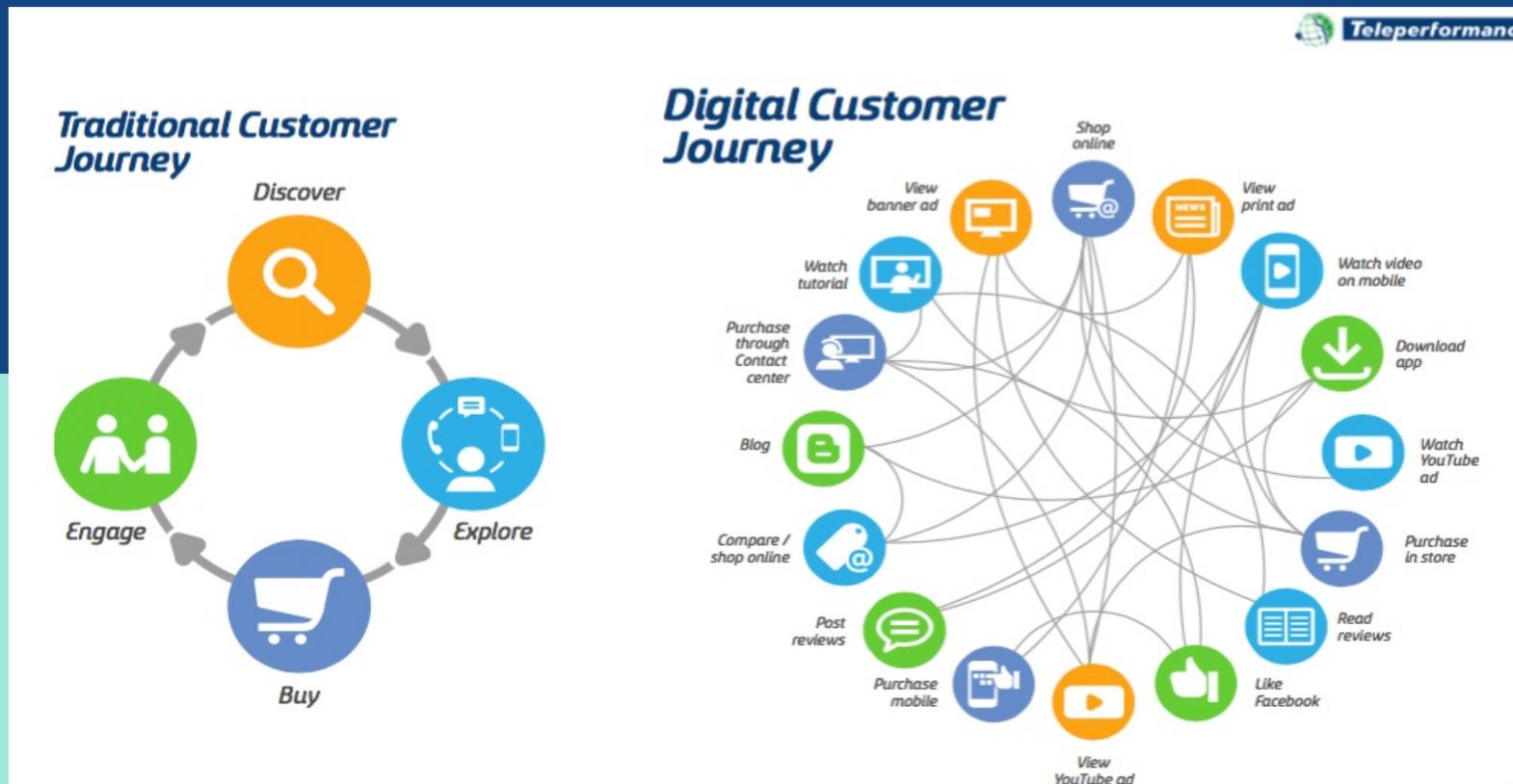
# Phase IV; The big guys go 'Bricks'... *Why?*

Omnichannel pick, pack and ship much lower cost in selected categories



# Phase IV; The big guys go 'Bricks'... *Why?*

Customer journey and channel are blended > Customer life time value is focus



# Phase IV; The big guys go 'Bricks'... *Why?*

They know how to drive customer experience... Stores are ready for disruption.

	RETAILER	CSAT	NPS		RETAILER	CSAT	NPS		RETAILER	CSAT	NPS
70	LORD & TAYLOR	74.6	13	81	PETSMART	75.7	11	92	BIG LOTS	73.5	7
71	JUSTICE	75.0	13	82	DICK'S SPORTING GOODS	74.3	11	93	CVS CAREMARK	74.7	6
72	ADVANCE AUTO PARTS	78.3	13	83	ZARA	72.7	11	94	STAPLES	74.7	4
73	RESTORATION HARDWARE	75.6	13	84	ASHLEY FURNITURE	73.7	10	95	PEP BOYS	73.0	3
74	TALBOTS	74.9	12	85	ANTHROPOLOGIE	72.0	10	96	OFFICE DEPOT	74.1	1
75	WALMART	75.1	12	86	FOREVER 21	72.8	8	97	MEN'S WEARHOUSE	73.5	0
76	ABERCROMBIE & FITCH	74.2	12	87	CHARLOTTE RUSSE	74.0	8	98	OVERSTOCK	70.6	-1
77	DOLLAR GENERAL	73.6	12	88	STEIN MART	74.0	8	99	URBAN OUTFITTERS	70.9	-4
78	RUE21	72.5	12	89	THE BUCKLE	72.2	8	100	SEARS	70.8	-5
79	J CREW	74.0	12	90	FOOT LOCKER	75.1	7				
80	HOT TOPIC	74.4	11	91	FRY'S ELECTRONICS	73.8	7				

**Wehkamp**

*Business Transformatie*

**01.** Phases of e-commerce

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# Omni-channel is in *an explosion of innovation*



# Boundaries between on and offline

*will largely disappear.*

## ONLINE

## IN-STORE

One on one relationship  
With customer

Personalization & Loyalty

Real time pricing

Reviews

Deliver to home or pick up

Reduce friction

Create one on one relationship with  
most customers

Personalized offers  
Reward loyalty programmatically

Communicate on point of sale  
( Electronic Shelf Labels )

Deliver to home or pick up  
( virtual assortment )

Auto-check out



Displaydata

# Using ESLs, *retailers can*

Deploy price and promos with speed,  
agility and consistency

Free associates to better serve  
customers

Optimize revenues and margins

Align omnichannel experiences

Improve the customer experience

# Business case, *by area*

## MARKETING

Improve the store environment, launch price and promos with agility, connect with customers in new and engaging ways

## GROW SALES AND PROTECT MARGIN

Dynamic pricing strategies, react instantly to match or beat competitor offers and promos

## OPERATIONS

Reduce costs – not only labels changes, but time consuming processes to free staff to better serve the customer

## SIMPLE IT INFRASTRUCTURE

Light infrastructure and centrally managed solution

# Our solutions deliver *rapid ROI*

A Displaydata grocery customer  
with over 800 stores



# Our solutions deliver *rapid ROI*

ROI payback in less than 16 months with:

Over

**170%**

ROI within **2 years**

Over

**400%**

ROI within **5 years**

Savings come from not having to manually amend incorrect labels (750 incidents per week):

Saving

**360,000**

**hours**

**\$4,400,000**

Per annum

# Technology is not the problem

*In most companies culture is.*

## How we stay ahead



.....embrace our customer



.....transparent in everything



.....think big, start small



.....data x vision = insight



.....make choices

1

2

3

4

5

## How we bring our best self

feel involved.....



join forces.....



make the difference.....



continue to grow.....



have fun.....



# Resumed

- 01.** E-commerce is going into it's fourth phase > Omnichannel
- 02.** Pure-players are creating better customer experiences than bricks retailer
- 03.** Boundaries between on and off line will disappear
- 04.** This is based on 1 on 1 relationships with customer
- 05.** Companies **MUST** be data driven and on the learning curve for AI
- 06.** Technology is a commodity
- 07.** Radical cultural change is needed in most companies