

MARK SPELEERS

Vice President Auto-Mobility Sector,
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Automotive e-Commerce





AUTOMOTIVE E-COMMERCE

GEAR UP FOR THE DIGITAL ERA OF AUTOMOTIVE



SECTION

1	INTRODUCTION TO E-COMMERCE	What is e-commerce? definitions, market potential, players, value chain
2	E-COMMERCE OPPORTUNITIES IN THE AUTOMOTIVE SECTOR	Where does it fit into Auto sector? consumers, impact areas, sub-sectors
3	DP-DHL E-COMMERCE LOGISTICS	What can we offer? Current capabilities in Subsahara-Africa

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E-COMMERCE

EVOLUTION OF CONSUMER BEHAVIOR



E-COMMERCE

UNDERSTANDING THE BUZZ WORD

“E-COMMERCE IS AN ELECTRONIC
ONLINE TRANSACTION EXECUTED
BY A CONSUMER.”



ANYONE

anonymous
customer

no exclusivity,
no market boundaries



ANYWHERE

no physical
point of sales

self-determined
point of delivery



ANYTIME

uncertain time of
purchasing

certain time of
delivery

E-COMMERCE

HOW BIG OF A DEAL IS IT?

16
billion
devices online
right now

4.1
trillion US\$
estimated global
sales by 2020

1.0
trillion US\$
estimated cross-border
e-commerce sales by 2020

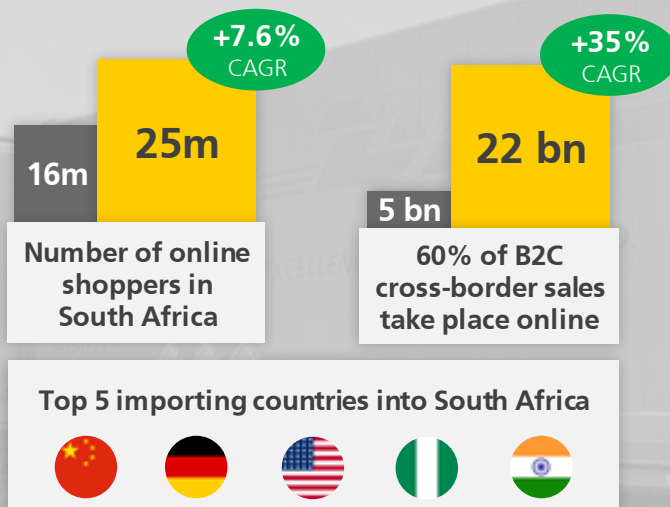
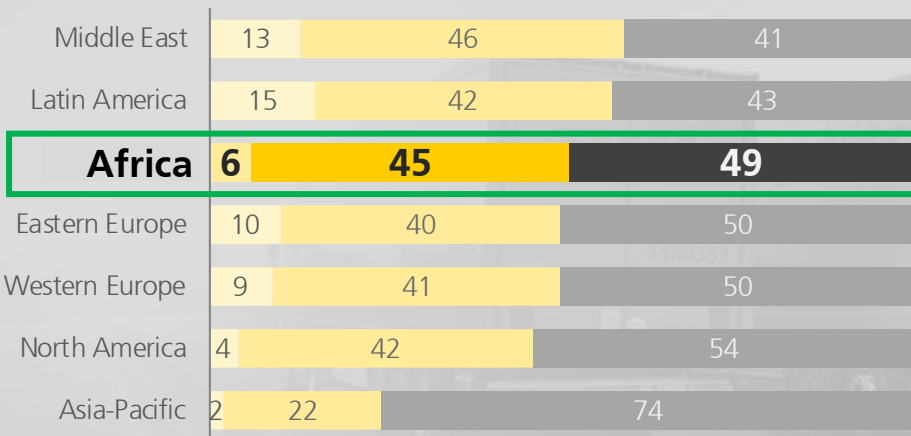
China & USA
account for
60%
today

in 2015,
that figure
was
300 billion
US\$

E-COMMERCE

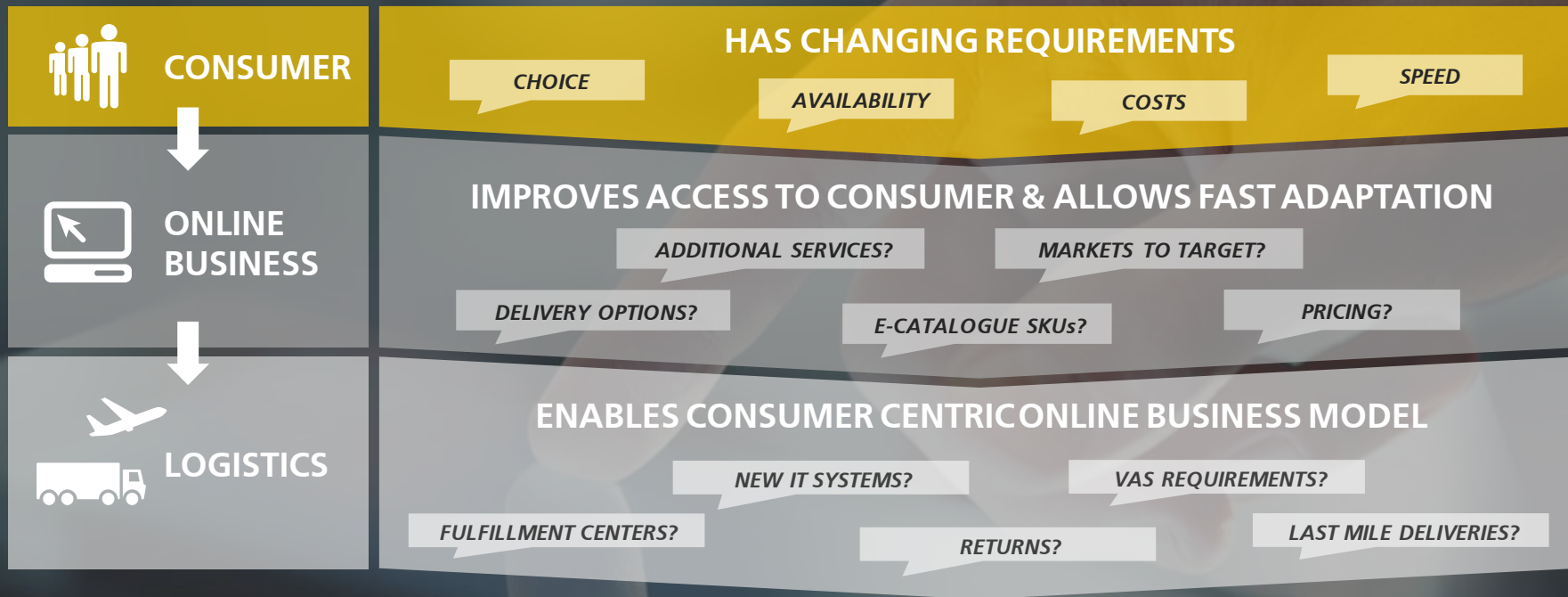
CROSS-BORDER SALES MIDDLE EAST & AFRICA 2014-2019

■ % shop cross-border only ■ % shop cross-border+domestic ■ % shop domestic only



E-COMMERCE

CONSUMER DRIVEN AND RESPONSIVE VALUE CHAIN



AUTOMOTIVE E-COMMERCE

A GROWING BUSINESS OPPORTUNITY

“ E-COMMERCE IS A TREMENDOUS DRIVER FOR CHANGE. AND I BELIEVE WE ARE STILL AT THE BEGINNING OF THE JOURNEY, BECAUSE THE B2B WORLD HAS NOT EVEN DISCOVERED E-COMMERCE IN THE SAME WAY AS PRIVATE CONSUMERS HAVE DONE. ”

Frank Appel

Chief Executive Officer, Deutsche Post DHL Group



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AUTOMOTIVE E-COMMERCE

WHO ARE THE AUTO E-COMMERCE CONSUMERS?



Do-It-Yourself Consumer

Experienced Enthusiast
Multi-channel user
High personal involvement
B2C



Do-It-For-Me Consumer

Average Joe
Convenience-seeking
Low involvement
B2C2B / B2B2C



Businesses

Workshops
Mobile installers
Dealers (incl. Third party)
B2B

**PRICE, CONVENIENCE,
AVAILABILITY AND A WIDE
PRODUCT RANGE ARE THE
MOST CRITICAL REASONS
TO BUY ONLINE**

AUTOMOTIVE E-COMMERCE

WHY DO AUTOMOTIVE COMPANIES SELL ONLINE ?



KEEP UP WITH TREND

ACCESS TO CONSUMER DATA

IMPROVING CONTACT TO CONSUMER

GAINING MARKET SHARES

CUTTING OUT INTERMEDIARIES (PROFIT MARGINS)

CONTROLLING THE BRAND

AUTOMOTIVE E-COMMERCE

IDENTIFYING AUTO E-COMMERCE IMPACT AREAS

PRESENT

1 AFTERMARKET PARTS & ACCESSOIRES

2 TIRES, RIMS & WHEELS

3 NEW & USED VEHICLES

4 MARKETING MATERIAL & MERCHANDISE

TRADITIONAL BUSINESSES GOING ONLINE

NEAR FUTURE

5 USED / SHARED COMMERCIAL VEHICLES

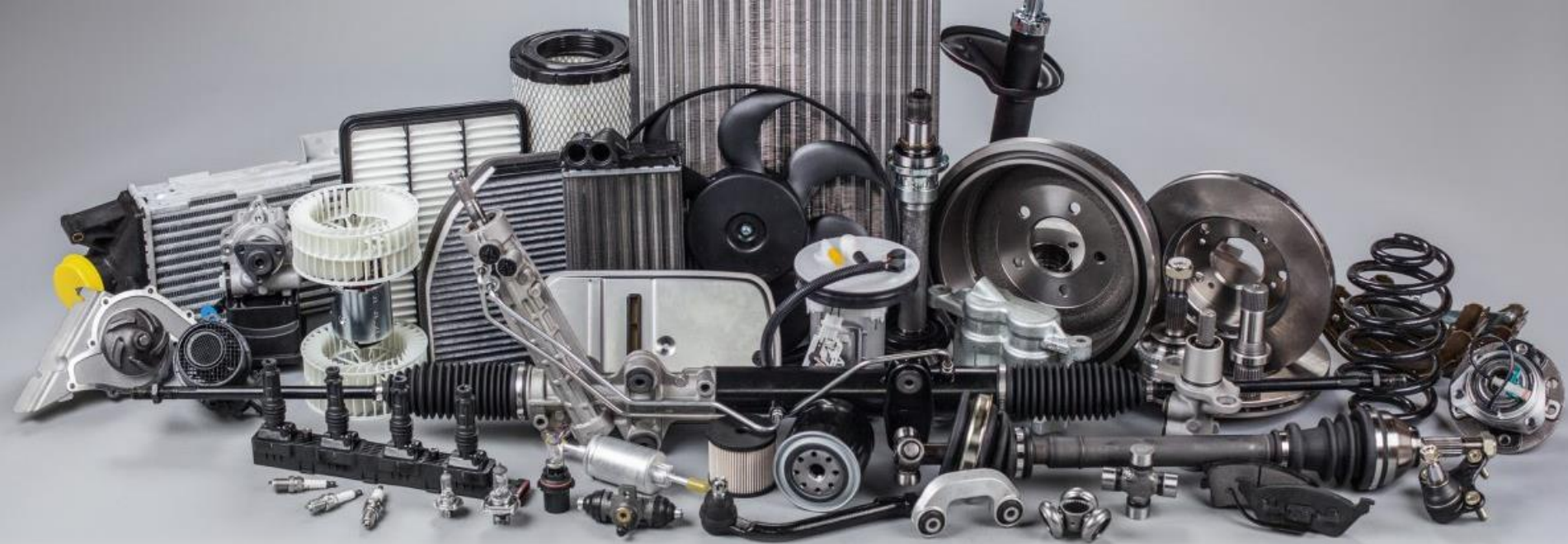
6 EMERGENCY SERVICES & REPAIR

7 VEHICLE AS P.O.S. & P.O.D.

8 MOBILITY, INSURANCE & FLEETS

9 CONNECTIVITY & SELF-DIAGNOSIS

NEW BUSINESS MODELS TO BE ESTABLISHED

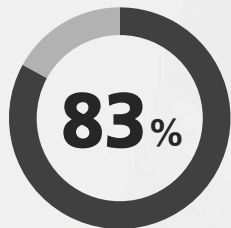


AFTERMARKET

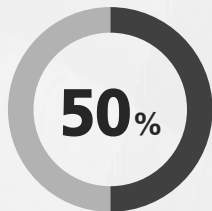
PARTS | TIRES | ACCESSORIES

ONLINE TIRE SALES

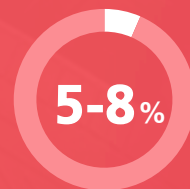
CONVERSION RATE & MARKET POTENTIAL OF ONLINE TIRE SALES



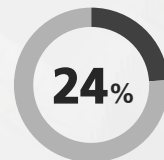
RESEARCH TIRES
ONLINE BEFORE
ENTERING A
DEALERSHIP



SEARCH FOR
WORKSHOPS &
INSTALLERS
ONLINE



OF TIRES ARE
SOLD ONLINE
TODAY



OF TIRES
WILL BE SOLD
ONLINE BY 2023

ONLINE BRAND COMMUNICATION

ACCESSORIES, MERCHANDISE & MARKETING MATERIAL

- » **MARKETING MATERIAL & SALES DOCUMENTS**
- » **ACCESSORIES NOT CRITICAL FOR VEHICLE OPERATION (ROOFRACKS, BABYSEATS, ...)**
- » **LIFESTYLE ACCESSORIES (CAPS, JACKETS, HELMETS, ...)**

CORE LOGISTICS ACTIVITIES

TEXTILE FINISHING	PACKAGING
QUALITY INSPECTION	WAREHOUSE OPERATIONS
DISTRIBUTION	CUSTOMER SERVICE
PAYMENT SERVICES	RETURNS MANAGEMENT



FINISHED VEHICLES

NEW CARS | USED CARS | COMMERCIAL VEHICLES

AUTOMOTIVE E-COMMERCE

ONLINE CAR SALES GAINING MOMENTUM

“ WE EXPECT 25% OF OUR NEW
AND USED CAR SALES WILL
HAPPEN ONLINE BY 2022. ”

Britta Seeger

Daimler Board Member - Mercedes-Benz Cars Marketing & Sales



FINISHED VEHICLES

HEADING TOWARDS A SEAMLESS DIGITAL OFFERING

CURRENT DIGITAL PURCHASING PROCESS

- 7 HANDOVER KEYS
- 6 NEGOTIATION & PAYMENT
- OFFLINE** 5 VISIT DEALERSHIP WITH CONFIGURATION
- ONLINE** 4 CHOOSE FINANCING / LEASING OPTION
- 3 BOOK TEST DRIVE
- 2 CONFIGURATION
- 1 RESEARCH & COMPARISON

FUTURE DIGITAL PURCHASING PROCESS

- ONLINE** 7 TRACKING VEHICLE HOME DELIVERY
- 6 E-PAYMENT
- 5 E-SIGNATURE & CONTRACT CLOSING
- 4 CHOOSE FINANCING / LEASING OPTION
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DEUTSCHE POST DHL

WHERE DO WE STAND ON E-COMMERCE?

2015

E-COMMERCE AS A
STRATEGIC PRIORITY FOR DHL

DHL strategy 2020 is introduced
and aims at becoming the global
leader in e-commerce related
logistics

2016

E-COMMERCE CAPABILITIES
ARE EXPANDED

Significant investments
accelerate into group capabilities
across key divisions

2017+

COMPANY EXPANDS GO
TO MARKET APPROACH

E-commerce business
development focus increases
across all group sectors
supported by training

DHL Capabilities and set-up has **evolved to facilitate the sales of e-commerce related logistics**. It is now **up to us** to drive the **design and promotion of e-commerce within the Automotive sector**

DEUTSCHE POST DHL

CAPABILITY HIGHLIGHTS FOR E-COMMERCE VALUE CHAINS

E-FACILITATION

Front-End



DHL partners with webstore developers and has its **own marketplace**.

TRANSPORT

Inbound Freight



E-Fulfillment options can be fully transactional ("pay as you use") to test e-commerce in new markets. **Value added services** to complement the offering.

E-FULFILLMENT

Fulfillment & Warehousing



CROSS-BORDER TRANSPORT

International Linehaul



International transportation with enabled visibility, as well as **customs clearance** and related **consultancy** to support the offering.

Customs Clearance



LAST MILE & RETURNS

Last Mile



Returns



Various **last mile** and **return options** to balance speed and costs to optimize the consumer experience.

DHL EXPRESS – SSA

DELIVERING ON YOUR E-COMMERCE EXPECTATIONS

95% Transit Performance

92% Pre noon city delivery

QCC Quality Control Center

30 TAPA certified facilities in 19 countries

65% Cleared on arrival

56 Million Tonnes

>80% Pick Up within 60 minutes of booking

**1 hub
and 50+
gateways
in SSA**



DHL EXPRESS – SSA

ON DEMAND DELIVERY (ODD)

- » Receiver chooses when and where DHL delivers
- » Added-value inbound service at no additional cost to shippers
- » Self-service delivery and re-delivery platform
- » More countries covered than any international express company, supporting 45 languages





THANK YOU!

GEAR UP FOR THE DIGITAL ERA OF AUTOMOTIVE

